

**Stock Code: 6138**



# **Anpec Electronics Corporation**

**2024**

## **Annual Report**

**Printed on March 31, 2025**

**This Annual Report is available at:  
<https://mops.twse.com.tw/mops/web/index>**

-----Disclaimer-----

This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese original and this translation, the Chinese version shall prevail.

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**V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry:**

Not applicable.

**VI. Website: <https://www.anpec.com.tw>**

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## Chapter 1 Letter to Shareholders

Anpec Electronics Co. focuses on developing high-end products and advanced technologies such as mixed signal power products and sensors, with the mission of enhancing the domestic industrial ecosystem. The Company engages in the design, testing, production, and marketing of mixed-signal power IC and sensors. There are five major product lines at Anpec Electronics, including Power Management, Motor Driver, LED Driver, Audio, and Discrete Power Device. The Company's business results and plan are detailed as follows:

### **Implementation of Business Plan**

#### I. Implementation Results

Initially starting off as a producer of analog IC, Anpec Electronics has developed into a supplier of mixed-signal power IC and sensor IC today. The Company's main focus of technology development revolves around highly integrated, high performance, high power, and customized IC. After years of development, our clients are primarily top-tier brands in various fields of application. Anpec Electronics has witnessed a gradual shift in the fields of application from consumer products in the past to more demanding applications such as servers, storage systems, computer memory, communications equipment, industrial control, enterprise equipment, and in-vehicle applications. In 2024, the Company posted a consolidated net revenue of NT\$6,089.5 million and a net profit after tax of NT\$846.47 million, a 12.4% increase and a 43.2% increase from 2023, together with an EPS after tax of NT\$9.89.

#### II. Budget Implementation

This section is not applicable as the Company has not compiled financial projections for 2024.

#### III. Revenue, Expenditure, and Profitability analysis

##### (I) Revenue and Expenditure:

Unit: NT\$ thousands

Item	2024	2023
Net operating revenue	6,089,504	5,416,250
Operating costs	3,925,234	3,667,077
Gross profit	2,164,270	1,749,173
Operating expenses	1,261,943	1,078,677
Operating income	902,327	670,496
Non-operating income and expenses	139,224	48,200
Net profit before tax	1,041,551	718,696

(II) Profitability Analysis:

Item		2024	2023
Return on total assets (%)		14.10	9.90
Return on equity (%)		19.72	14.47
Proportion to paid-in capital (%)	Operating income	120.07	89.82
	Profit before tax	138.59	96.28
Net profit margin (%)		13.90	10.91
Basic earnings per share (NT\$)		9.89	7.00

IV. Research and Development

The Company's research and development areas focus on Power Management, Motor Driver and Control, LED Driver, Audio Amplifier, Discrete Power Devices, and integrated driver IC products. With research and development (R&D) and product strategies that are technology-based, driven by customer demand, and aimed at high-quality growth, the Company continues to move towards higher-end technology and advanced applications.

- (I) Power Management: With the advancement of AI, the industry's demand for high-performance servers continues to rise. Enhancing server performance requires power architectures with higher current density. In recent years, the Company has developed a series of point-of-load (PoL) and protection IC products, which are expected to be sampled by customers and undergo validation this year. The Company will continue investing resources in developing next-generation high-voltage, high-efficiency architectures. For NB/PC solutions, the Company has completed mainstream charging and protection solutions and submitted samples for testing. With the introduction of the new Type-C PD protocol, some customers have begun evaluating higher-power solutions. In response to next-generation demands, the Company will continue developing relevant charging and protection ICs while advancing new products for emerging specifications. In memory modules, DDR5 penetration in the PC/NB market has gradually increased in 2024. The Company has been allocating R&D resources to develop next-generation power solutions for memory modules, expecting to complete development and submit samples to customers this year. For storage applications, the Company has developed power management ICs (PMIC) and multiplexer product lines to meet the growing demand for increased storage capacity among enterprise customers.
- (II) Motor Driver and Control: Motor driver ICs have entered the era of digital control. The Company collaborates with various IT brands to develop multifunctional cooling fan solutions to enhance heat dissipation efficiency during system-on-chip (SoC) computation while achieving energy savings and high efficiency. In server applications, as AI advances, cooling methods have evolved from air cooling to liquid cooling to improve system computational stability, reduce power loss, and extend system lifespan. The Company continues to develop digital high-power driving ICs to assist server clients in addressing high-temperature cooling requirements, while also simplifying the design of cooling systems. Similar solutions are also applied in other fields. For example, next-

generation gaming consoles require high-speed computing, necessitating advanced thermal management. Digital control driver technology enhances cooling efficiency while maintaining low-noise operation and compliance with global energy consumption regulations. In the field of in-vehicle driver ICs, the Company has invested significant resources to become the first domestic supplier with a complete series of automotive-grade certifications and has already achieved stable market shipments. As the electric vehicle (EV) market share continues to expand, the Company aims to further increase its market penetration. Overall, digital driver solutions are gradually being adopted across industries, effectively addressing customization and mass production challenges. The Company expects its application domains to expand progressively, driving growth in both market share and solution coverage.

- (III) LED Driver: With the expansion of miniLED TVs, the adoption of local dimming technology has increased significantly. The Company is collaborating with top-tier brands to develop next-generation LED local dimming solutions, providing more comprehensive and competitive solutions to meet the next-generation demand for high-contrast, precision display technology. Additionally, by reducing system production costs, the Company aims to enhance the market penetration of local dimming backlight technology. In the field of in-vehicle applications, customers have gradually entered the testing phase, and the Company anticipates achieving promising results in this market.
- (IV) Audio Amplifier: In the field of audio technology, the Company's main application market is in televisions and displays. The Company will continue collaborating with brand customers to develop customized high-power, low-noise audio solutions to enhance system audio performance.
- (V) Discrete Power Devices and Integrated Driver IC Products: In addition to continuously expanding our main revenue from major computer-related applications at present, power supplies, power batteries, motor applications, and industrial control/in-vehicle applications are the key categories of applications from which we intend to increase our revenue. Aside from investing engineering resources into the expansion of production capacity, we are also stepping up efforts to develop new product and technology platforms. We need to continuously advance the wafer and assembly technology through the integration of our own resources and those of our manufacturing partners in response to new technology trends, such as 5G, AIoT, and industrial/in-vehicle applications. Our efforts in the development of new medium- and high-voltage technologies, the optimization of low voltage technologies, and flip-chip packaging have also borne fruits as they are required for new products/applications. In addition to promoting new products for next-generation low-voltage platforms, the Company will also strengthen the promotion of integrated driver ICs, particularly DrMOS. The R&D investment of power device components such as SiC and GaN is an indispensable project for product development at the Company, while the continuous expansion of R&D resources is the direction we have been unremittingly working towards.

As the Company expands its business into key components and high-value application fields, customer requirements for product specifications have become increasingly complex, leading

to a rise in new product projects and customized demands. To meet these diverse customer needs, the Company is actively strengthening its R&D and engineering capabilities. Additionally, the Company is continuously optimizing its IP database and refining design and engineering processes to enhance the efficiency and speed of new product development. At the same time, the Company is aggressively recruiting talent and expanding its R&D team to maintain its industry-leading position in technology and product development. Furthermore, by optimizing team composition, improving cross-departmental collaboration efficiency, and enhancing talent training programs, the Company is committed to increasing the effectiveness and capacity of its R&D team. The Company continues to invest significant resources in R&D innovation to adapt to rapid market changes and solidify its competitive advantage in the industry.

Furthermore, to support the expansion of new product lines and application areas while accelerating technological innovation, the Company will adopt a multi-faceted R&D strategy. The Company continues to deepen collaborations with academic and research institutions, leveraging industry-academia partnerships and technology transfers to jointly develop key core technologies and rapidly translate academic research into industrial value. Additionally, the Company will actively identify and invest in promising external R&D teams, integrating resources and sharing technologies to accelerate new product development and shorten time-to-market. In response to the increasing demand for customization and the challenges of emerging application fields, the Company will continue to expand its R&D capacity and strengthen its presence in advanced technology domains. Through these strategies, the Company aims to establish a solid technological foundation, develop market-competitive products, and drive new growth momentum for future development.

## **Overview of Business Plan**

### **I. Business Policy**

- (I) The Company focuses on developing high-end products and advanced technologies such as mixed signal power products and sensors, with the mission of enhancing the local industrial ecosystem. The Company engages in the design, testing, production, and marketing of mixed-signal power IC and sensors. There are five major product lines at Anpec Electronics, including Power Management, Motor Driver, LED Driver, Audio, and Discrete Power Device.
- (II) Adhering to our management philosophy of being Authentic, Novel, Passion, Execution and Customer-oriented, we provide clients with diverse products and complete after-sales services.
- (III) Apart from providing customers with complete solutions based on our core philosophy of creating value and leading the market on an ongoing basis, we also focus on offering the highest performance and customized products in the industry while helping our clients increase the added value of their end products and leading the market, with the goal of becoming a top-tier chip supplier in the global market.

### **II. Expected Sales Volume and Its Basis**

This section is not applicable as the Company has not compiled financial projections for 2025.

### **III. Important Production and Sales Policy**

Although the market in 2024 emerged from the impact of the pandemic, end-user demand remains weak, and the expected peak seasons have not materialized, resulting in relatively balanced revenue distribution between the first and second halves of the year. Overall, market demand remained sluggish, and product prices continued to face pressure. The Company has actively managed internal and external inventory levels and procurement costs while

continuously promoting new products in the market. This strategy has led to an increase in design wins and a gradual rise in the revenue contribution of new products. Thanks to the team's efforts, the Company achieved the second-highest individual revenue in its history in 2024, with consolidated revenue reaching the third-highest level; annual gross margin and EPS ranked third in the company's history; excluding the pandemic period, these metrics would have reached record highs.

In terms of production, the Company will maintain inventory at a healthy level in 2025, ensuring precise coordination between production and sales while keeping inventory levels under control. At the same time, the Company will retain flexible stock preparations to adapt to dynamic fluctuations in customer mass production needs. Additionally, the Company will develop more competitive packaging, testing, and wafer suppliers to strengthen cost competitiveness.

In terms of marketing, the new products in various application remain the most important cornerstone for the Company. To enhance product competitiveness, the Company continues to develop its own next-generation and customized products, expanding the breadth of its product lines. By offering more comprehensive solutions and product portfolios, the Company aims to meet the diverse needs of its customers. At the same time, the Company will expand its partnerships with leading terminal brand manufacturers, strengthening customer relationships to better understand and quickly respond to end-user specifications. Overall, through the promotion of new product lines and next-generation solutions, the Company is actively expanding into new applications and attracting new customers, securing more design wins from top-tier clients, and gradually increasing the coverage of new project solutions. The Company focuses on high-value products and key components, providing customers with a one-stop shop and cross-technology system solutions to continuously enhance its value and position in the market.

In terms of sales, the Company focuses on deepening and expanding into various new application fields. Leveraging the customer relationships and channel advantages accumulated over the past years, the Company continues to introduce more solutions across a wider range of products to increase its design win share. On the other hand, the Company also uses its market leadership, advanced technological capabilities, extensive product portfolio, and mass production experience to continue developing high-value customers. Additionally, the Company will strengthen its collaboration with distributors in both channels and technology to actively expand its market reach.

Looking ahead to 2025, the Company expects end-market demand to gradually recover, and the traditional seasonal effects of peak and off-peak periods will gradually return. High-performance computing, networking, storage, memory, security, and industrial control markets will continue to grow. The Company will deepen its focus on these application areas, providing customers with higher-value products and services, and striving to become an industry leader. At the same time, the Company will continue to optimize product quality, reduce costs, and shorten lead times to more comprehensively meet customer needs.

## **Future Company Development Strategies**

Provide a full range of products and applications to meet our clients' diverse needs.  
Create a situation where our clients, shareholders, employees and suppliers are all winners through continuous growth and profitability.

## **Effects of External Competition, the Legal Environment, and the Overall Business Environment**

- I. Changes in interest rates: Interest rate risk is mainly caused by fluctuations in market interest rates. The Company's financial assets and liabilities exposed to interest rate risk are primarily financed through financial investments and working capital. As of December 31, 2024, the Company's main financial assets and liabilities exposed to interest rate risk mainly consisted of time deposits, bond funds, and short-term borrowings. The Company's own capital is still sufficient and the impact of interest rate fluctuations on the Group's profitability should not be material.
- II. Changes in exchange rates: The Company mainly engages in export sales. Exchange rate risk is mainly related to operating activities. In order to reduce the impact of changes in exchange rates on the Company, the Group carefully considers the impact of exchange rate fluctuations when purchasing goods and receiving orders, and constantly reviews gains and losses arising from the amount of the foreign currency positions to protect the Company's profit. Therefore, in addition to natural hedging, the Company also uses spot sales and forward foreign exchange hedging to adjust the amount of net foreign currency receivables and payables positions in a timely manner. The Company had no derivative financial instruments with exchange rate risk in its accounts as of December 31, 2024.
- III. Inflation: Taiwan's Consumer Price Index (CPI) has experienced significant fluctuations in recent years. From a high of 2.95% in 2022, marking the highest level in 16 years, it decreased to 2.5% in 2023 and 2.18% in 2024, remaining above the 2% inflation threshold for three consecutive years. However, in 2024, the rate of increase has continued to shrink for two consecutive years, and compared to the inflation rates of major global economies, Taiwan's CPI is not particularly high. Among the components, the most significant increase was seen in services, with a rise of 2.45%, while goods saw an increase of 1.89%. According to estimates from the Directorate General of Budget, Accounting and Statistics and the Chung-Hua Institution for Economic Research, the CPI growth rate for 2025 is expected to be around 1.93%, potentially falling below 2%.

Due to geopolitical instability and the measures implemented during President Trump's administration, such as increased tariffs, there is a possibility that international prices of bulk commodities and raw materials may rise, which could contribute to inflationary pressures. The Company will continue to monitor the situation closely and remain vigilant regarding any potential impact of inflation on production costs. We will adjust sales strategies accordingly to mitigate such effects.

To date, inflation has not had a significant impact on the Company's profitability. The management team is continuously assessing market conditions. If inflation leads to an increase in costs, such as raw material procurement or processing fees, the Company will

adjust its operational strategies, including price adjustments, to reduce the impact of inflation. Therefore, the impact of inflation risk on the Company's revenue and profit should not be significant.

After three years of pandemic disruption and global economic turmoil, along with the lingering effects in 2024, the market has gradually adapted and found a new balance. Emerging application areas such as artificial intelligence, high-performance computing, and automotive electronics will continue to grow, driving the demand for related products and equipment. However, factors such as geopolitical tensions, intense competition in the Chinese market, and the European energy crisis and wars will still present challenges in 2025. To navigate this complex and ever-changing market environment, the Company will continue to focus on high-value regional markets, high-value applications, and high-value product lines. Leveraging the Company's strong capabilities in technological research and product development, the goal is to strengthen the Company's market leadership position and brand value while enhancing profit margins and market share. At the same time, the management team will closely monitor external factors such as the pace of regional economic recovery, geopolitical shifts, inflation trends, and currency fluctuations to respond in real-time to the dynamics of the global industrial environment.

Beyond the operational aspects, the management team is committed to long-term sustainable operation, with core values of Authentic, Novel, Passion, Execution, and Customer, actively playing the role of a responsible corporate citizen. In terms of environmental protection, the Company is deeply focused on green management, having obtained ISO 14001 and ISO 9001 certifications. The Company is also proactively advancing green product development and supply chain management, continually implementing greenhouse gas assessments and working towards achieving carbon reduction goals. Regarding social responsibility, the Company is dedicated to providing a friendly working environment for its employees, emphasizing employee rights and welfare, and encouraging participation in community service activities. In terms of corporate governance, Anpec Electronics Co. upholds ethical principles and has established a transparent and diversified governance structure. Starting in 2025, the Company will publish its sustainability report regularly. Through integrating ESG (Environmental, Social, Governance) practices, the Company not only enhances its competitiveness but also actively engages with society, collaborating with employees, customers, and suppliers to grow together, thereby creating higher value for the industry. Looking to the future, the Company will demonstrate its commitment to corporate social responsibility through tangible actions, continuously focusing on customer needs, strengthening corporate governance, and environmental protection to achieve sustainable development for both the Company and the industry.

Finally, we would like to thank all our colleagues, shareholders, clients and suppliers for their continued support and contributions.

We wish everyone good health and all the best!

Chairman and President Chih-hsin Wang

Accounting Manager Kui-yi Huang

## Chapter 2 Corporate Governance Report

### I. Information on the Company's Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and the Supervisors of All the Company's Divisions and Branch Units

#### (I) Directors

#### Information on Directors (I)

April 25, 2025

Title	Nationality/ Place of Registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held through Nominees		Professional and Educational Experience	Other Position(s) Concurrently Held at the Company and at Other Companies	Other Officer(s), Director(s), or Supervisor(s) with which the Person Has a Relationship of Spouse or Relative within the Second Degree			Remarks (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	R.O.C.	WANG, CHIH- HSIN	Male 61-70 years old	2023.6.21	3 years	2011.6.24	799,499	1.08	826,499	1.10	6,157	0.01	0	0	Entrepreneur Management Research Class, National Chengchi University, Bachelor of Economics, National Chengchi University Senior Sales Manager of Parts Department, SAMPO Co., Sales Manager, Vanguard International Semiconductor Co., Sales Assistant Vice President, SHANGPO SEMICONDUCTOR INC.; Sales Vice President, AMKOR TECHNOLOGY TAIWAN LTD.; Executive Assistant to the President, OLINK TECHNOLOGY CO., LTD.; Chief Executive Officer, DOMINTECH PRECISION TECHNOLOGY CO., LTD.; Sales Vice President and Executive Vice President, Anpec Electronics Co.	President of the Company, Representative of Institutional Director of SINOPOWER SEMICONDUCTOR INC.; Director of SUPEC (SUZHOU) CO., LTD.; Director of YU JING ENERGY TECHNOLOGY CO., LTD.; Supervisor of YU JING TECHNOLOGY CO., LTD. ANPEC International Holding Ltd. Chairman	None	None	None	Yes
Director	R.O.C.	SHENG, KANG	Male 41-50 years old	2023.6.21	3 years	2020.6.22	907,958	1.23	957,958	1.27	12,499	0.02	0	0	Entrepreneur Management Research Class, National Chengchi University, Master of Electrical Engineering, National Cheng Kung University Senior Head of Division, Marketing and R&D Vice President, Anpec Electronics Co.	Executive Vice President of the Company, Chairman, SUPEC (SUZHOU) CO., LTD.	None	None	None	None
Director	R.O.C.	CHEN, SHAN- NAN	Male 61-70 years old	2023.6.21	3 years	1997.10.8	859,930	1.16	812,930	1.08	0	0	0	0	Ph.D. in Electrical Engineering, University of New Mexico, U.S.A. Factory Chief, EPISIL TECHNOLOGIES INC., Chairman, Chief Executive Officer, and President, Anpec Electronics Co., Director, BIGBEST SOLUTIONS, INC.; President, GREENERGY, INC.	Chairman, GREENERGY, INC.	None	None	None	None
Director	R.O.C.	SHEN, SHAN- HO (Note 3)	Male 71-80 years old	2023.6.21	3 years	2017.6.20	1,253,146	1.69	-	-	-	-	-	-	Bachelor of Electronic Engineering, Chung Yuan Christian University Supervisor, Anpec Electronics Co.; Vice President of Optoelectronic Module and Material Center, AUO Co.; Manager/Factory Chief of Logistics Department, UNITED MICROELECTRONICS CORP.; Independent Director, GALLANT PRECISION MACHINING CO., LTD.; Supervisor, C SUN MFG. LTD.; Independent Director and Remuneration Committee Member, LEXTAR ELECTRONICS CORP.	Director and President, Chem Tec Corporation Co., Ltd.; Director, TAIWAN SURFACE MOUNTING TECHNOLOGY CO.; Director, C SUN MFG. LTD. Independent Director, ENNOSTAR Inc.	None	None	None	None

Title	Nationality/ Place of Registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held through Nominees		Professional and Educational Experience	Other Position(s) Concurrently Held at the Company and at Other Companies	Other Officer(s), Director(s), or Supervisor(s) with which the Person Has a Relationship of Spouse or Relative within the Second Degree			Remarks (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	R.O.C.	LIN, CHUN- LIANG	Male 71-80 years old	2023.6.21	3 years	2017.6.20	400,560 (Note 2)	0.54	400,560 (Note 2)	0.53	45,118 (Note 2)	0.06	0	0	Master of Business Management, Chinese Culture University Supervisor, Anpec Electronics Co.; Executive Secretary, Syndication Loan Team, Sales Department, CHIAO TUNG BANK; Manager, Wenshan Branch, MEGA INTERNATIONAL COMMERCIAL BANK; Deputy Director, Credit Analysis Department, MEGA INTERNATIONAL COMMERCIAL BANK; Supervisor, EUSOL BIOTECH CO., LTD.	Supervisor, FOREVERLAMP INTERNATIONAL CORP.; Representative of Institutional Director, SINOPOWER SEMICONDUCTOR INC.	None	None	None	None
Director	R.O.C.	LIN CHE- MING	Male 41-50 years old	2023.6.21	3 years	2006.6.12	1,047,314	1.41	1,501,312	2.00	51,000	0.07	0	0	MBA, Boston University, U.S.A.; Bachelor of Chemistry, National Sun Yat-sen University Manager of New Product Business Department, LIGHTSONIC OPTOELECTRONICS INC., Director and Manager of Marketing Business, ECO LIGHTING, INC., Deputy Head of Marketing Business Division, BIGBEST SOLUTIONS, INC.; Deputy Head of Production Division, BIGBEST SOLUTIONS, INC.; President and Executive Assistant to the Chairman, Hsin-Li Chemical Industrial Co.; Director, GREENERGY, INC.	Chairman & President, LINBROS CO., LTD.	None	None	None	None
Director	R.O.C.	HUANG, JIN-HUA	Female 71-80 years old	2023.6.21	3 years	2006.6.12	801,708	1.08	902,708	1.20	60,555	0.08	0	0	National Taipei University of Nursing and Health Sciences Assistant Manager, Management Department, UNITED MICROELECTRONICS CORP.; Supervisor, LIGHTHOUSE TECHNOLOGY CO., LTD.	None	None	None	None	None
Director	R.O.C.	Jingmao investment Co., Ltd (Note 4)	-	2024.6.21	2 years	2024.6.21	675,000	0.90	720,000	0.96	-	-	0	0	-	-	-	-	-	-
Representative of Institutional Director	R.O.C.	YANG, SEN-LU (Note 4)	Male 61-70 years old	2024.6.21	2 years	2024.6.21	9,000	0.01	9,000	0.01	0	0	0	0	Master, Department of Science and Application, National Taichung University of Education Supervisor, Jingmao investment Co., Ltd	Supervisor, Jingmao investment Co., Ltd	None	None	None	None
Independent Director	R.O.C.	CHIANG, CHUN- YEN	Male 61-70 years old	2023.6.21	3 years	2017.6.20	0	0	0	0	0	0	0	0	EMBA, National Sun Yat-sen University; Entrepreneur Management Research Class, National Chengchi University President and Representative of Institutional Director, TAIFLEX SCIENTIFIC CO., LTD. Chairman, TAIHONG TECHNOLOGY (KUNSHAN) LTD.	Convener of Remuneration Committee and Audit Committee, Anpec Electronics Co.; Independent Director, Convener of the Remuneration Committee, and Audit Committee Member, SINOPOWER SEMICONDUCTOR INC.	None	None	None	None

Title	Nationality/ Place of Registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held through Nominees		Professional and Educational Experience	Other Position(s) Concurrently Held at the Company and at Other Companies	Other Officer(s), Director(s), or Supervisor(s) with which the Person Has a Relationship of Spouse or Relative within the Second Degree			Remarks (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	R.O.C.	CHIEN, CHUAN- SHENG	Male 51-60 years old	2023.6.21	3 years	2017.6.20	0	0	0	0	0	0	0	0	Entrepreneur Management Research Class, National Chengchi University Master of Mechanical Engineering, National Central University President, Innodisk Co.	Audit Committee and Remuneration Committee Member, Anpec Electronics Co., Chairman, Innodisk Co., Representative of Institutional Director, Aetina Co., Representative of Institutional Director, MILLITRONIC CO., LTD., Representative of Institutional Director, SYSINNO TECHNOLOGY INC.	None	None	None	None
Independent Director	R.O.C.	CHIEN, HUI- HUAN	Male 51-60 years old	2023.6.21	3 years	2020.6.22	110,000	0.15	130,000	0.17	0	0	0	0	Master of Total Quality and Engineering Management, University of the West of Scotland, U.K. Bachelor of Electronic Engineering, National Taipei University of Technology Chairman and Senior Executive Assistant to the Chief Executive Officer, PRODISC TECHNOLOGY INC. Vice President, EVEREST DISPLAY INC.	Audit Committee and Remuneration Committee Member, Anpec Electronics Co.; Assistant Vice President of Global Service Engineer and Process Development, Dell Taiwan R&D Center	None	None	None	None
Independent Director	R.O.C.	HUANG, KUO-YU	Male 51-60 years old	2023.6.21	3 years	2020.6.22	0	0	0	0	0	0	0	0	Entrepreneur Management Research Class, National Chengchi University; Bachelor of Journalism, Shih Hsin University 1111 Job Bank Chief Planner, Editor-in-Chief of Excellence Magazine	Audit Committee and Remuneration Committee Member, Anpec Electronics Co.; President of Finance Management, LION TRAVEL; President, JW1 MARKETING CO., LTD.	None	None	None	None

Note 1: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer). If as required for its operations, the Chairman and the President of the Company are the same person. The Company has established an Audit Committee has been established and increased the number of independent directors has been increased to four seats, and over 80% of the Company's directors do not hold concurrent positions as Company managers or employees, which ensures that the Board of Directors maintains its strength in objectivity and supervisory power.

Note 2: The number of shares subject to statutory trust (with reserved voting rights) is as follows: 400,560 shares for myself and 45,118 shares for my spouse.

Note 3: Resigned on June 21, 2024; information disclosed up to that date.

Note 4: Assumed office on June 21, 2024.

Table 1 Major Shareholders of Institutional Shareholders

April 25, 2025

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders (Shareholding ratio)
Jingmao investment Co., Ltd	YANG, SEN-TAI(90%), YANG, SEN-LU(10%)

Table 2 Listed in Table 1 Are Institutions That Are Major Shareholders, and the Major Shareholders Thereof

Name of Institution	Major Shareholders of Institution
N/A	N/A

## Information of Directors (II)

### 1. Disclosure of Professional Qualifications of Directors and Independence Criteria of Independent Directors

Name	Qualifications	Professional Qualifications and Experience (Note)	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
WANG, CHIH-HSIN Director		WANG, CHIH-HSIN used to be Senior Sales Manager, Parts Department, SAMPO Co., Sales Manager, Vanguard International Semiconductor Co., Sales Assistant Vice President, SHANGPO SEMICONDUCTOR INC.; Sales Vice President, AMKOR TECHNOLOGY TAIWAN LTD., Executive Assistant to the President, OLINK TECHNOLOGY CO., LTD.; and Chief Executive Officer, DOMINTECH PRECISION TECHNOLOGY CO., LTD.; and has many years of experience in business and management within the semiconductor industry. Since 2006, the director has successively served as the Sales Vice President, Executive Vice President, Vice Chairman, and President of the Company, and is currently the Chairman and President. He has a wealth of experience in the industry and management and possess the capabilities of leadership, decision-making, financial analysis, operational judgment, business management, and crisis management, industry knowledge, and international market experience.		-
SHENG, KANG Director		SHENG, KANG has been working in the Company for more than 20 years. He once served as the Senior Head of Division and Vice President of Marketing and R&D, Anpec Electronics Co., and is currently the Executive Vice President of the Company. He has an in-depth understanding of the Company and the semiconductor industry as well as related management experience in R&D and sales. The director possesses a range of leadership capabilities, including decision-making, operational judgment, and crisis management skills. Additionally, the director has extensive experience in operational management, crisis management, industry knowledge, and navigating international markets.	N/A.	-
CHEN, SHAN-NAN Director		CHEN, SHAN-NAN was formerly the Factory Chief for EPISIL TECHNOLOGIES INC.; and is one of the founders of the Company, which was established in 1997. The director served as the Chairman, Chief Executive Officer, and President of the Company, Chairman, BIGBEST SOLUTIONS, INC.; and President, GREENERGY, INC.; and is currently a Chairman of GREENERGY, INC. He has extensive experience in related industries for many years, and possesses strong leadership, decision-making, financial analysis, operational judgment, operation management, crisis management, industry knowledge, and international market experience.		-
SHEN, SHIAN-HO Director (Note 1)		SHEN SHIAN-HO served as a supervisor of the Company in 2003, and was elected as a director in 2017. He has been a member of the Company's Board of Directors for several years. The director also served as the Vice President of Optoelectronic Module and Material Center, AUO Co., Manager/Factory Chief of Logistics Department, UNITED MICROELECTRONICS CORP., Independent Director, GALLANT PRECISION MACHINING CO., LTD.; Supervisor, C SUN MFG. LTD., Independent Director and		1

Qualifications Name	Professional Qualifications and Experience (Note)	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	Remuneration Committee Member, LEXTAR ELECTRONICS CORP., and is currently serving as Director and President, Chem Tec Corporation Co., Ltd.; Director, TAIWAN SURFACE MOUNTING TECHNOLOGY CO., Director, C SUN MFG. LTD.; and Independent Director, ENNOSTAR Inc. He possesses sufficient and diverse industrial experience. The director possesses ample experience in leadership, decision-making, financial analysis, operational judgment, business management, crisis management, industry knowledge, and international markets. As a result, the director is capable of offering professional and practical advice on a variety of proposals put forth by the Company's Board of Directors.		
LIN, CHUN-LIANG Director	LIN, CHUN-LIANG served as a supervisor of the Company in 2003, and was elected as a director in 2017, and has been a member of the Company's Board of Directors with years of experience. During this period, the director served as Executive Secretary, Syndication Loan Team, Sales Department, CHIAO TUNG BANK, Manager, Wenshan Branch, MEGA INTERNATIONAL COMMERCIAL BANK, Deputy Director, Credit Analysis Department, MEGA INTERNATIONAL COMMERCIAL BANK., and thus possesses sufficient financial expertise. In addition, he used to be Supervisor, EUSOL BIOTECH CO., LTD. Currently, LIN, CHUN-LIANG serves as Supervisor, FOREVERLAMP INTERNATIONAL CORP. and Representative of Institutional Director, SINOPOWER SEMICONDUCTOR INC. He has sufficient experience in leadership, decision-making, operational judgment, business management, crisis management, industry knowledge and international markets.		-
LIN CHE-MING Director	LIN, CHE-MING formerly served as Manager of New Product Business Department, LIGHTSONIC OPTOELECTRONICS INC.; Director and Manager of Marketing Business, ECOLIGHTING, INC.; Deputy Head of Marketing Business Division, BIGBEST SOLUTIONS, INC.; Deputy Head of Production Division, BIGBEST SOLUTIONS, INC.; President and Executive Assistant to the Chairman, Hsin-Li Chemical Industrial Co.; Director, GREENERGY, INC. He is currently the Chairman and President of LINBROS CO., LTD. He possesses leadership capabilities of leadership, decision-making skills, financial analysis expertise, operational judgment, business management acumen, crisis management skills, industry knowledge, and international market experience. Additionally, his experiences in other industries provide valuable practical experience for the Board of Directors.	N/A.	-
HUANG, JIN-HUA Director	HUANG, JIN-HUA formerly served as Assistant Manager, Management Department, UNITED MICROELECTRONICS CORP. and Supervisor, LIGHTHOUSE TECHNOLOGY CO., LTD. Her rich experience in administrative management can provide the Board of Directors with practical advice on leadership, decision-making, operational judgment, operational management, and crisis management.		-
Representative of Institutional Director of Jingmao	YANG, SEN-LU serves as Supervisor of Jingmao investment Co., Ltd, with many years of experience in administrative management, and is capable of providing the Board of Directors with practical advice on decision-making, business management, and crisis handling.		-

Qualifications Name	Professional Qualifications and Experience (Note)	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
investment Co., Ltd YANG, SEN-LU (Note 2)			
CHIANG, CHUN-YEN Independent Director	The independent director has served in the following capacities at listed electronic component companies: President and Representative of Institutional Director, TAIFLEX SCIENTIFIC CO., LTD.; and Chairman, Taiflex Scientific (Kunshan) Co., Ltd. He has over a decade of experience in the aforementioned industry, specifically in management. He possesses extensive and exceptional skills in leadership, decision-making, financial analysis, operational judgment, operation management, crisis management, industry knowledge, and international market experience. In addition to being competent in concurrently serving as Independent Director and Remuneration Committee Convener, as well as Independent Director, Remuneration Committee Convener, and Audit Committee Member of SINOPOWER SEMICONDUCTOR INC.; CHIANG, CHUN-YEN can also provide years of industrial and practical experience to the Company as a reference for meeting decision-making.	The independent directors have met the following independence criteria in the two years prior to and during the term of office: (1) Not an employee of the Company or any of its affiliates (2) Not a director or supervisor of the Company or any of its affiliates (except for cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary)	1
CHIEN, CHUAN-SHENG Independent Director	Current OTC computer and peripheral equipment industry: President and Chairman, Innodisk Co.; and concurrently serving as Representative of Institutional Director, Aetina Co.; Representative of Institutional Director, MilliTronic CO., LTD.; and Representative of Institutional Director, SYSINNO TECHNOLOGY INC. With years of management experience in the industry, CHIEN, CHUAN-SHENG has excellent leadership, decision-making, financial analysis, operational judgment, operation management, crisis management, industry knowledge and international market experience, and is able to provide his insights based on his knowledge and experience in industrial practices and professionalism for the proposals in the Company's Audit and Remuneration Committee meetings.	(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings (4) Not a managerial officer listed in (1) or the spouse, relative within the second degree of kinship, or direct blood relatives within the third degree of kinship of the persons listed in (2) and (3)	-
CHIEN, HUI-HUAN Independent Director	CHIEN, HUI-HUAN formerly served as Chairman and Senior Executive Assistant to the Chief Executive Officer, PRODISC TECHNOLOGY INC. and Vice President, EVEREST DISPLAY INC. for more than five years, and currently serves as Assistant Vice President of Global Service Engineer and Process Development, Dell Taiwan R&D Center, where he has been for more than a decade. With excellent leadership, decision-making, financial analysis, operational judgment, business management, crisis management, industry knowledge and international market experience, he provides experience and professional advice on industry practices when discussing proposals in the Company's Audit and Remuneration Committee meetings.	(5) Not a director, supervisor, or employee of an institutional shareholder who directly holds more than 5% of the Company's total outstanding shares, who is among the top five shareholders, or who designates its representative to serve as a director or supervisor of the Company in accordance with Paragraph 1 or 2, Article 27 of the Company Act (except for an independent director engaged concurrently by the Company, its	-
HUANG, KUO-YU	HUANG, KUO-YU formerly served as Executive Producer, 1111 JOB BANK and Editor-in-Chief, EXCELLENCE MAGAZINE., and has management experience in human resources and publishing		-

Qualifications Name	Professional Qualifications and Experience (Note)	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Independent Director	<p>information services. He is currently serving as the President of Finance Management, LION TRAVEL, and concurrently as the President, JWI MARKETING CO., LTD., a position he has held for more than a decade. To sum up, he has experience in leadership, operational judgment, operational management, crisis management, and international market, and his experience in multiple industries, which is different from the semiconductor industry, makes him capable of providing valuable practical operation experiences in the Company's Audit and Remuneration Committee meetings.</p>	<p>parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations)</p> <p>(6) Not a director, supervisor, or employee of another company where a majority of the Company's director seats or voting shares and those of another company are controlled by the same person</p> <p>(7) Not a director (managing director), supervisor, or employee of another company or institution where the Chairman, the President, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or are spouses</p> <p>(8) Not a director (managing director), supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company (except for a specific company or institution holding more than 20% and no more than 50% of the total issued shares of the Company and for an independent director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).</p> <p>(9) Not a professional individual who, or an owner, partner, director (managing director), supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past two years</p>	

Qualifications Name	Professional Qualifications and Experience (Note)	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		<p>has received cumulative compensation exceeding NT\$500,000, or a spouse thereof</p> <p>(10) Does not have a marital relationship with, or a relative within the second degree of kinship with, any other director of the Company</p> <p>(11) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply</p> <p>(12) Not elected as a governmental, juridical person, or other representative as defined in Article 27 of the Company Act</p>	

Note: None of the circumstances in the subparagraphs of Article 30 of the Company Act apply to the directors of the Company.

Note 1: Resigned on June 21, 2024.

Note 2: Assumed office on June 21, 2024.

## 2. Diversity and Independence of the Board of Directors:

The Company's process for nominating and selecting members of the Board of Directors adheres to the guidelines outlined in the provisions of the Company's Articles of Incorporation. We utilize a candidate nomination system, and follow the "Procedures for Election of Directors" and "Corporate Governance Best Practice Principles" to ensure that our directors are diverse and independent. To develop an effective diversity policy that aligns with our operations and growth, we recommend that the Company consider the following two key standards, among others:

- (1) Basic requirements and values: Gender, Age, Nationality, and Culture, etc.
- (2) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

The Company has a total of 11 board seats, which comprises 11 Taiwanese citizens, including 4 independent directors. Two of the directors also serve as employees of the Company, representing 18% of the total number of directors. The age distribution of the directors is as follows: 4 directors are over 65 years old, while the rest are under 65. The Board of Directors has 4 independent directors, accounting for 36% of the total number of directors. Among them, 2 independent directors have served for less than 6 years, while the other 2 independent directors have served for 6-9 years.

The Company is committed to promoting gender equality in the composition of the Board of Directors. Currently, female directors account for 9% of all directors, which meets our goal of having at least one female director. Due to the nature of the industry and considerations regarding the suitability of directors, the proportion of female directors has not yet reached one-third. However, the Company has been actively seeking qualified female candidates for the board and will continue to strive to increase the proportion of female directors in line with the Company's operational developments.

The Company's directors have successfully met the standards outlined in Article 20 of the "Corporate Governance Best Practice Principles" through their diversification, complementarity, and implementation. Moving forward, the diversity policy will be regularly reviewed and updated to align with the Company's operational model and development needs. This includes, but is not limited to, the two key standards of basic requirements and values, as well as professional knowledge and skills. The goal is to ensure that all Board members of the Board of Directors shall possess the necessary knowledge, skills, and capabilities necessary to effectively carry out their duties.

For information regarding the independence of the Company's directors, please refer to pages 14 to 18. All independent directors comply with the regulations set forth by the Securities and Futures Bureau of the Financial Supervisory Commission.

The Diversity for the Current Members of the Company's Board of Directors and Its Implementation Are as Follows:

Core of Diversity  Names of Directors	Basic Components								Industry Experience and Professional Capabilities								
	Nationality	Gender	Concurrently Serving as Employee	Age				Years of Serving as an Independent Director		Operational judgments	Accounting and financial analysis	Management administration	Crisis management	Knowledge of the industry	International market perspective	Ability to lead	Ability to make policy decisions
				41-50 years old	51-60 years old	61-70 years old	Over 70 years old	3-6 years	6-9 years								
WANG, CHIH-HSIN	R.O.C.	Male	Yes			•			N/A	•	•	•	•	•	•	•	
SHENG, KANG	R.O.C.	Male	Yes	•					N/A	•	•	•	•	•	•	•	
CHEN, SHAN-NAN	R.O.C.	Male	No			•			N/A	•	•	•	•	•	•	•	
SHEN, SHIAN-HO (Note)	R.O.C.	Male	No				•		N/A	•	•	•	•	•	•	•	
LIN, CHUN-LIANG	R.O.C.	Male	No				•		N/A	•	•	•	•	•	•	•	
LIN CHE-MING	R.O.C.	Male	No	•					N/A	•	•	•	•	•	•	•	
HUANG, JIN-HUA	R.O.C.	Female	No				•		N/A	•	•	•	-	•	•	•	
YANG, SEN-LU (Note)	R.O.C.	Male	No			•			N/A	•	-	•	•	-	-	•	
CHIANG, CHUN-YEN	R.O.C.	Male	No			•				•	•	•	•	•	•	•	
CHIEN, CHUAN-SHENG	R.O.C.	Male	No		•					•	•	•	•	•	•	•	
CHIEN, HUI-HUAN	R.O.C.	Male	No		•			•		•	•	•	•	•	•	•	
HUANG, KUO-YU	R.O.C.	Male	No		•			•		•	•	•	•	-	•	•	

Note: SHEN, SHIAN-HO resigned on June 21, 2024, and YANG, SEN-LU was elected on June 21, 2024.

(II) Information on the Management Team

April 25, 2025

Title	Nationality	Name	Gender	Date of Appointment	Shares Held		Shareholding of Spouse and Minor Children		Shares Held through Nominees		Professional and Educational Experience	Other Positions	Managers Who are Spouses or Within the Second Degree of Kinship			Remark (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	R.O.C.	WANG, CHIH-HSIN	Male	2007.06.01	826,499	1.10	6,157	0.01	0	0	Entrepreneur Management Research Class, National Chengchi University, Bachelor of Economics, National Chengchi University Senior Sales Manager of Parts Department, SAMPO Co., Sales Manager, Vanguard International Semiconductor Co., Sales Assistant Vice President, SHANGPO SEMICONDUCTOR INC.; Sales Vice President, AMKOR TECHNOLOGY TAIWAN LTD., Executive Assistant to the President, OLINK TECHNOLOGY CO., LTD.; Chief Executive Officer, DOMINTECH PRECISION TECHNOLOGY CO., LTD.; Sales Vice President and Executive Vice President, Anpec Electronics Co.	Representative of Institutional Director, SINOPOWER SEMICONDUCTOR INC.; Director, SUPEC (SUZHOU) CO., LTD.; Director, YU JING ENERGY TECHNOLOGY CO., LTD.; Supervisor, YU JING TECHNOLOGY CO., LTD.; ANPEC INTERNATIONAL HOLDING LTD. Chairman	None	None	None	Yes
Executive Vice President	R.O.C.	SHENG, KANG	Male	2016.11.09	957,958	1.27	10,499	0.01	0	0	Entrepreneur Management Research Class, National Chengchi University, Master of Electrical Engineering, National Cheng Kung University Assistant Manager, Manager, Head of Division, Senior Head of Division, Vice President, ANPEC ELECTRONICS CORP.	Chairman, SUPEC (SUZHOU) CO., LTD.	None	None	None	None
Deputy Head of Division, Financial Accounting Department	R.O.C.	HUANG, KUI-YI	Female	2017.08.09	98,000	0.13	0	0	0	0	MBA, College of Technology Management, National Tsing Hua University Senior Manager of Finance, Manager, Anpec Electronics Co. Section Manager of Accounting, MOSEL VITELIC INC.	SUPEC International Holding Ltd. Chairman	None	None	None	None

Note: Relevant information if the Chairman of the Board of Directors and the President or equivalent (the top managerial officer) are the same person, or are spouses or relatives of first-degree kinship, the reasons, rationale, necessity, and countermeasures (such as increasing the number of independent directors, and more than half of the directors not concurrently serving as employees or managers): As a result of operational demands from the Company's operations, the Chairman and the President positions have been consolidated into one role. The number of independent directors has been increased to four. Furthermore, over 80% of the Board of Directors are not currently employed as the Company's managerial officers or staff members of the Company. This ensures that the Board maintains its strength in objectivity and supervisory functions.

(III) Remuneration Paid to Directors, President, and Vice Presidents in the Most Recent Fiscal Year

1. Remuneration to Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of Total Compensation (A+B+C+D) to Net Income (%) (Note 10)		Relevant Remuneration Received By Directors Who are Also Employees				Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 10)		Compensation from Ventures Other Than Subsidiaries or from the Parent Company (Note 11)				
		Base Compensation (A) (Note 2)		Severance Pay and Pension (B)		Director Remuneration (C) (Note 3)		Business Execution Expenses (D) (Note 4)				Salary, Bonuses, and Allowance (E) (Note 5)		Severance Pay and Pension (F) (Note 12)					Employee Compensation (G) (Note 6)			
		The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)		The Company	Companies in the Consolidated Financial Statements (Note 7)		
Chairman	WANG, CHIH-HSIN																					
Director	SHENG, KANG																					
Director	CHEN, SHAN-NAN																					
Director	SHEN, SHIAN-HO (Note 13)																					
Director	LIN, CHUN-LIANG	0	0	0	0	12,934	12,934	885	965	13,819 1.92	13,899 1.93	8,082	8,082	108	108	12,690	0	12,690	0	34,699 4.82	34,779 4.83	None
Director	LIN CHE-MING																					
Director	HUANG, JIN-HUA																					
Director	Representative of Jingmao investment Co., Ltd: YANG, SEN-LU (Note 14)																					
Independent Director	CHIANG, CHUN-YEN																					
Independent Director	CHIEN, CHUAN-SHENG	0	0	0	0	7,390	8,345	440	550	7,830 1.09	8,895 1.24	0	0	0	0	0	0	0	0	7,830 1.09	8,895 1.24	None
Independent Director	CHIEN, HUI-HUAN																					
Independent Director	HUANG, KUO-YU																					

- Please specify the independent director remuneration policy, system, standard, and structure, and the connection between the remuneration and the factors considered, such as their job responsibilities, risks, and time contributed: The remuneration of directors and independent directors of the Company includes traveling expenses and distribution of directors' remuneration. When it comes to travel expenses, we adhere to industry standards. Directors are reimbursed for their attendance at the Board of Directors meetings. The Company compensates directors with remuneration that does not exceed 3% of the current fiscal year's profit status. When there is a cumulative deficit, the Company shall compensate such deficit.
- Other than disclosures in the table above, remuneration paid to directors for providing services (such as providing consulting services as a non-employee to the parent company/all companies in the companies in the Consolidated financial statements/reinvested business) for all companies in the consolidated financial statements in the most recent year: None

Note 1: The list of directors will be presented separately, with institutional shareholders, the names of institutional shareholders and their representatives shall be listed separately as well. General directors and independent directors will also be listed separately. Additionally, a summary of individual payments made to each director will be disclosed in a summary manner. If a director also holds the position of President or Vice President, this form and the subsequent table(s) (3-1), or the following tables (3-2-1) and (3-2-2) must be completed.

Note 2: Referring to the remuneration of directors in the most recent year (including directors' remuneration, job duty bonuses, severance pay, various bonuses, incentives, etc.).

- Note 3: Referring to the listing of amounts of directors' remuneration distributed by the Board of Directors in the most recent year.
- Note 4: Referring to the expenses generated in the process of executing relevant job duties of directors in the most recent year (including transportation expenses, special expenses, various allowances, dormitory, provision of material objects such as vehicles, etc.). If providing housing, automobiles, or other means of transportation, as well as exclusive personal expenses, are provided, the nature and cost of these assets must be disclosed. This includes the actual or calculated rent at fair market prices, fuel costs, and any other associated payments. If a driver is assigned to the directors, please take note of the relevant compensation paid to the driver by the Company. However, this compensation should not be included in the remuneration.
- Note 5: Referring to the directors concurrently serving as employees in the most recent year (including concurrently serving as President, Vice President, other managerial officers and employees) receiving compensation, job duty bonus, severance pay, various bonuses, incentives, traveling expenses, special expenses, various allowances, dormitory, provision of material objects such as vehicles, etc. If providing housing, automobiles, or other means of transportation, as well as exclusive personal expenses, are provided, the nature and cost of these assets must be disclosed. This includes the actual or calculated rent at fair market prices, fuel costs, and any other associated payments. If a driver is assigned to the directors, please take note of the relevant compensation paid to the driver by the Company. However, this compensation should not be included in the remuneration. The remuneration shall include compensation expenses recognized in accordance with IFRS2 "Share-Based Payment," which encompasses the acquisition of employee stock warrants, new restricted employee shares, and participation in cash capital increase subscription, among others.
- Note 6: Referring to the employee remuneration (including stock and cash) obtained by directors concurrently serving as employees (including President, Vice President, other managerial officers and employees) in the most recent year. The Board of Directors must disclose the amount of employee compensation distributed by the Board of Directors in the previous year. If it is not possible to estimate this remuneration, the proposed distribution amount for the current year will be calculated based on the proportion of the actual distribution amount from the previous year. This information will be listed in Table 1-3.
- Note 7: The total amount of remuneration paid to the directors of the Company by all companies in the consolidated financial statements (including the Company) shall be disclosed.

Range of Remuneration Table

Range of Remuneration Paid to Directors	Names of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies in the Consolidated Financial Statements (H) (Note 9)	The Company (Note 8)	All Companies in the Consolidated Financial Statements (I) (Note 9)
Less than NT\$1,000,000	SHEN, SHIAN-HO, Jingmao investment Co., Ltd	SHEN, SHIAN-HO, Jingmao investment Co., Ltd	SHEN, SHIAN-HO, Jingmao investment Co., Ltd	SHEN, SHIAN-HO, Jingmao investment Co., Ltd
NT\$1,000,000-NT\$1,999,999	WANG, CHIH-HSIN; SHENG, KANG; CHEN, SHAN-NAN; LIN, CHE MING; HUANG, JIN-HUA; CHIANG, CHUN YEN; CHIEN, CHUAN-SHENG; CHIEN, HUI HUAN; HUANG, KUO-YU	WANG, CHIH-HSIN; SHENG, KANG; CHEN, SHAN-NAN; LIN, CHE-MING; HUANG, JIN HUA; CHIEN, CHUAN-SHENG; CHIEN, HUI HUAN; HUANG, KUO YU	CHEN, SHAN-NAN; LIN, CHE-MING; HUANG, JIN-HUA; CHIANG CHUN-YEN; CHIEN CHUAN-SHENG; CHIEN HUI-HUAN; HUANG, KUO-YU	CHEN, SHAN-NAN; LIN, CHE-MING; HUANG, JIN-HUA; CHIEN, CHUAN-SHENG; CHIEN, HUI HUAN; HUANG, KUO-YU
NT\$2,000,000-NT\$3,499,999	LIN, CHUN-LIANG	CHIANG, CHUN-YEN; LIN, CHUN-LIANG	LIN, CHUN-LIANG	CHIANG, CHUN-YEN; LIN, CHUN-LIANG
NT\$3,500,000-NT\$4,999,999	—	—	—	—
NT\$5,000,000-NT\$9,999,999	—	—	—	—
NT\$10,000,000-NT\$14,999,999	—	—	WANG, CHIH-HSIN; SHENG, KANG	WANG, CHIH-HSIN; SHENG, KANG
NT\$15,000,000-NT\$29,999,999	—	—	—	—
NT\$30,000,000-NT\$49,999,999	—	—	—	—
NT\$50,000,000-NT\$99,999,999	—	—	—	—
Greater Than or Equal to NT\$100,000,000	—	—	—	—
Total	12	12	12	12

- Note 8: The Company has fully compensated each director the total amount of remuneration, and has disclosed their names along with the corresponding payment range in which they are paid.
- Note 9: The Company shall disclose the total amount of remuneration paid to each director of the Company by all companies in the consolidated financial statements, including the Company. Additionally, the name of each director shall be disclosed with the range of their respective remuneration.
- Note 10: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.
- Note 11:
- The amount of remuneration received by the directors of the Company from the reinvested businesses other than subsidiaries or the parent company shall be clearly indicated in this column (if there is none, please fill in "None").
  - If Company directors of the Company receive remuneration from the reinvested businesses that are not subsidiaries or the parent company, such remuneration shall be included in column I of the Range of Remuneration Table, and the name of the column name shall be changed into "Parent Company and All Reinvested Businesses."
  - Remuneration pertains to the compensation, remuneration (including that of employees, directors, supervisors, and managers), as well as business execution expenses received by the Company's directors in their capacity as managers, supervisors, or directors of the Company as directors, supervisors or managers of the reinvested businesses, excluding subsidiaries or the parent company.

Note 12: Referring to the appropriated amount of expensed pension.

Note 13: Resigned on June 21, 2024.

Note 14: Assumed office on June 21, 2024.

\*The content of remuneration disclosed in this form is different from the concept of income in the Income Tax Act. The purpose of this form is for information disclosure and not for taxation.

## 2. Remuneration Paid to the President and Vice Presidents

Unit: NT\$ thousands

Title	Name	Remuneration (A) (Note 3)		Severance Pay and Pension (B) (Note 1)		Bonuses and Allowances (C) (Note 4)		Employee Compensation (D) (Note 5)				Ratio of Total Compensation (A+B+C+D) to Net Income (%) (Note 9)		Compensation from Ventures Other Than Subsidiaries or from the Parent Company (Note 10)
		The Company	Companies in the Consolidated Financial Statements (Note 6)	The Company	Companies in the Consolidated Financial Statements (Note 6)	The Company	Companies in the Consolidated Financial Statements (Note 6)	The Company		Companies in the Consolidated Financial Statements (Note 6)		The Company	Companies in the Consolidated Financial Statements	
								Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
President	WANG, CHIH-HSIN	6,944	6,944	108	108	1,138	1,138	12,690	0	12,690	0	20,880 2.9	20,880 2.9	None
Executive Vice President	SHENG, KANG													

\*Regardless of title, anyone whose position is equivalent to President and Vice Presidents (such as general manager, chief executive officer, executive director, etc.) shall be disclosed.

Note 1: Referring to the appropriated amount of expensed pension.

Note 2: The names of the President and Vice Presidents shall be listed separately to disclose the amount of each payment in aggregate. If a director also holds the position of President or Vice President, it is necessary to complete this form and either table above (1-1), or the tables (1-2-1) and (1-2-2) shall be filled out.

Note 3: Referring to the listing of the compensation, job duty bonuses, and severance pay of the President and Vice Presidents in the most recent year.

Note 4: Referring to the listing of the amount of various bonuses, incentives, traveling expenses, special expenses, various allowances, dormitory, and provision of material objects such as vehicles, etc. for the President and Vice Presidents in the most recent year. If providing housing, automobiles, or other means of transportation, as well as exclusive personal expenses, are provided, the nature and cost of these assets must be disclosed. This includes the actual or calculated rent at fair market prices, fuel costs, and any other associated payments. If a driver is assigned to the directors, please take note of the relevant compensation paid to the driver by the Company. However, this compensation should not be included in the remuneration. The remuneration shall include compensation expenses recognized in accordance with IFRS2 "Share-Based Payment," which encompasses the acquisition of employee stock warrants, new restricted employee shares, and participation in cash capital increase subscription, among others.

Note 5: Referring to the listing of the amount of employee compensation (including stock and cash) approved by the Board of Directors for the President and Vice Presidents for the most recent year. If it is impossible to estimate the said remuneration, the proposed distribution amount for this year shall be calculated based on the proportion of the actual distribution amount last year, and shall be listed in Table 1-3.

Note 6: The total amount of remuneration paid to the President and Vice Presidents of the Company by all companies in the consolidated financial statements (including the Company) shall be disclosed.

Range of Remuneration Paid to the President and Vice Presidents	Name of President and Vice Presidents	
	The Company (Note 7)	Companies in the Consolidated Financial Statements (E) (Note 8)
Less than NT\$1,000,000	—	—
NT\$1,000,000-NT\$1,999,999	—	—
NT\$2,000,000-NT\$3,499,999	—	—
NT\$3,500,000-NT\$4,999,999	—	—
NT\$5,000,000-NT\$9,999,999	SHENG, KANG	Same as the left column
NT\$10,000,000-NT\$14,999,999	WANG, CHIH-HSIN	Same as the left column
NT\$15,000,000-NT\$29,999,999	—	—
NT\$30,000,000-NT\$49,999,999	—	—
NT\$50,000,000-NT\$99,999,999	—	—
Greater Than or Equal to NT\$100,000,000	—	—
Total	2	2

Note 7: The Company has fully compensated each President and Vice President, and their names of the President and Vice Presidents have been disclosed along with the corresponding salary range in which they are paid.

Note 8: The consolidated financial statements must disclose the total amount of remuneration paid to each President and Vice Presidents of the Company, including the Company itself. Additionally, the names of the President and Vice Presidents must be disclosed within the range of their respective salaries.

Note 9: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 10:

- a. The amount of remuneration received by the President and Vice Presidents of the Company from the reinvested businesses other than subsidiaries or the parent company shall be clearly indicated in this column (if there is none, please fill in "None").
- b. If the President and Vice Presidents of the Company receive any relevant remunerations from the reinvested businesses that have been reinvested, but are not subsidiaries or the parent company, then the remuneration they receive should be included in column E of the Range of Remuneration Table. Additionally, the name of the column should be changed into "Parent Company and All Reinvested Businesses."
- c. Remuneration pertains to the compensation, remuneration (including that of employees, directors, and supervisors), as well as business execution expenses received by the President and Vice Presidents of the Company. This applies to their roles as directors, supervisors, or managers of the reinvested businesses, excluding subsidiaries or the parent company.

\*The content of remuneration disclosed in this form is different from the concept of income in the Income Tax Act. The purpose of this form is for information disclosure and not for taxation.

3. Remuneration to Managerial Officers and Their Names and Distribution Status

December 31, 2024

Unit: NT\$ thousands

	Title	Name	Amount in Stock (thousand dollars)	Amount in Cash (thousand dollars)	Total (thousand dollars)	Ratio of Total Amount to Net Income (%)
Managerial Officers	President	WANG, CHIH-HSIN	0	13,719	13,719	1.91
	Executive Vice President	SHENG, KANG				
	Finance and Accounting Supervisor	HUANG, KUI-YI				

Note: On February 21, 2025, the Board of Directors of the Company approved the amount of employee remuneration to be distributed, and the above is the amount proposed by the managerial officers.

4. Comparisons and Descriptions of Total Remuneration, as a Percentage of Net Income Stated in the Parent Company-Only Financial Reports or Individual Financial Reports, as Paid by the Company and All Other Companies Included in the Consolidated Financial Statements During the Past Two Fiscal Years to Directors, Supervisors, the President, and Vice Presidents, with Analysis and Description of Remuneration Policies, Standards, and Packages, Procedure for Determining Remuneration, and Linkage Thereof to Operating Performance and Future Risk Exposure:

- (1) Analysis of the ratio of the difference between the two fiscal years of remuneration paid to the Company's Directors, Supervisors, Presidents, and Vice Presidents to the after-tax net profit:

Unit: NT\$ thousands

	2024		2023	
	The Company	Consolidated Financial Statements	The Company	Consolidated Financial Statements
Total Remuneration Paid to Directors, President, and Vice Presidents	42,529	43,674	34,505	35,310
Ratio of Total Remuneration Paid to Directors, President, and Vice Presidents to Net Income (%)	5.91	6.07	6.76	6.91

- (2) The remuneration of directors and independent directors of the Company includes traveling expenses and distribution of directors' remuneration. When it comes to travel expenses, we adhere to industry standards. Directors are reimbursed for their attendance at the Board of Directors meetings. The Company compensates directors with remuneration that does not exceed 3%

of the current fiscal year's profit status. When there is a cumulative deficit, the Company shall compensate such deficit. The compensation for the President and Vice Presidents, which includes salaries, bonuses, and employee benefits, is determined by comparing it to the compensation of similar positions in the industry. This comparison takes into account the specific position held, the responsibilities assumed, and the level of contribution made to the Company. The Company shall evaluate the performance evaluation and compensation of its directors and managerial officers by considering the industry's average remuneration level, their performance in relation to the Company's operating performance and future risks, taking into account the time and responsibilities they have devoted, their personal goal achievements, their performance in other positions, the remuneration that others have received by others in the same positions in recent years, and the achievement of the Company's short-term and long-term business targets and the Company's financial position. This evaluation will ensure that the remuneration and performance of the directors and managerial officers are reasonable and aligned with the Company's goals.

## II. Implementation of Corporate Governance

### (I) Operation of the Board of Directors

A total of 4 (A) meetings of the Board of Directors were held in the most recent year.

The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Ratio of Attendance in Person (%) (B/A)	Remarks
Chairman	WANG, CHIH-HSIN	4	0	100.00	None
Director	SHENG, KANG	4	0	100.00	None
Director	CHEN, SHAN-NAN	3	1	75.00	None
Director	SHEN, SHIAN-HO	2	0	100.00	Resigned on June 21, 2024
Director	LIN CHE-MING	4	0	100.00	None
Director	HUANG, JIN-HUA	4	0	100.00	None
Director	LIN, CHUN-LIANG	4	0	100.00	None
Representative of Institutional Director	YANG, SEN-LU	2	0	100.00	Assumed office on June 21, 2024
Independent Director	CHIANG, CHUN-YEN	4	0	100.00	None
Independent Director	CHIEN, CHUAN-SHENG	4	0	100.00	None
Independent Director	CHIEN, HUI-HUAN	4	0	100.00	None
Independent Director	HUANG, KUO-YU	4	0	100.00	None

Note: In 2024, all directors/independent directors of the Board of Directors attended in person except CHEN SHAN-NAN, a director, who attended by proxy at the 5th meeting of the 10th Board of Directors by proxy.

Other information required to be disclosed:

I. With regard to the operations of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions, and the Company's response shall be specified:

- (I) Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee; thus, Article 14-3 of the Securities and Exchange Act does not apply. For the explanation of the matters stipulated in Article 14-5 of the Securities and Exchange Act, please refer to the Operation of the Audit Committee on page 32 of this annual report.
- (II) Any recorded or written Board resolutions to which independent directors have dissenting or qualified opinions to be noted in addition to the above: None.

II. Regarding recusals of directors in 2024 and 2025 as of the publication date of the annual report due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified:

- (I) 4th meeting of the 10th Board of Directors (February 26, 2024)  
 Proposal: "Proposals from the Company's Remuneration Committee" and "Proposal for Issuance of Restricted Employee Shares."  
 Resolution: For this proposal, Independent Director CHIANG CHUN-YEN, Chairman of the Company's Remuneration Committee, fully explained the discussion and resolutions of the Remuneration Committee, and the Chairman of the Board appointed Independent Director CHIANG CHUN-YEN as the Chairman for this proposal. Except for Chairman WANG CHIH-HSIN and Director KANG SHENG, who recused themselves due to their concurrent roles as managerial officers of the Company, the remaining present directors unanimously voted for the adoption of the proposal.
- (II) 5th meeting of the 10th Board of Directors (May 10, 2024)  
 Proposal: Proposals from the Company's Remuneration Committee.  
 Resolution: For this proposal, Independent Director CHIANG CHUN-YEN, Chairman of the Company's Remuneration Committee, fully explained the discussion and resolutions of the Remuneration Committee, and the Chairman of the Board appointed Independent Director CHIANG CHUN-YEN as the Chairman for this proposal. Except for Chairman WANG CHIH-HSIN and Director KANG SHENG, who recused themselves due to their concurrent roles as managerial officers of the Company and were not allowed to delegate their voting rights, the remaining present directors unanimously voted for the adoption of the proposal.
- (III) 7th meeting of the 10th Board of Directors (November 11, 2024)  
 Proposal: "Proposals from the Company's Remuneration Committee" and "Proposal for Issuance of Restricted Employee Shares."  
 Resolution: For this proposal, Independent Director CHIANG CHUN-YEN, Chairman of the Company's Remuneration Committee, fully explained the discussion and resolutions of the Remuneration Committee, and the Chairman of the Board appointed Independent Director CHIANG CHUN-YEN as the Chairman for this proposal. Except for Chairman WANG CHIH-HSIN and Director KANG SHENG, who recused themselves due to their concurrent roles as managerial officers of the Company, the remaining present directors unanimously voted for the adoption of the proposal.

III. TWSE/TPEX-listed companies shall disclose the evaluation cycle and duration, scope of evaluation, methodology, and evaluation contents of the self (peer) evaluation of the Board of Directors and fill out the table of Implementation of the Evaluation of the Board of Directors.

The Company approved the formulation of "Rules for Self-Evaluation or Peer Review of Board of Directors" at the 12th meeting of the 8th Board of Directors on March 25, 2020, and performed the evaluation at the end of that year, including the self-evaluation or peer review of the Board of Directors and the functional committees. The results of the evaluation of 2024 were presented to the Board of Directors at the meeting held on February 21, 2025:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Evaluation Results
Annually	2024.01.01~2024.12.31	Board of Directors	Self-evaluation of the Board of Directors	1. Degree of involvement in company operations 2. Improving the quality of decision-making of the Board 3. Composition and structure of the Board 4. Selection and continuing education of directors 5. Internal control	Excellent

Annually	2024.01.01~ 2024.12.31	Individual members of the Board of Directors	Self- evaluation of the members of the Board of Directors	1. Mastery of Company goals and tasks 2. Awareness and identification of the job duties of directors 3. Degree of involvement in company operations 4. Internal relationship management and communication 5. Professional and continuing education of directors 6. Internal control	Excellent
Annually	2024.01.01~ 2024.12.31	Audit Committee	Self- evaluation of the conveners	1. Degree of involvement in company operations 2. Awareness and identification of the job duties of audit committees 3. Improve the quality of decision-making in audit committees 4. Composition and selection of members of audit committees 5. Internal control	Excellent
Annually	2024.01.01~ 2024.12.31	Remuneration Committee	Self- evaluation of the conveners	1. Degree of involvement in company operations 2. Awareness and identification of the job duties of remuneration committees 3. Improve the quality of decision-making in remuneration committees 4. Composition and selection of members of remuneration committees 5. Internal control	Excellent

IV. Goals of the functions of the Board (including establishing the Audit Committee and enhancing information transparency) and the evaluation of implementation results:

- (I) The Company established and revised the "Procedures for Handling Requests Made by Directors" in May 2019 and May 2023, respectively, as approved by the Board of Directors. A Corporate Governance Officer was appointed to assist the directors in their duties and enhance the effectiveness of the Board.
- (II) On June 21, 2023, the Shareholders' Meeting of the Company held a general election to elect the members of the 10th Board of Directors. Eleven directors, including four independent directors, were elected, and the four independent directors concurrently served as members of the 3rd Audit Committee.
- (III) The Company website features an "Investor Relations" section that offers investors access to financial, business, and material information, as well as corporate governance details. This information is updated in real-time to ensure accuracy. Additionally, the Company has implemented a spokesperson system and a stakeholder section to provide shareholders and stakeholders with a means to consult the Company's financial and business-related information.
- (IV) The Board of Directors has approved the following relevant corporate governance regulations: Corporate Governance Best Practice Principles, Sustainable Development Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Guidelines for the Adoption of Codes of Ethical Conduct, Rules Governing the Scope of Powers of Independent Directors, Regulations for the Evaluation of Independence for Certified Public Accountants Attesting the Financial Statements, Rules for Self-Evaluation or Peer Review of Board of Directors, Remuneration Committee Charter, and Audit Committee Charter. These regulations have been disclosed on the Company website.

## (II) Operation of the Audit Committee

1. The Audit Committee of the Company is composed of all four independent directors. For the professional qualifications and experience of the members, please refer to the Information of Directors on page 16 to 18 of this annual report.

The Audit Committee operates with the main purpose of supervising the following matters:

- (1) Fair presentation of the Company's financial statements.
  - (2) The appointment/dismissal, independence and performance of certified public accountants attesting the financial statements.
  - (3) Effective implementation of the Company's internal controls.
  - (4) Compliance of the Company with relevant laws and regulations.
  - (5) Management and control of the Company's existing or potential risks.
2. Annual Work Highlights of 2024
    - (1) Review of financial statements  
Review of the annual financial statements of 2023 and quarterly financial statements of Q1 to Q3 of 2024.  
Review of 2023 Business Report and earnings distribution proposal.
    - (2) Evaluation of the effectiveness of the internal control system  
The Audit Committee has evaluated the effectiveness of the Company's internal control system policies and procedures and reviewed the periodic reports from the Company's auditing department, certified public accountants and the management in 2023, including risk management and compliance with the laws and regulations. The Audit Committee concluded that the Company's risk management and internal control systems are effective and that the Company has adopted the necessary control mechanisms to monitor and correct non-compliance.
    - (3) Appointment, dismissal, or the remuneration of the Company's CPAs  
Review of the independence and suitability of the CPAs in 2024.  
Review of the remuneration for the appointment of the CPAs in 2024.
    - (4) Amendments to the internal control systems
    - (5) Execution of the offering, issuance, or private offering of securities with equity nature  
Review the list of employees and the number of Issuance of the new restricted employee shares in 2024
    - (6) Review of the 2025 Auditing Plan

3. A total of 4 (A) meetings of the Audit Committee were held in 2024. The attendance of independent directors was as follows:

Title	Name	Attendance in Person (B)	No. of Meetings Attended by Proxy	Ratio of Attendance in Person (%) (B/A)	Remarks
Independent Director	CHIANG, CHUN-YEN	4	0	100.00	None
Independent Director	CHIEN, CHUAN-SHENG	4	0	100.00	None
Independent Director	CHIEN, HUI-HUAN	4	0	100.00	None
Independent Director	HUANG, KUO-YU	4	0	100.00	None

Other information required to be disclosed:

I. With regard to the operations of the Audit Committee, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, dissenting opinions, reservations or material proposals from independent directors, all Audit Committee resolutions, and the Company's response to the Audit Committee's opinions shall be specified:

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act: Please refer to 4.

(II) Other matters that were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None; Please refer to 4.

II. Regarding recusals of independent directors due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.

III. Communications among the independent directors, the Company's internal auditing supervisor, and CPAs:

(I) The auditing supervisor adheres to regulations by submitting the audit report to the independent directors. Additionally, they maintain communication with the independent directors via phone or mail as needed. The auditing supervisor also reports the implementation status of the audit plan and tracks improvements to both the Audit Committee and the Board of Directors.

(II) The CPAs maintain regular communication with independent directors through written correspondence or face-to-face meetings. They also report any communication-related issues to the governance units, ensuring that independent directors have a comprehensive understanding of the Company's significant financial and business conditions.

The aforementioned communication situation is disclosed on the Company website.

#### 4. Operation of the Audit Committee in 2024

Audit Committee	Contents of Motions and Follow-Ups	Matters Referred to in Article 14-5 of the Securities and Exchange Act	Dissenting Opinions, Reservations, or Material Proposals from Independent Directors	Resolution Results of the Audit Committee	Other Matters That Were Not Approved by the Audit Committee but Were Approved by Two-Thirds or More of All Directors	Board of Directors' Handling of Audit Committee Opinions
3rd meeting of the 3rd Audit Committee 2024.02.26	Discussed proposals: 1. 2023 Business Report and Financial Statements. 2. 2023 earnings distribution proposal. 3. Assessment of effectiveness of internal control system and internal control system statement. 4. Issuance of the new restricted employee shares. 5. Evaluation of independence and suitability of CPAs for 2024. 6. Review of the appointment and remuneration of the Company's CPAs for 2024.	√ √ √ √ √ √	None.	After the relevant non-voting personnel fully explained the discussed proposals and left the meeting room, all the discussion items were unanimously approved by all the attending committee members.	None.	Unanimously approved by all the attending directors.
4th meeting of the 3rd Audit Committee 2024.05.10	Discussed proposals: 1. The Company's financial statements for Q1 of 2024.	-	None.		None.	
5th meeting of the 3rd Audit Committee 2024.08.09	Discussed proposals: 1. The Company's financial statements for Q2 of 2024.	-	None.		None.	
6th meeting of the 3rd Audit Committee 2024.11.11	Discussed proposals: 1. The Company's financial statements for Q3 of 2024. 2. The Company's 2025 annual audit plan. 3. Amendments to the Statement on Internal Controls. 4. Issuance of the new restricted employee shares.	- √ √ √	None.		None.	

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
I. Does the Company establish and disclose its Corporate Governance Best Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	√		The Company has formulated a Corporate Governance Best Practice Principles and disclosed it on the Market Observation Post System (MOPS) and the Company website.	None.
II. Shareholding structure & shareholders' rights				
(I) Does the Company establish internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations, and implement based on the procedures?	√		(I) For shareholders' suggestions or questions, the Company not only has a spokesperson and acting spokesperson, but also entrusts a professional stock affairs agency with stock affairs agents to handle shareholders' suggestions or disputes.	None.
(II) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	√		(II) The Company has stock affairs personnel and appointed stock affairs agent, MasterLink Securities, to manage the list of major shareholders and the list of ultimate controllers of major shareholders.	None.
(III) Has the Company established, and does it execute, a risk management and firewall system within its affiliated companies?	√		(III) The management responsibilities of personnel, assets and finance between the Company and affiliates are clearly separated. In addition to the regulations of "Rules Governing Transactions among the Corporations of the Group, Specific Companies and Related Parties" and "Supervision Measures of Subsidiaries," the auditors also regularly supervise the conditions of execution.	None.
(IV) Has the Company established internal rules against insiders trading with undisclosed information?	√		(IV) The Company has established "Procedures for Handling Material Inside Information" and "Guidelines for the Adoption of Codes of Ethical Conduct," which are listed on the Company's website, and prohibits insiders from using unpublished information in the market to trade marketable securities.	None.
III. Composition and responsibilities of the Board of Directors				

Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(I) Does the Board of Directors have formulated a diversity policy and specific management objectives and implemented them?	√		(I) Please refer to the description of the diversity and independence of the Board of Directors on page 19-20 of this annual report.	None.
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		√	(II) The Company has established the Remuneration Committee in accordance with the regulations of the competent authority and voluntarily set up the Audit Committee in advance in 2017 and established the code of practice. Other functional committees will be set up in accordance with the regulations of the competent authority and the operational demands of the Company.	As described in the summary in the left column.
(III) Has the Company established Rules for Performance Evaluations of the Board of Directors, and does the Company implement such annually, and report the results of evaluations to the Board, and use them as a reference for individual directors' remuneration and nomination and renewal?	√		(III) The Company has a Remuneration Committee that regularly evaluates the achievement of the performance targets of directors. The Company has established the "Rules for Self-Evaluation or Peer Review of Board of Directors" in the Board meeting on March 25, 2020, and the evaluation of directors' performance for 2024 was submitted to the Board of Directors February 21, 2025 and reported as required.	None.
(IV) Does the Company regularly evaluate the independence of the CPAs?	√		(IV) In accordance with the "Regulations for the Evaluation of Independence for Certified Public Accountants Attesting the Financial Statements," the Company conducts an annual evaluation of the CPAs' independence. The assessments of the independence and suitability of the CPAs for 2024 and 2025 were approved by the Audit Committee and the Board of Directors on February 26, 2024, and February 21, 2025, respectively. The evaluation was based on the independence statement provided by the certified public accountants, their resumes and the Independence Evaluation Form for CPAs provided by the Company to confirm that the certified public accountants have no financial interests or business relationships with the Company other than the fees for attestation and taxation cases.	None.

Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>The primary items for assessing the independence of a CPA are as follows:</p> <ol style="list-style-type: none"> <li>1. Are the CPAs not serving as directors of the Company or an affiliate?</li> <li>2. Are the CPAs not shareholders of the Company or an affiliate?</li> <li>3. Are the CPAs not paid employees of the Company or an affiliate?</li> <li>4. Are the CPAs not involved in moneylending with the Company?</li> <li>5. Do the CPAs not currently hold, or have they not held within the last two years, any positions as directors or managerial officers of the Company, or positions which may have a significant influence on the audit results?</li> <li>6. Have the CPAs have not provided audit services to the Company for seven consecutive years?</li> <li>7. Have the CPAs complied with independence regulations of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10?</li> <li>8. Have the Company obtained a statement of independence from the CPAs annually?</li> </ol> <p>In addition to the aforementioned evaluation items, the Company obtained information on the audit quality indicators (AQIs) information provided by the CPAs. The Audit Committee and the Board of Directors utilized quantitative indicators to measure audit quality, including the following five aspects, namely, the indicators of professionalism, quality control, independence, supervision, and innovation capabilities. This approach allowed for a more effectively and objective evaluation of the capability and commitment of CPA firms and audit teams. The Company's objective is to strengthen corporate governance and promote sustainable operations.</p>	
IV. Does the Company appoint a suitable number of competent personnel and a Corporate Governance Officer responsible for corporate	√		The Company approved the creation of a Corporate Governance Officer position. This officer will oversee all matters related to corporate governance, working in conjunction with the President's Office and the Financial	None.

Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary Description	
governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the Board of Directors and the shareholders' meetings, and producing minutes of Board meetings and shareholders' meetings)?			Accounting Department, the Administrative Support Department, the Human Resources Department, and all other relevant units will also collaborate in this effort. The primary responsibilities of the Corporate Governance Officer will include providing the necessary information to the directors, assisting them in complying with legal requirements, and ensuring that Board meetings and Shareholders' Meetings are conducted in accordance with the law. Implementation status: The Corporate Governance Officer provides information on the training course information for directors and Board meeting or information required by laws and regulations, convenes Board meeting and Shareholders' Meetings in accordance with the law, compiles meeting minutes.	
V. Has the Company established communication channels and built a dedicated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	√		The Company maintains a corporate website in both English and Chinese, providing stakeholders with information on financial operations and corporate governance. To handle external communication matters and make proper use of the Market Observation Post System (MOPS), the Company has a spokesperson and an acting spokesperson. Additionally, the Company provides a public email address and telephone number intended for each stakeholder to contact us through the Company website. We are committed to promptly responding to any questions or suggestions received from the stakeholders, we will reply as soon as possible. (Website: <a href="http://www.esg.anpec.com.tw">www.esg.anpec.com.tw</a> Under "Stakeholders" section).	None.
VI. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	√		The Company has appointed a professional shareholder service agency to deal with shareholder affairs. The details are as follows: Stock agent: Stock Agency Department, MasterLink Securities Co., Ltd. Phone: +886-2-27686668 Address: B1, No. 35, Ln. 11, Guangfu N. Rd., Songshan Dist., Taipei City Website: <a href="http://www.masterlink.com.tw">www.masterlink.com.tw</a>	None.

Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
VII. Information Disclosure				
(I) Does the Company have a corporate website to disclose both the Company's financial standings and corporate governance status?	√		(I) The Company has established both Chinese and English corporate websites to disclose financial, business, and corporate governance information.	None.
(II) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?	√		(II) The Company maintains a dedicated website, and designated personnel are responsible for disclosing material information disclosure, and uploading it to both MOPS and the Company website before the deadlines. Additionally, audio-visual files and briefing materials from investor conferences can also be accessed on the Company website. The Company also adheres to regulations by implementing spokesperson and acting spokesperson mechanisms are implemented in accordance with regulations.	None.
(III) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report the financial statements of the first three quarters, as well as monthly operation results, before the prescribed time limit?	√		(III) The Company has announced and reported annual financial statements within two months after the end of 2024, and announced and reported the financial statements of the first three quarters, as well as monthly operation results, before the prescribed time limit to enable investors to access the Company's financial information in a more timely manner.	None.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?	√		<ol style="list-style-type: none"> <li>The Company purchases liability insurance for its directors, renews the liability insurance every year and reports to the Board of Directors. The cumulative compensation limit for each claim and insurance period is US\$8 million. The important contents of liability insurance for the annual renewal in 2024, such as the insurance amount, insurance coverage, and insurance premium rate, has been reported to the directors at the 6th meeting of 10th Board of Directors on August 9, 2024.</li> <li>Employee rights: The Company complies with the provisions of the Labor Standards Act to protect the rights of the employees, maintains a harmonious labor relationship, and has established an Employee Welfare Committee to handle employee welfare</li> </ol>	None.

Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>operations, and allocate labor pensions according to law.</p> <p>3. Employee care: The Company places great emphasis on the value of its employees as the most important assets. To ensure the safety of its workforce, the Company. It has obtained the ISO 14001 environmental management system certification, developed an emergency response plan, and conducts annual fire first aid training every year to effectively manage the risks of occupational accidents. The Company fosters a harmonious work environment through employee self-management and mutual respect among colleagues. Furthermore, the Company has established various rules and regulations have been established to protect the rights of both the Company and its employees. To encourage open communication, an employee complaint mailbox has been established to facilitate the expression of employees' opinions. In addition, through the Employee Welfare Committee and the administrative organization, various welfare subsidies and care can be provided to employees in a timely manner, so that employees don't have to worry about their job security.</p> <p>4. Investor relations: There is a system of spokespersons and acting spokespersons, and there are professional stock affairs agencies and stock affairs personnel to deal with shareholders' questions and suggestions. The Company's financial information and other relevant information are immediately announced on MOPS, so that investors are able to obtain relevant information about the Company in real time.</p> <p>5. Supplier relationship and evaluation: The Company regularly evaluates its suppliers on a regular basis, conducts surveys through supplier questionnaires, and maintains smooth communication to foster positive relationships with them to maintain a good relationship with suppliers. Pursuant to the Regulations Governing the Evaluation of Suppliers, the Company regularly reassesses the evaluation results of qualified suppliers every year. Among them, the part of system evaluation is to conduct corporate social</p>	

Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>responsibility assessment of suppliers. At present, relevant social responsibility management systems have been established and certified.</p> <p>6. Stakeholder rights: The Company website has established a dedicated section for stakeholders, and the Company has identified the identities of stakeholders, issues of their concern, communication channels, and response methods.</p> <p>7. The implementation of the risk management policy and assessment standards: The Company has formulated various internal control and operating regulations in accordance with the law, and has carried out various types of risk management and assessments.</p> <p>8. Customer policies and their implementation status: The Company regularly surveys customer satisfaction level, and has a customer complaint handling system to maintain a good and stable relationship with its customers.</p> <p>9. Please refer to page 41 of this annual report for the succession plan for Board members and key management personnel.</p> <p>10. Please refer to page 42 of this annual report for the continuing education and corporate governance training for the Company's directors and managerial officers in 2024.</p>	
IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved.	√		<p>The Company adheres to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and has enhanced its corporate governance status based on the corporate governance evaluation results announced by the competent authority. Additionally, the Company conducts an annual self-evaluation of its corporate governance status every year in accordance with the regulations to ensure continued improvement and compliance.</p> <p>1. The Company's English and Chinese website has disclosed pertinent information, including finance, business, and corporate governance. Additionally, the professional backgrounds of Board members, as well as the corporate governance structure and functional committee members, have also been made</p>	None.

Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>available on the website. In addition, the Company has established ESG websites in both Chinese and English to disclose its performance on environmental, social, and corporate governance matters. The most recent report to the Board of Directors on information security, ethical management, and intellectual property management was presented on November 11, 2024.</p> <p>2. Investor conference held in 2024 were accompanied by post-meeting audiovisual links to enhance transparency in company information disclosure for the benefit of investors.</p> <p>3. In 2024, the Company revised its procedures for managing related-party transactions and disclosed the written regulations regarding financial and business operations on its corporate website. These regulations include management procedures for transactions such as purchases and sales, and the acquisition or disposal of assets. Significant transactions are required to be approved by the Board of Directors and, where applicable, submitted to the shareholders' meeting for approval or reporting.</p>	
			<p>4. In September 2024, the Company initiated the preparation of its Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards. The report also references industry-specific metrics from the Sustainability Accounting Standards Board (SASB) Standards and includes an index mapping SASB metrics to the contents of the report. The report is scheduled to be submitted for Board of Directors's approval and uploaded to the Market Observation Post System (MOPS) and the Company's website before the regulatory filing deadline.</p> <p>5. In 2024, the Company invested NT\$20 million in sustainability bonds approved by the Taipei Exchange.</p>	

## **Succession Plan for Board Members and Key Management Personnel**

In accordance with the Company's development direction and goals, the succession plan of the Company requires that the successors must possess not only professional capability, but also ethics and values that are consistent with those of the Company.

### **Succession Plan for Board Members**

The Company's Board of Directors currently consists of 11 directors and independent directors, all of whom possess the necessary capabilities in business, finance and accounting, or corporate operations. In the future, the current structure of composition of the Board of Directors of the Company and the background of its members will be maintained. Regarding the succession planning of the Board of Directors, the Company maintains good communication with the current shareholders and discuss the selection of the successors from time to time. Independent directors, they are required by law to have working experience in business, law, finance, accounting, or the business of the Company, so they will be selected from the pool of professionals in academia or in the industry in Taiwan.

### **Succession Plan for Key Management Personnel**

In order to achieve the Company's goal of steady growth and long-term operation, the Company has planned a comprehensive succession plan and implemented it in the following stages:

(I) Identify the key positions

Through the annual operational growth forecast and analysis of departmental management and staff job duties, we take stock of the Company's HR assets, clarify manpower needs and actual discrepancies, and identify and define the key positions required for the Company's growth.

(II) Identify the talent pool for succession

When planning the succession plan, the Company relies on its performance appraisal system, the HR Review Committee system, and daily observation to identify a pool of high-potential successors who, in addition to possessing excellent working capabilities, must share the Company's vision and mission and pass on and promote the Company's culture: Integrity, innovation, enthusiasm, execution, and customer orientation.

(III) Execution of talent development plan

To ensure the succession of talented individuals, the Company has designed a variety of training methods that offer diverse growth opportunities. Our talent development plan includes: Management ability, professional ability, job rotation, and senior executive experience transfer; through practical work and participation, a full range of business management capabilities can be cultivated.

(IV) Review and revision

The Company regularly reviews the overall status and results of the plan and flexibly revises the plan as needed, including: successor suitability, learning outcomes, and future growth, in order to review and revise the succession plan to maximize its effectiveness.

### Continuing Education of Directors in 2024

Name/Title	Course	Organizer	Date	Training Hours
YANG, SEN-LU Director (Representative of Institutional Director)	Internal Equity Promotion Seminar for the OTC and Emerging Stock Companies	Taipei Exchange	2024.09.12	3
	Promoting Sustainable Development through Risk Management	Corporate Operating and Sustainable Development Association	2024.09.26	3
CHIANG, CHUN-YEN Independent Director	AI Strategy and Governance	Taipei Exchange	2024.07.09	3
	Sustainable Investment New Vision Forum	Taiwan Corporate Governance Association	2024.10.04	3
CHIEN, CHUAN-SHENG Independent Director	Promoting Sustainable Development through Risk Management	Accounting Research and Development Foundation	2024.10.30	6
CHIEN, HUI-HUAN Independent Director	AI Strategy and Governance	Taipei Exchange	2024.07.09	3
	Sustainable Investment New Vision Forum	Taiwan Corporate Governance Association	2024.10.04	3
HUANG, KUO-YU Independent Director	New Trends in Circular Economy and Sustainable Development	The Greater China Financial Development Association	2024.11.22	3
	Global Challenges Posed by Trump 2.0	The Greater China Financial Development Association	2024.12.17	3

### Continuing Education of Managerial Officers in 2024

Name/Title	Course	Organizer	Date	Training Hours
HUANG, KUI-YI Corporate Governance Officer Finance and Accounting Supervisor	2024 Bond Market Promotion Seminar	Taipei Exchange	2024.04.16	3
	Legal Responsibility and Internal Control/Internal Auditing Practices for Employee Fraud	Accounting Research and Development Foundation	2024.06.07	6
	A Comprehensive Overview of Employee Compensation – Analysis of Incentive Tools and Key Tax Issues	Hsinchu Science Park Bureau	2024.08.14	3
	Continued Education for Accounting Supervisors – Sustainability Governance/ Practical Analysis of Greenhouse Gas Standards/Practical Economic Crime Law/Personal Data Protection Internal Controls	Accounting Research and Development Foundation	2024.08.22	12
	Internal Equity Advocacy Seminar for OTC and Emerging Companies	Taipei Exchange	2024.09.11	3
	Practical Analysis of Corporate Greenhouse Gas Inventory and Internal Control Management	Accounting Research and Development Foundation	2024.10.07	6
	The Latest Regulations on "Annual Report/Sustainability Information/Financial Report Compilation" and Practice of Internal Control Management	Accounting Research and Development Foundation	2024.11.27	6

(IV) Composition, Responsibility and Operation Status of the Remuneration Committee

1. Information of Remuneration Committee Members

Qualifications		Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies Where the Individual Concurrently Serves as a Remuneration Committee Member
Title	Name			
Independent Director (Convener)	CHIANG, CHUN-YEN	Please refer to Information Disclosure of Professional Qualifications of Directors and Independence Criteria of Independent Directors on page 16 to 18 of this annual report.	1	
Independent Director	CHIEN, CHUAN-SHENG		0	
Independent Director	CHIEN, HUI-HUAN		0	
Independent Director	HUANG, KUO-YU		0	

2. The Remuneration Committee is responsible for reviewing the results of performance evaluation of directors and managerial officers as well as the policies, systems, standards, and structure of remuneration:

The Remuneration Committee Charter of the Company was established on December 28, 2011, and was amended for the second time and approved by the Board of Directors on March 25, 2020. The Remuneration Committee Charter clearly stipulates that the Remuneration Committee shall have the loyalty and shall exercise the due care of a good administrator and faithfully perform the following duties and responsibilities and submit its suggestions to the Board of Directors for discussion.

- (1) To establish and review the performance targets of directors and managerial officers of the Company as well as the policies, systems, standards, and structure of remuneration and compensation.
- (2) To periodically evaluate whether the Company's directors and managerial officers have reached performance targets, and the content and amount of their individual remuneration are determined.

The Company held two Remuneration Committee meetings in 2024, namely, on May 10, 2024 and November 11, 2024, respectively. The suggestions proposed at the meetings were submitted to the Board of Directors meetings for discussion and later approved by the Board of Directors on May 11, 2024 and November 11, 2024.

In the Remuneration Committee meeting held on May 10, 2024, the Company (1) reviewed the performance targets of directors and managerial officers of the Company as well as the policies, systems, standards, and structure of remuneration

and compensation, and (2) evaluated whether the Company's directors and managerial officers have reached performance targets, and the content and amount of their individual remuneration were determined. The proposals were submitted to the Board of Directors for discussion and approval on May 10, 2024; Additionally, the managerial officers' remuneration structure and performance system were revised during the Remuneration Committee meeting on November 11, 2024. The resolutions of the Remuneration Committee and the Board of Directors are in the following pages.

3. Operation Status of the Remuneration Committee:

- (1) There are four members in the Remuneration Committee of the Company, all of whom are the independent directors of the Company.
- (2) The current term of office: From June 21, 2023 to June 20, 2026, a total of 2 (A) meetings of the Remuneration Committee were held in the most recent year. The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	No. of Meetings Attended by Proxy	Ratio of Attendance in Person (%) (B/A)	Remarks
Convenor	CHIANG, CHUN-YEN	2	0	100.00	-
Member	CHIEN, CHUAN-SHENG	2	0	100.00	-
Member	CHIEN, HUI-HUAN	2	0	100.00	-
Member	HUANG, KUO-YU	2	0	100.00	-

Other information required to be disclosed:

- I. If the Board of Directors refuses to adopt or amend a recommendation from the Remuneration Committee, the date of the meeting, session, contents of the motions, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., the circumstances and cause for the difference if the remuneration passed by the Board of Directors exceeds the recommended amount by the Remuneration Committee) shall be specified: None; please refer to the following attached table.
- II. If there were resolutions by the Remuneration Committee to which members have dissenting or qualified opinions, and for which there is a record or declaration in writing, the date of the meeting, session, contents of the motions, all members' opinions, and the response to members' opinions shall be specified: None; please refer to the following attached table.

(3) Remuneration Committee's Opinions or Resolution Results on the Proposals:

Remuneration Committee	Contents of Motions and Follow-Ups	Dissenting or Reserved Opinions from the Members
2nd meeting of the 5th Remuneration Committee 2024.05.10	Discussed proposals: (1) The remuneration structure, performance system for directors, and its individual payment contents are proposed to be continued. (2) The remuneration structure and performance system for managerial officers are proposed to be continued. (3) The amount of remuneration for individual directors for 2023. (4) The amount of remuneration for individual managerial officers for 2023. (5) Proposed raise for managerial officers for 2024.	None.

Remuneration Committee	Contents of Motions and Follow-Ups	Dissenting or Reserved Opinions from the Members
	Remuneration Committee's resolution results: This proposal was unanimously approved by all the attending directors.	
	Handling of the Remuneration Committee's opinions by the 5th meeting of the 10th Board of Directors: For this proposal, Independent Director CHIANG, CHUN-YEN, chairman of the Company's Remuneration Committee, fully explained the discussion and resolutions of the Remuneration Committee, and the Chairman of the Board appointed Independent Director CHIANG, CHUN-YEN as the chairman for this proposal. Except for Chairman WANG CHIH-HSIN and Director SHENG, KANG, who recused themselves due to their concurrent roles as managerial officers of the Company and were not allowed to delegate their voting rights, the remaining directors present unanimously voted for the adoption of the proposal.	
3rd meeting of the 5th Remuneration Committee 2024.11.11	Discussed proposals: (1) Accounting percentage for employee and director remuneration of the Company for 2025. (2) Amendment to the Company's managerial officers remuneration structure and performance system. (3) Individual Manager Restricted Employee Rights New Stock Allocation Case for 2024	None.
	Remuneration Committee's resolution results: This proposal was unanimously approved by all the attending directors.	
	Handling of the Remuneration Committee's opinions by the 7th meeting of the 10th Board of Directors: For this proposal, Independent Director CHIANG CHUN-YEN, Chairman of the Company's Remuneration Committee, fully explained the discussion and resolutions of the Remuneration Committee, and the Chairman of the Board appointed Independent Director CHIANG CHUN-YEN as the Chairman for this proposal. Except for Chairman WANG CHIH-HSIN and Director KANG SHENG, who recused themselves due to their concurrent roles as managerial officers of the Company, the remaining present directors unanimously voted for the adoption of the proposal.	

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

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Has the Company established the governance structure for promoting sustainable development, established exclusively (or concurrently) dedicated units to implement sustainable development, and has the Board of Directors appointed the senior management with the responsibility of handling sustainable development affairs, and to report the status of the handling to the Board of Directors?	√		The President's Office and representatives from various departments have formed an "ESG Group" of the Company, with the Executive Vice President as the convener of the group to jointly promote issues related to sustainable development. Currently, the progress of greenhouse gas inventory and verification is reported to the Board of Directors on a quarterly basis. In the third quarter of 2024, the Company began the process of drafting its sustainability report. Personnel from various departments have been assigned to the project, with the aim of submitting it to the Board for approval before the regulatory deadline set by the competent authorities.	None.
II. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish relevant risk management policies or strategies?	√		This disclosure covers the performance of sustainable development in major locations in 2024; the boundary of the risk assessment is the Company. The Company has implemented an internal ISO-Q01202 "Organizational Background and Risk Management Procedures" to evaluate the risks associated with environmental, social, and corporate governance issues that may arise from its operations. This assessment is based on the materiality principle. The aim is to incorporate risk management and crisis management into daily	None.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No	Summary Description							
			<p>operations and decision-making processes, thereby minimizing the likelihood of harm and ensuring the attainment of operational plan objectives. Each year, the relevant units self-evaluate the internal control system and operating procedures based on risk factors and then submit the results to the Board of Directors for approval.</p> <p>Based on the assessed risks, relevant risk management policies or strategies are established as follows:</p> <table border="1"> <thead> <tr> <th>Material Issues</th> <th>Risk Evaluation Item</th> <th>Specify details</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental impact and management</td> <td>Through the implementation of safety management and institutionalized management cycle, the Company has effectively reduced the emission of pollutants and impact on the environment. The Company has obtained ISO14001 certification and is regularly certified. Since the Company is an IC design company, its direct greenhouse gas emissions have not been significant. However, since 2024, the Company has begun conducting a greenhouse gas emissions inventory and will continue to implement carbon reduction measures based on the results, with the goal of reducing Scope 2 indirect greenhouse gas emissions.</td> </tr> </tbody> </table>	Material Issues	Risk Evaluation Item	Specify details	Environment	Environmental impact and management	Through the implementation of safety management and institutionalized management cycle, the Company has effectively reduced the emission of pollutants and impact on the environment. The Company has obtained ISO14001 certification and is regularly certified. Since the Company is an IC design company, its direct greenhouse gas emissions have not been significant. However, since 2024, the Company has begun conducting a greenhouse gas emissions inventory and will continue to implement carbon reduction measures based on the results, with the goal of reducing Scope 2 indirect greenhouse gas emissions.	
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Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons										
	Yes	No	Summary Description											
			<table border="1"> <tr> <td rowspan="2">Social</td> <td>Occupational safety</td> <td>Fire drills and industrial safety education training are held regularly every year to cultivate employees' ability to respond to emergencies and safety management.</td> </tr> <tr> <td>Product safety</td> <td>The products of the Company comply with all laws and regulations, are RoHS compliant, and are free of hazardous substances. The Company has established a customer service hotline and a communication website, and proactively conducts annual customer service satisfaction surveys to enhance our partnership with our customers.</td> </tr> <tr> <td rowspan="2">Corporate governance</td> <td>Regulatory compliance</td> <td>Implementing internal control mechanism to ensure that all employees and operations comply with relevant laws and regulations. Patent application for the products developed to protect the Company's rights.</td> </tr> <tr> <td>Strengthen the functions of directors</td> <td>Planning education and courses on this topic for the directors and providing them with the information on the latest amendments to the regulations when the occasion arises. The Company purchases liability insurance for the directors to protect their rights.</td> </tr> </table>	Social	Occupational safety	Fire drills and industrial safety education training are held regularly every year to cultivate employees' ability to respond to emergencies and safety management.	Product safety	The products of the Company comply with all laws and regulations, are RoHS compliant, and are free of hazardous substances. The Company has established a customer service hotline and a communication website, and proactively conducts annual customer service satisfaction surveys to enhance our partnership with our customers.	Corporate governance	Regulatory compliance	Implementing internal control mechanism to ensure that all employees and operations comply with relevant laws and regulations. Patent application for the products developed to protect the Company's rights.	Strengthen the functions of directors	Planning education and courses on this topic for the directors and providing them with the information on the latest amendments to the regulations when the occasion arises. The Company purchases liability insurance for the directors to protect their rights.	
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Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			Stakeholder communication	The Company has implemented various types of communication channels to minimize conflicts and misunderstandings. A stakeholder section has been created on the Company's website has been set up, and designated contact persons are available to promptly address and manage feedback from various stakeholders.
<p>III. Environmental Issues</p> <p>(I) Has the Company established environmental management systems based on its industry's characteristics?</p>	√		<p>(I) The Company has established environmental management systems based on its industry's characteristics:</p> <p>The Company has implemented and established an ISO 14001 Environmental Management System and has been certified by a third-party organization. The Company has also been recognized as a green partner by clients, including the "SONY GP" (Sony Green Partner) certification recognized by the Sony system, the "LG GP" (LG Green Partner) certification recognized by the LG system, and the "ASUS GP" (ASUS Green Partner) certification recognized by the ASUS system.</p> <p>The Company passed the ISO 14001 Environmental Management System certification and obtained the certificate on October 3, 2006. The certification remains valid and was revalidated in August 2024 by the third-party certification body, TUV NORD Taiwan. The certification is valid from August 20, 2024, to August 19, 2027.</p>	None.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons												
	Yes	No	Summary Description													
(II) Does the Company endeavor to utilize energy more efficiently and use renewable materials that have low impacts on the environment?	√		<p>(II) The Company has established an ISO 'Energy Resource Usage Management Procedure,' which applies to all energy resources, including water, electricity, gasoline, auxiliary materials, packaging materials, components, office supplies, and daily necessities. The purpose is to strengthen the management of energy resources, reduce energy consumption, protect the environment, and simultaneously reduce company costs.</p> <p>Ratio of renewable energy usage in the past two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Rate of Renewable Energy Usage (%)</th> <th>Certification Status</th> <th>Data Boundary</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>None</td> <td>None</td> <td>The Company</td> </tr> <tr> <td>2023</td> <td>None</td> <td>None</td> <td>The Company</td> </tr> </tbody> </table> <p>● Policies for increasing energy use efficiency of energy use</p> <p>1. The Company is dedicated to enhancing resource efficiency by utilizing renewable raw materials that have minimal impact on the environment. Additionally, the Company also actively advocates for energy conservation to improve overall energy efficiency and decrease carbon emissions. These efforts are in line with the Company's objective of achieving energy savings and reducing</p>	Year	Rate of Renewable Energy Usage (%)	Certification Status	Data Boundary	2024	None	None	The Company	2023	None	None	The Company	None.
Year	Rate of Renewable Energy Usage (%)	Certification Status	Data Boundary													
2024	None	None	The Company													
2023	None	None	The Company													

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>carbon footprint.</p> <p>2. The Company prioritizes energy conservation and carbon reduction, and regularly conducts an annual greenhouse gas inventory and tracking to monitor progress. The Company's buildings are all managed through computerized smart monitoring and control systems. We regularly replace outdated lighting fixtures, machinery, and equipment, and maintain our air conditioning system to optimize the temperature of chilled water. By reducing our electricity consumption and greenhouse gas emissions, we fulfill our responsibility as global citizens to protect the environment.</p> <p>3. To safeguard the environment and promote sustainable development, the Company implements the following environmental policies and consistently strives to improve the effectiveness of our environmental management:</p> <p>(1) Complying with environmental regulations and customer requirements for prohibited hazardous substances.</p> <p>(2) Being committed to developing green design products to reduce the impact on the environment.</p> <p>(3) Energy saving and pollution prevention.</p> <p>(4) Promoting the concept of environmental protection and</p>	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>increasing the awareness and ability of employees and suppliers to protect the environment.</p> <p>4. The Company adheres to all applicable environmental laws and regulations. In addition, it contracts with reputable cleaning companies to ensure that the environment is cleaned and properly dispose of resource waste is disposed of properly on a daily basis. The Company also engages qualified recycling service providers to collect and reuse resources on a regular basis, thereby promoting environmental protection and resource reuse.</p>	
(III) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	√		<p>(III) The Company follows the framework of the Task Force on Climate-related Financial Disclosures (TCFD) to disclose information on governance, strategy, risk management, metrics, and targets related to climate-related risks and opportunities. This includes identifying relevant transition risks and physical risks brought about by extreme weather events, as well as a comprehensive assessment of the potential impacts of climate change on the Company's operations and the associated potential risks and opportunities.</p> <p>For more details on the potential risks and opportunities related to climate change, as well as the evaluation results and corresponding measures, please refer to the climate risk</p>	None.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																																				
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			information on pages 73-77 of this annual report.																																					
(IV) Does the Company take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and formulate policies on greenhouse gas reduction, water use reduction, or waste management?	√		<p>(IV) The Company's greenhouse gas emissions in the past two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>【Scope 1】 Direct Greenhouse Gas Emissions (Metric tons of CO2e)</th> <th>【Scope 2】 Indirect Energy Greenhouse Gas Emissions (Metric tons of CO2e)</th> <th>【Scope 3】 Other indirect greenhouse gas emissions (Metric tons of CO2e)</th> <th>Data Boundary</th> <th>Certification Status</th> <th>Intensity (Metric tons of CO2e/Million revenue) (Note 1)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>5.6294</td> <td>1,430.0086</td> <td>486.3347</td> <td>The Company</td> <td>None</td> <td>0.5657</td> </tr> <tr> <td>2023</td> <td>No data</td> <td>1,108.737</td> <td>No data</td> <td>The Company</td> <td>None</td> <td>0.3987</td> </tr> </tbody> </table> <p>Reduction in electricity consumption: The Company's total electricity consumption in 2024 increased compared to 2023 due to operational needs, such as the addition of research and development equipment. As a result, the 1% reduction target was not achieved.</p> <p>The Company's water consumption in the past two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water Consumption (Metric tons)</th> <th>Certification Status</th> <th>Data Boundary</th> <th>Water Consumption Density (Metric tons/person) (Note 1)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>6,695</td> <td>None</td> <td>The Company</td> <td>22.93</td> </tr> <tr> <td>2023</td> <td>6,783</td> <td>None</td> <td>The Company</td> <td>23.63</td> </tr> </tbody> </table> <p>Reduction in water consumption: The Company's total water consumption in 2024 decreased compared to 2023, achieving an annual reduction of water consumption of 1%</p>	Year	【Scope 1】 Direct Greenhouse Gas Emissions (Metric tons of CO2e)	【Scope 2】 Indirect Energy Greenhouse Gas Emissions (Metric tons of CO2e)	【Scope 3】 Other indirect greenhouse gas emissions (Metric tons of CO2e)	Data Boundary	Certification Status	Intensity (Metric tons of CO2e/Million revenue) (Note 1)	2024	5.6294	1,430.0086	486.3347	The Company	None	0.5657	2023	No data	1,108.737	No data	The Company	None	0.3987	Year	Water Consumption (Metric tons)	Certification Status	Data Boundary	Water Consumption Density (Metric tons/person) (Note 1)	2024	6,695	None	The Company	22.93	2023	6,783	None	The Company	23.63	None.
Year	【Scope 1】 Direct Greenhouse Gas Emissions (Metric tons of CO2e)	【Scope 2】 Indirect Energy Greenhouse Gas Emissions (Metric tons of CO2e)	【Scope 3】 Other indirect greenhouse gas emissions (Metric tons of CO2e)	Data Boundary	Certification Status	Intensity (Metric tons of CO2e/Million revenue) (Note 1)																																		
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			<p>Total weight of waste produced by the Company in the past two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total Weight of Waste Produced (Metric tons) (Note 2)</th> <th>Certification Status</th> <th>Data Boundary</th> <th>Density (Metric tons/person) (Note 1)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>2.157</td> <td>None</td> <td>The Company</td> <td>0.0074</td> </tr> <tr> <td>2023</td> <td>0.93</td> <td>None</td> <td>The Company</td> <td>0.0032</td> </tr> </tbody> </table> <p>Reduction in Waste: In 2024, the total amount of waste generated by the Company increased compared to 2023 due to the in-house recycling and disposal of obsolete items. As a result, the 1% reduction target was not achieved.</p> <p>Note 1: The average number of employees in 2024: 292; Revenue: NT\$3,397.714 million. The average number of employees in 2023: 287; Revenue: NT\$2,781.034 million.</p> <p>Note 2: As the Company is a non-manufacturing industry, there is no need to distinguish between hazardous and non-hazardous waste.</p> <p>● <b>Reduction Goals, Strategies, and Action Plan of Greenhouse Gas Management</b></p> <p>The Company is an IC design company with no production line, and the main greenhouse gas emissions</p>	Year	Total Weight of Waste Produced (Metric tons) (Note 2)	Certification Status	Data Boundary	Density (Metric tons/person) (Note 1)	2024	2.157	None	The Company	0.0074	2023	0.93	None	The Company	0.0032	
Year	Total Weight of Waste Produced (Metric tons) (Note 2)	Certification Status	Data Boundary	Density (Metric tons/person) (Note 1)															
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Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>come from air conditioning and general domestic water. As temperatures rise, the Company aims to maintain a flat level of carbon emissions to achieve the goal of reducing carbon emissions and makes the greatest effort to reduce greenhouse gas emissions.</p> <p><u>Reduction Goals:</u> Building on the annual greenhouse gas inventory results, the Company will revise its energy-saving and carbon-reduction strategies. Additionally, we will encourage our employees to implement energy-saving and carbon-reduction practices in their daily lives. The Company expects to reduce carbon emissions by 1% in 2025.</p> <p><u>Strategy and Specific Action Plan:</u> The Company monitors and controls its water and electricity consumption, continuously reviewing and improving its practices to gradually reduce the usage. Efforts to improve environmental energy conservation in the Company's hardware will be strengthened, and the concept of energy conservation and sustainable operation development will be promoted among colleagues is to be promoted internally.</p> <p>1. Cooperating with the Company's ISO 14001 environmental target management plan - save 1% of</p>	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>electricity by 1%, or keep consumption shall stay the same.</p> <ol style="list-style-type: none"> <li>2. We conduct monthly reviews to identify areas for improvement, and actively promote and propose energy-saving and carbon-reduction projects will be actively promoted and proposed.</li> <li>3. The Company complies with environmental protection laws and regulations and emphasizes the importance of environmental management; waste sorting and resource recycling are implemented, and advertisements to promote energy and carbon saving and water conservation policies are regularly published.</li> <li>4. Old equipment is regularly replaced to improve the efficiency of operations and to implement green philosophy and environmental protection.</li> <li>5. The Company optimizes its energy consumption by turning off a portion of its lighting and air-conditioning during non-business hours. Additionally, the temperature and on-off time of the air conditioners to make the air-conditioning units are carefully controlled to ensure efficient operation and minimize water and electricity usage.</li> </ol>	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>6. Replace low-efficiency lighting fixtures with high-efficiency LED lighting. Gradually replace old ballasts to extend the lifespan of light tubes and achieve energy-saving effects.</p> <p>7. The nets on the air outlets of the air conditioners in the entire factory are replaced with high-efficiency filtering nets to increase the ventilation efficiency, improve the heat exchange capacity, and reduce the number of start-ups of the air-conditioning compressors.</p> <p>8. The temperature of the chiller is set 1°C higher to reduce the frequent start of the compressor start frequency.</p> <p>9. During non-working days in winter, the ice machine will be turned off and replaced with split air conditioning.</p> <p>● <b>Water Resource Management or Reduction Goals</b>  <u>Management Methods:</u>  The Company is primarily an IC design firm and therefore does not require a significant amount of water. The water utilized is mainly for daily living purposes and for operating certain plant equipment, such as the kitchen and cooling water tower. It is important to note that only domestic sewage is produced within the plant, which significantly reduces the risk of no water scarcity and water pollution. Additionally, a recycling system has been</p>	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>installed to water the green plants within the facility. Water-saving faucets have been installed, and their water output can be flexibly adjusted based on the water condition. Additionally, a mechanical automatic start/stop faucet has been installed to reduce the number of times the water pump needs to start. This faucet also monitors water quality and water consumption regularly to promote water conservation.</p> <p><u>Reduction Goals:</u> The Company expects to achieve a 1% reduction in water consumption in 2025.</p> <p>● <b>Waste Management or Reduction Goals</b></p> <p><u>Management Methods:</u> Promoting waste reduction and resource recovery and reuse, and signing contracts with qualified vendors pursuant to the "Waste Disposal Control Procedures" to remove waste from the factory when it reaches a certain volume.</p> <p>Waste sorting is strictly implemented, and management and audit by dedicated personnel are conducted.</p> <p>Recycling is implemented to enhance resource reuse.</p> <p>Promoting the recycling of suppliers' packaging materials as they are sent to qualified vendors for recycling.</p>	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>Specific recycling mechanisms are arranged for waste batteries, toners, compact discs, waste materials, packaging materials, pallets, etc.</p> <p><u>Reduction Goals:</u> It is expected to reduce by 1% in 2025.</p>	
<p>IV. Social Issues</p> <p>(I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	√		<p>(I) A human rights policy has been established to safeguard the legal rights and interests of employees, in compliance with the Labor Standards Act and with reference to international human rights principles (including the "Universal Declaration of Human Rights," the "UN Guiding Principles on Business and Human Rights," the "UN Global Compact," and the "International Labour Organization"), the Company has established a "Human Rights Policy" to protect the legal rights of its employees.</p> <p>1. Specific implementation plan:</p> <p>(1) Providing employee pensions in accordance with the regulations.</p> <p>(2) Establishing the Employee Welfare Committee to handle various welfare matters.</p> <p>(3) Holding regular labor-management meetings are held to facilitate communication between employers and employees.</p>	None.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>(4) The Company's management system governs the appointment, dismissal, compensation, and benefits of employees.</p> <p>(5) The Company emphasizes labor, business ethics, child labor, labor relations, working hours, and fairness through new employee education and training and the promotion of these concepts in employee handbooks.</p> <p>(6) To maintain gender equality and personal dignity in the workplace, the Company strictly prohibits any acts of sexual harassment. In accordance with the "Gender Equality in Employment Act," the Company has established the "Workplace Sexual Harassment Prevention Measures, Complaint, and Disciplinary Regulations" and provides channels for filing complaints to protect employee rights.</p> <p>2. Implementation status in 2024:</p> <p>(1) No complaints.</p> <p>(2) Human rights orientation for new employees: 15 participants, accounting for 100% of the new employees for the year.</p> <p>(3) Employees are given eight days of special leave after one year of employment (better than the minimum required by law) to encourage them to take leaves and take care of their families.</p>	

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	Yes	No	Summary Description	
(II) Does the Company formulate and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and appropriately employee compensation based on operating performance results?	√		<p>(II) The Company values employee benefits (including compensation, leaves, and other benefits) and reflects operational performance or results in employee compensation:</p> <ol style="list-style-type: none"> <li>1. A Employee Welfare Committee has been established to organize various employee activities.</li> <li>2. Employee benefits include: Labor insurance, National Health Insurance, group insurance, labor pension contribution, birthday gift, bonuses for Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival, wedding and funeral subsidies, hospitalization subsidy, domestic and overseas travel subsidy and year-end dinner and employee lottery, etc.</li> <li>3. To promote a healthy work-life balance and enhance work efficiency, the Company provides employees with more than the minimum required leave by law, helping employee maintain a healthy work-life balance.</li> <li>4. The Company provides an employee cafeteria and coffee bar to take care of employees' nutritional needs.</li> <li>5. The Company provides comprehensive sports and leisure facilities for employees to exercise and maintain their physical and mental health.</li> <li>6. A comfortable and private breastfeeding room is provided for employees with children to breastfeed.</li> </ol>	None.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>7. The Company provides awards to senior employees to encourage employees who stay with the Company.</p> <p>8. The Company places significant value on the opinions of its employees and regularly conducts surveys to gauge their satisfaction (please refer to pages 135-136).</p> <p>9. Implementation status of retirement plans and education and training (please refer to pages 136-140).</p> <p>10. Establish gender-friendly restrooms that respect diverse communities. Reserved compassionate parking spaces are provided for pregnant employees and those in need of assistance.</p> <p>11. Establish both physical and online library databases to provide employees with diverse channels for acquiring new knowledge.</p> <p>12. The Company recognizes that its employees are its most valuable assets. As such, compensation has been consistently increased each year to reflect the Company's operating performance. This has resulted in fair and appropriate compensation for employees over the years. Please refer to the following table for the compensation increases for managerial officers and non-managerial officers in 2024:</p>	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No	Summary Description							
			<table border="1"> <thead> <tr> <th>Item</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Non-Managerial Officers</td> <td>3.5~4.5%</td> </tr> <tr> <td>Managerial Officers</td> <td>2.5~3.0%</td> </tr> </tbody> </table> <p>13. Workplace diversity and equality: The promotion, salary, advancement and compensation of the employees are based on their job category, academic experience, professional knowledge and skills, years of experience as professionals, and individual performance, and do not vary due to age, gender, or ethnicity. Efforts toward gender balance are integrated into all human resources practices, with women accounting for an average of 29.0% of all employees and 19.1% of all supervisors in 2024. The Company believes that having more women as supervisors will strengthen the Company's culture of inclusion, promote gender balance, lead to better decision-making and innovation, and increase employee satisfaction level.</p>	Item	2024	Non-Managerial Officers	3.5~4.5%	Managerial Officers	2.5~3.0%	
Item	2024									
Non-Managerial Officers	3.5~4.5%									
Managerial Officers	2.5~3.0%									
(III) Does the Company provide a healthy and safe work environment, and does it organize health and safety training for its employees on a regular basis?	√		(III) To establish an autonomous safety and health management system, continuously improve safety and health facilities, and internalize safety and health management as part of corporate operations, the Company has formed a TOSHMS promotion team. In addition to safety personnel and relevant	None.						

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	Yes	No	Summary Description	
			<p>managers, the team includes employee representatives appointed by each department. This aims to establish a job safety and health management system that meets the needs of both the organization and employees. Furthermore, it aims to gradually enhance employees' safety and health knowledge and skills during the promotion process, thereby improving the Company's safety culture. The Company aims to achieve:</p> <ol style="list-style-type: none"> <li>1. The Company endeavors to safeguard employees' health so that their work and life at the Company will not be affected by health problems.</li> <li>2. The Company has established the basic health information of employees in order to keep track of their health status. Suitable work is assigned to employees based on such information to prevent employees from getting occupational diseases and reduce the occurrence of health problems.</li> <li>3. According to the "Regulations on Labor Health Protection," all new employees are required to undergo general physical examinations, while current employees receive regular health check-ups. The Company's health examination standards exceed the age and examination requirements mandated by laws and regulations. Additionally, we regularly provide safety and health</li> </ol>	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>education to our employees. Furthermore, family members of employees are welcome to take advantage of the same physical examination package at their own expense. Our goal is to ensure the health and well-being of our employees and their families. To achieve this, we have established reasonable health management norms for our employees.</p> <ul style="list-style-type: none"> <li>■ In 2024, the number of occupational accidents among the Company's employees was 0. The Company continues to pay attention to the safety and health of employees' working environment and regularly carries out relevant education and training.</li> <li>■ In 2024, the number of fire accidents and no casualties among the Company's employees was 0. The Company has established a fire emergency response team and conducts two emergency response team training sessions each year. Regular employee evacuation drills are also carried out. In accordance with regulations, the Company conducts annual inspections and declarations of fire safety equipment to ensure the safety of all employees.</li> </ul>	
(IV) Has the Company established effective career development and training plans for its employees?	√		(IV) Based on job categories and employee development, the Company provides versatile on-the-job training and diverse learning channels to establish a systematic training	None.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(V) Does the Company comply with relevant regulations and international standards regarding issues such as customer health and safety, right to privacy, and marketing and labeling of its products and services, and has it set up relevant consumer or customer protection policies and complaint procedures?	√		framework: The Company has implemented a comprehensive training program that covers supervisory skills, professional functions, general knowledge, English language proficiency, and new employee orientation. This framework is designed to help employees enhance their professional expertise and improve their management skills, resulting in mutual benefits for both employee development and company growth. (V) The marketing and labeling of products are carried out in accordance with customer requirements for product labeling and delivery regulations; import and export operations are carried out in accordance with government regulations as well as those governing import/export and bonding operations; Customer service and complaint handling are implemented in accordance with post-sales service management procedures and customer complaint handling processes.	None.
(VI) Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on issues, such as environmental protection, occupational safety and health, or labor rights? If so, describe the results.	√		(VI) The Company has developed three regulations to guide the evaluation and performance of suppliers, as well as their adherence to corporate social responsibility. These regulations include the "Regulations Governing the Evaluation of Suppliers," "Regulations Governing the	None.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>Performance Evaluation of Suppliers," and "Code of Conduct of Corporate Social Responsibility for Suppliers."</p> <p>The purpose of these regulations is to establish the selection criteria that prioritize the protection of the environment, human rights, safety, health, and sustainable development. Additionally, the regulations outline the expectations and requirements for suppliers in terms of environmental safety and health risks, prohibition of child labor, labor management, protection of basic labor rights, moral standards, and ethical management.</p> <p>Through supplier selection, auditing, and performance evaluation, the Company will implement the requirements of sustainability in the daily management of the supply chain based on a spirit of cooperation. Starting in 2025, the Company will incorporate Environmental, Social, and Governance (ESG) considerations into its supplier evaluations, serving as important indicators for assessing suppliers.</p> <p>100% of the partner suppliers of the Company meet the following criteria in 2024:</p>	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons										
	Yes	No	Summary Description											
			<table border="1"> <tr> <td>Supplier Evaluation</td> <td>All new suppliers must pass the evaluation conducted by the system and comply with the Code of Conduct of Corporate Social Responsibility for Suppliers.</td> </tr> <tr> <td></td> <td>All suppliers must obtain the certifications of ISO9001 quality management system and ISO14001 environmental management system certifications.</td> </tr> <tr> <td></td> <td>All suppliers must sign the Letter of Guarantee for Non-Use of Prohibited/Restricted Substances, fill out the Environmental Management Substance Control Specification Table, and sign the Supplier Self-Declaration Form.</td> </tr> <tr> <td>Supplier Appraisal</td> <td>For qualified suppliers, supplier appraisal is implemented by the Quality Assurance Department, Production Management Department, and engineering departments every quarter.</td> </tr> <tr> <td>Supplier Auditing</td> <td>For qualified suppliers, ad hoc system evaluations are arranged every year.</td> </tr> </table>	Supplier Evaluation	All new suppliers must pass the evaluation conducted by the system and comply with the Code of Conduct of Corporate Social Responsibility for Suppliers.		All suppliers must obtain the certifications of ISO9001 quality management system and ISO14001 environmental management system certifications.		All suppliers must sign the Letter of Guarantee for Non-Use of Prohibited/Restricted Substances, fill out the Environmental Management Substance Control Specification Table, and sign the Supplier Self-Declaration Form.	Supplier Appraisal	For qualified suppliers, supplier appraisal is implemented by the Quality Assurance Department, Production Management Department, and engineering departments every quarter.	Supplier Auditing	For qualified suppliers, ad hoc system evaluations are arranged every year.	
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Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
V. Does the Company refer to internationally accepted standards or guidelines for the preparation of reports and prepare reports that disclose non-financial information of the Company, such as sustainability reports? Has a third-party verification or assurance opinion been obtained for the said reports?		√	The Company will issue its 2024 Sustainability Report in 2025 in accordance with regulatory requirements. The report will be prepared with reference to internationally recognized reporting standards or guidelines, enabling stakeholders to gain a clearer understanding of the Company's performance and practices in the areas of Environmental, Social, and Governance.	As described on the left.
VI. If the Company has its own sustainable development best practices in line with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," outline any deviations between its operations and the principles: None.				
VII. Include other important information that demonstrates the Company's commitment to see the implementation of sustainable development, such as its environmental protection systems and measures, community engagement initiatives, social contributions, provision of social services and welfare, protection of consumer and human rights, safety and health measures, and other social responsibility activities. Additionally, provide updates on the implementation status of these initiatives.				
<p>(I) To maintain safety and support other social responsibility activities, the Company has established the following measures:</p> <ol style="list-style-type: none"> <li>1. The Company is committed to creating a positive impact and has established a dedicated sustainability section on its official website. This platform enables the public and stakeholders to access real-time information related to the Company's sustainability efforts. By encouraging participation and collaboration, the Company hopes to work together through complementarity, co-creation, and collaboration to strive for a better society. (Website: <a href="https://www.esg.anpec.com.tw">https://www.esg.anpec.com.tw</a>)</li> <li>2. The Company actively supports government employment promotion initiatives and participates in the Ministry of Labor's employment incentive programs to assist disadvantaged unemployed workers in re-entering the workforce.</li> <li>3. The Company is committed to promoting workplace safety, employee health, and an active lifestyle and was awarded the "iSports Enterprise Certificate" by the Sports Administration, Ministry of Education, in 2024.</li> </ol> <p>(II) For the purposes of environmental protection, social care, and employee care, the Company organized the following activities in 2024:</p>				

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
<p>1. Social Care</p> <p>(1) In April, we purchased 300 snack boxes from the Sefun bakery house, at a total cost of NT\$91,800, to support and care for disadvantaged groups.</p> <p>(2) In April, the Employee Welfare Committee rallied colleagues to extend a helping hand by donating NT\$125,500 in cash and NT\$31,149 worth of goods to the Yu An Retarded Children's Home Miaoli.</p> <p>(3) In July, together with employees from Anpec, we joined hands to become guardians of life and bring hope through the gift of blood. A total of 117 bags of blood were donated during the Hsinchu event.</p> <p>2. Employee Care</p> <p>(1) In March, a health seminar was held focusing on smoking cessation resources and medications, encouraging employees to pursue a smoke-free and healthier lifestyle.</p> <p>(2) In July, a health seminar was held, inviting a nutritionist to guide employees on how to choose the right foods to support gut microbiota health. The session emphasized how mindful eating can help reduce binge-eating urges while also promoting better eye health.</p> <p>(III) In 2024, the Company invested NT\$20 million in a sustainable development bond issued by E.SUN Bank, recognized by the Taipei Exchange (Bond name: P13 E.SUN Bank 2A, Code: G102BD). The proceeds from this bond are exclusively allocated to support sustainable development investment projects and related lending activities, aiming to assist institutions, enterprises, and individuals in accessing funding that promotes environmental sustainable development.</p> <p>(IV) Please refer to pages 71-72 for other important information which demonstrates the Company's operation in sustainable development.</p>				

Other Important Information Which Demonstrates the Company's Efforts toward Sustainable Development:

Item	Description
Secure Access Control Security	<ol style="list-style-type: none"> <li>1. There is a 24-hour access control card system in place.</li> <li>2. Security guards are on guard 24 hours a day, every day, including holidays, at the Company's entrance to maintain the security of the personnel entering and exiting the Company building.</li> <li>3. There is a CCTV system to maintain the security of the access control security.</li> <li>4. The Company maintains a good interactive relationship with the police in case of emergencies.</li> </ol>
Equipment Maintenance Inspection	<ol style="list-style-type: none"> <li>1. Pursuant to the Regulations Governing Public Safety Inspection Attestation and Reporting for Buildings, a professional company is entrusted by the Company to conduct public safety inspection of Company buildings every two years.</li> <li>2. Pursuant to the provisions of the Fire Services Act, an external company is entrusted by the Company to conduct annual inspection of fire equipment and report the results to the competent authority.</li> <li>3. Pursuant to the Labor Safety and Health Act, monthly, semi-annual, annual and annual maintenance and inspection of high and low voltage electrical equipment, elevators, water dispensers, official vehicles, and fire prevention equipment is carried out.</li> <li>4. The Company regularly implements testing of air, water quality, noise, lighting and other conditions of the operating environment.</li> </ol>
Disaster Preparedness and Response	<ol style="list-style-type: none"> <li>1. The Company has formulated the "Emergency Response Procedures," "Labor Safety and Health Work Rules," "Emergency Management Measures for Power Outages," and "Emergency Management Measures for Water Outages" are formulated to provide clear guidelines for all personnel at every level. These documents outline the specific matters that require attention in emergency situations.</li> <li>2. Fire safety education and training is conducted regularly every year.</li> <li>3. Pursuant to the "Occupational Safety and Health Act," a supervisor of labor safety and health affairs, labor safety and health management personnel, and first-aid personnel have been designated, and training is implemented in accordance with Occupational Safety and Health Education and Training Rules.</li> <li>4. Pursuant to the provisions of the "Fire Services Act," fire management personnel have been designated, and they regularly participate in retraining for fire prevention.</li> <li>5. An emergency response plan was developed in response to the COVID-19 pandemic, an emergency response plan was formulated, and pandemic prevention response measures were implemented in accordance with the pandemic prevention regulations of the Taiwan Centers for Disease Control regulations. To raise awareness among employees, a pandemic prevention campaign was launched, and pandemic prevention materials were provided to them. Additionally, the Company's factories and premises were disinfected to safeguard the physical and mental well-being of employees.</li> </ol>

Item	Description
Contractor Operations	The "Safety and Health Management Guidelines for Contractors" have been established to clearly stipulate the relevant matters to be paid attention to by contractor's' personnel.
Work Environment Hygiene	<ol style="list-style-type: none"> <li>1. The Company prohibits smoking on its premises and regularly cleans and disinfects the office environment in accordance with the regulations.</li> <li>2. The practice of waste sorting has been implemented, and employees have been educated on the importance of resource recycling. They are encouraged to bring their own eco-friendly tableware as much as possible to work in order to minimize waste and ensure proper sorting.</li> </ol>
Energy Conservation and Carbon Reduction, and Greenhouse Gas Reduction	<p>The reduction goals, strategies and specific action plans of greenhouse gas management have been disclosed in the Implementation Status. The actual implementation results of the Company in recent years are as follows:</p> <ol style="list-style-type: none"> <li>1. Implementing electronic invoices to practice ESG principles and reduce carbon emissions.</li> <li>2. When purchasing multi-function printers and their peripheral equipment, priority is given to products with environmental protection or energy-saving labels.</li> <li>3. When computers are not in use for an extended period of time, the power shall be turned off to reduce the loss of standby power consumption.</li> <li>4. Paperless data archiving measures are jointly developed by relevant departments.</li> <li>5. Energy-saving and carbon-reducing slogans are posted beside air conditioners and light switches in office spaces and public areas to remind our colleagues to save energy and reduce carbon.</li> <li>6. The pantry and parking lot are equipped with motion sensor lights, reducing electricity consumption and promoting energy efficiency and environmental protection.</li> <li>7. The power of the electric pots and microwaves shall be turned oven off and unplugged after use.</li> <li>8. It is encouraged that colleagues who want to go to one to three floors up or down take the stairs instead of elevators, which can save electricity and help them keep fit.</li> <li>9. Based on the season and weather conditions, and its temperature, cooling and heating conditions are set accordingly.</li> <li>10. The lighting in public areas is controlled using the optimal switch control mode based on seasonal changes.</li> </ol>

## Implementation of Climate-Related Information

Item	Implementation Status												
<p>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>Anpec has established a “Sustainable Development Best Practice Principles”, and formed an “ESG Group” composed of representatives from the President's Office and various departments. The ESG Group is led by the Executive Vice President, who serves as the convener. Together, they collaboratively promote matters related to sustainable development.</p> <p>A quarterly report on the progress of GHG inventory and verification is regularly submitted to the Board of Directors. In addition, the overall implementation status of sustainable development is reported to the Board of Directors at the end of each year.</p> <p>In 2024, the Board of Directors approved the internal control system for sustainability information management, thereby strengthening the Board’s supervisory mechanism over sustainability-related information. At the same time, the Company officially started the preparation of the sustainability report in 2024. The Sustainability Report Preparation Team is responsible for compiling and editing the report, which is then reviewed and revised by the department heads of the preparation team. Afterward, it will be submitted to the President and Chairman for review, and once approved by the Board of Directors, the final version will be published.</p> <p>Anpec, along with its governance body, continues to monitor international trends, customer and supplier demands, and government-released climate change information. In order to more effectively manage the potential impact of climate change and sustainability supply chain issues on operations, the Company will continuously review, assess, and adjust its climate sustainability governance policies.</p>												
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>Anpec, based on the global warming scenarios estimated by the United Nations Intergovernmental Panel on Climate Change (IPCC), identifies relevant transition risks and physical risks arising from extreme weather events. The Company evaluates the opportunities, impacts, and financial implications of climate change on its overall operations, and develops corresponding strategies and implementation measures to ensure the effective execution of these policies.</p> <p>In response to global climate change and the transition to a low-carbon market, the Company actively monitors the risks and emerging opportunities that climate change may bring. Referencing the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, the Company promotes low-carbon transformation and strengthens operational resilience through four strategic directions: "Governance," "Strategy," "Risk Management," and "Metrics and Targets."</p> <p>The following is a summary of the climate change-related transition risks, physical risks, potential financial impacts, opportunities brought by climate change, and corresponding response strategies:</p> <table border="1" data-bbox="461 1008 2101 1407"> <thead> <tr> <th data-bbox="461 1008 667 1062">Risk/Opportunity</th> <th data-bbox="667 1008 853 1062">Climate-Related Events</th> <th data-bbox="853 1008 1294 1062">Potential Financial Impact</th> <th data-bbox="1294 1008 1464 1062">Period</th> <th data-bbox="1464 1008 2101 1062">Response to the Strategy</th> </tr> </thead> <tbody> <tr> <td data-bbox="461 1062 667 1407" rowspan="2">Transition Risk</td> <td data-bbox="667 1062 853 1407" rowspan="2">Policies and Regulatory Requirements</td> <td data-bbox="853 1062 1294 1407" rowspan="2"> <ul style="list-style-type: none"> <li>The "Sustainable Development Action Plan for TWSE/TPEX Listed Companies" regulations require the inclusion of costs related to information disclosure.</li> <li>The government has implemented a carbon pricing mechanism, resulting in increased operating costs.</li> <li>The government's "Renewable Energy Regulations" promote green energy policies, but insufficient green energy supply has led to an inability to purchase the required amount of green electricity, affecting relationships with customers.</li> </ul> </td> <td data-bbox="1294 1062 1464 1305">Short-term/ Ongoing</td> <td data-bbox="1464 1062 2101 1305"> <ul style="list-style-type: none"> <li>Formulate and implement annual energy-saving and carbon-reduction plans while enhancing internal training and advocacy.</li> <li>Comply with the “Sustainable Development Action Plan for TWSE/TPEX Listed Companies” by adopting IFRS-aligned sustainability-related financial disclosures.</li> <li>Actively support the FSC’s corporate governance initiatives by allocating investment funds to green, impact-driven sustainable financial products.</li> </ul> </td> </tr> <tr> <td data-bbox="1294 1305 1464 1407">Medium to long term</td> <td data-bbox="1464 1305 2101 1407"> <ul style="list-style-type: none"> <li>Evaluate the implementation of an internal carbon pricing mechanism to concretize carbon reduction performance, thereby facilitating more effective financial assessments and target management.</li> </ul> </td> </tr> </tbody> </table>	Risk/Opportunity	Climate-Related Events	Potential Financial Impact	Period	Response to the Strategy	Transition Risk	Policies and Regulatory Requirements	<ul style="list-style-type: none"> <li>The "Sustainable Development Action Plan for TWSE/TPEX Listed Companies" regulations require the inclusion of costs related to information disclosure.</li> <li>The government has implemented a carbon pricing mechanism, resulting in increased operating costs.</li> <li>The government's "Renewable Energy Regulations" promote green energy policies, but insufficient green energy supply has led to an inability to purchase the required amount of green electricity, affecting relationships with customers.</li> </ul>	Short-term/ Ongoing	<ul style="list-style-type: none"> <li>Formulate and implement annual energy-saving and carbon-reduction plans while enhancing internal training and advocacy.</li> <li>Comply with the “Sustainable Development Action Plan for TWSE/TPEX Listed Companies” by adopting IFRS-aligned sustainability-related financial disclosures.</li> <li>Actively support the FSC’s corporate governance initiatives by allocating investment funds to green, impact-driven sustainable financial products.</li> </ul>	Medium to long term	<ul style="list-style-type: none"> <li>Evaluate the implementation of an internal carbon pricing mechanism to concretize carbon reduction performance, thereby facilitating more effective financial assessments and target management.</li> </ul>
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Item	Implementation Status				
					<ul style="list-style-type: none"> <li>Establish a comprehensive identification of climate change risks and opportunities and develop strategies to lower climate change risks.</li> <li>Evaluate the impact of carbon emissions on the Company in advance of government policies, and prepare to achieve the goal of net-zero emissions by 2050.</li> </ul>
	Transition Risk	Goodwill	<ul style="list-style-type: none"> <li>Insufficient climate action and shifting market preferences, along with increasing customer demand for low-carbon and green products, may lead to a decline in the Company's revenue and goodwill.</li> </ul>	Medium to long term	<ul style="list-style-type: none"> <li>Continuously develop green products, enhance product performance, and reduce environmental impact.</li> </ul>
	Physical Risk	Supply Interruption	<ul style="list-style-type: none"> <li>Supply chain and contract manufacturers may face production disruptions due to climate-related factors, resulting in interruptions in raw material supply.</li> <li>Supply chain and contract manufacturers may also pass on increased costs from the transition to sustainable energy, leading to higher operating expenses.</li> </ul>	Short, medium, and long term	<ul style="list-style-type: none"> <li>Actively implement sustainable supply chain management and establish a second supplier mechanism to prevent production disruptions or raw material shortages.</li> </ul>
	Physical Risk	Increased severity of extreme weather events (floods, droughts, typhoons, sea level rise)	<ul style="list-style-type: none"> <li>May directly or indirectly cause operational disruptions or financial losses, resulting in increased operating costs.</li> <li>Flooding caused by heavy rainfall or inundation due to rising sea levels may damage facilities and equipment, interrupting operations and leading to revenue decline.</li> <li>Extreme weather-induced droughts may affect water demand, thereby increasing operational costs.</li> </ul>	Short, medium, and long term	<ul style="list-style-type: none"> <li>Establish emergency response procedures and install relevant disaster prevention equipment to ensure the normal operation of office equipment and the environment, reducing the probability of operational disruptions and potential losses.</li> <li>Evaluate the purchase of relevant disaster insurance.</li> <li>Develop a water management contingency plan and closely monitor water usage at the factory.</li> <li>Increase the installation of rainwater harvesting and reuse systems.</li> <li>Regularly promote and raise employee awareness on water conservation.</li> </ul>
	Physical Risk	Increase of average temperature	<ul style="list-style-type: none"> <li>Due to higher temperatures, the demand for air conditioning increases significantly, leading to higher operational costs.</li> <li>Insufficient electricity, resulting in power outages or power restrictions, has hindered the operation of factory facilities and computer rooms, leading to work suspensions and associated losses.</li> </ul>	Short-term /Immediate	<ul style="list-style-type: none"> <li>Replacement of obsolete chillers and air conditioning equipment.</li> <li>Install heat insulation devices (such as curtains and UV-protective film on windows) in areas with increased sunlight exposure during the day to reduce indoor temperatures and decrease air conditioning usage.</li> </ul>
				Medium to long term	<ul style="list-style-type: none"> <li>The uninterruptible power supply (UPS) provides immediate power to equipment during unexpected or planned power outages, and the generator provides power to the computer room</li> <li>Evaluate the installation of a solar power generation system on the rooftop of the company-owned plant.</li> </ul>

Item	Implementation Status				
	Opportunity	Resource utilization and efficiency	<ul style="list-style-type: none"> <li>Reduce consumption and increase the recycling and reuse rate to lower operational costs.</li> </ul>	Short-term	<ul style="list-style-type: none"> <li>Include the implementation of various energy conservation measures and the recycling of product packaging materials.</li> </ul>
	Opportunity	Changes in market preferences	<ul style="list-style-type: none"> <li>Develop low-carbon green products that meet customer requirements, and continuously pursue new product development and innovation to drive overall revenue growth.</li> </ul>	Medium to long term	<ul style="list-style-type: none"> <li>Continuously conduct greenhouse gas inventories, and plan to participate in the carbon trading market while promoting the use of renewable energy.</li> </ul>
	Opportunity	Attract ESG investment	<ul style="list-style-type: none"> <li>Attracting ESG investments enhances the Company's reputation and market value.</li> <li>Enhance customer trust, increase corporate competitiveness, and drive overall revenue growth.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>In terms of research and development, the Company will continue to advance next-generation technologies to provide more energy-efficient, low-power consumption, and high-performance green products. This will increase product adoption and foster collaboration with customers to jointly build a lower-carbon environment.</li> <li>Comply with the "Sustainable Development Action Plan for TWSE/TPEX Listed Companies" by adopting IFRS-aligned sustainability-related financial disclosures.</li> <li>Actively support the Financial Supervisory Commission's promotion of corporate governance; in 2024, the Company ranked in the 6%–20% tier in the Corporate Governance Evaluation.</li> </ul>
3. Describe the financial impact of extreme weather events and transformative actions.	Same as above				
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The Company's risk management not only includes contingency plans for risks that may impact financial performance, but also encompasses risk assessments and emergency response plans for natural disasters, environmental factors, and information-related risks. The concept of prevention is deeply embedded in the corporate culture to eliminate identifiable and avoidable risks as much as possible, thereby reducing the potential losses from operational disruptions.</p> <p>Through discussions involving relevant departments, the Company identifies major risks and opportunities under short-, medium-, and long-term, immediate, and ongoing scenarios, including those related to policies and regulations, corporate reputation, supply disruptions, extreme climate change events (such as floods, droughts, and sea level rise), and rising average temperatures. Response strategies and measures are proposed for these significant risks and opportunities. The overall assessment results are reported to the President, and the achievement of targets and areas for improvement are reviewed regularly. Subsequent actions will be taken based on operational conditions and regulatory requirements, and the matter will be reported to the Board of Directors as appropriate.</p> <p>Closely monitor global economic conditions as well as risks related to climate change and energy supply, proactively formulate corporate development strategies and adjust operational models in advance, and actively implement corresponding response measures.</p>				
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major	There are currently no relevant plans within the Company.				

Item	Implementation Status					
financial impacts used should be described.						
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>Anpec is a professional IC design company. The Company has been providing customers with a diverse range of products and complete after-sales service based on its business philosophy comprising five core values, namely "Authentic," "Novel," "Passion," "Execution," and "Customer," since its incorporation. To protect the environment and promote sustainable development, the Company obtained ISO 14001:2015 certification on October 3, 2006, and is committed to adhering to the Company's environmental policy declaration, with continuous improvements to enhance environmental management performance.</p> <p>In response to the risks and opportunities brought about by climate change, the Company has established relevant indicators and targets and regularly reviews the development of significant climate-related risks and opportunities. Specific goals have been set for emission reduction, energy saving, and waste reduction in relation to key environmental indicators. Furthermore, climate risk management has been extended to the supply chain, with the aim of working together toward the shared goal of environmental sustainability.</p> <table border="1" data-bbox="495 632 2092 1110"> <thead> <tr> <th data-bbox="495 632 1055 671">Environmental Policy Declaration</th> <th data-bbox="1055 632 2092 671">Environmental Management Performance</th> </tr> </thead> <tbody> <tr> <td data-bbox="495 671 1055 1110"> <ul style="list-style-type: none"> <li>➤ Complying with environmental regulations and customer requirements for prohibited hazardous substances.</li> <li>➤ Being committed to developing green design products to reduce the impact on the environment.</li> <li>➤ Energy saving and pollution prevention.</li> <li>➤ Promoting the concept of environmental protection and increasing the awareness and ability of employees and suppliers to protect the environment.</li> </ul> </td> <td data-bbox="1055 671 2092 1110"> <ul style="list-style-type: none"> <li>➤ Obtained ISO 14001:2015 Environmental Management System certification (valid from 2024/08/20 to 2027/08/19).</li> <li>➤ Recognized as a "SONY GP" (Sony Green Partner) within the Sony system.</li> <li>➤ 100% compliance with regulatory requirements (air/waste/energy management/noise/RoHS/Reach/HF/customer GP standards).</li> <li>➤ 100% completion rate and pass rate for supplier XRF hazardous substance monitoring and inspections.</li> <li>➤ 100% completion rate for annual environmental quality professional training courses.</li> <li>➤ Achieved 1% annual electricity savings.</li> <li>➤ "0" environmental-related complaints.</li> </ul> </td> </tr> </tbody> </table>		Environmental Policy Declaration	Environmental Management Performance	<ul style="list-style-type: none"> <li>➤ Complying with environmental regulations and customer requirements for prohibited hazardous substances.</li> <li>➤ Being committed to developing green design products to reduce the impact on the environment.</li> <li>➤ Energy saving and pollution prevention.</li> <li>➤ Promoting the concept of environmental protection and increasing the awareness and ability of employees and suppliers to protect the environment.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Obtained ISO 14001:2015 Environmental Management System certification (valid from 2024/08/20 to 2027/08/19).</li> <li>➤ Recognized as a "SONY GP" (Sony Green Partner) within the Sony system.</li> <li>➤ 100% compliance with regulatory requirements (air/waste/energy management/noise/RoHS/Reach/HF/customer GP standards).</li> <li>➤ 100% completion rate and pass rate for supplier XRF hazardous substance monitoring and inspections.</li> <li>➤ 100% completion rate for annual environmental quality professional training courses.</li> <li>➤ Achieved 1% annual electricity savings.</li> <li>➤ "0" environmental-related complaints.</li> </ul>
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7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	There are currently no relevant plans within the Company.					
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the	Anpec aligns with the government's "2050 Net Zero Carbon Emissions" reduction target. Following the schedule for greenhouse gas inventory provided by the competent authorities, the Company has established a relevant operational plan, designating 2024 as the base year. The data scope includes the headquarters in Hsinchu, Taiwan, and the Taipei office. As an IC design company, Anpec does not have production lines. The primary source of greenhouse gas emissions comes from indirect emissions in "Scope 2," such as air conditioning. Direct greenhouse gas emissions from "Scope 1" are not significant. Starting in 2024, the Company includes additional indirect emissions from employee commuting and private car usage (Scope 3) in its inventory. In 2025, business travel both domestically and internationally will be					

Item	Implementation Status
<p>progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>incorporated into the inventory plan. The results of the 2024 inventory will be disclosed by the end of August 2025.</p> <p>Based on the annual greenhouse gas inventory results, Anpec will adjust its energy-saving and carbon reduction strategies, set reduction targets, and encourage employees to implement energy-saving and carbon reduction practices in their daily lives. The Company aims to achieve a 1% reduction in carbon emissions by 2025. Anpec will continue to monitor domestic and international regulations, comply with relevant legal requirements, and take appropriate measures and preparations to protect the natural environment. In executing its operations and internal management, the Company is committed to achieving its environmental sustainability goals.</p>
<p>9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).</p>	<p>The Company is in compliance with Article 4-1 of the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies." Voluntarily, the Company conducted a greenhouse gas inventory in 2024 according to the ISO 14064 standards, with the inventory results to be disclosed in 2025. External assurance by an independent third party will be completed by 2028.</p>

(VI) Implementation of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethic policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	√		(I) The Board of Directors has established and approved the "Procedures for Ethical Management and Guidelines for Conduct," which have been established and approved by the Board of Directors and disclosed on the Company's website. These guidelines serve to specify the important points that employees must keep in mind when conducting business. Additionally, the "Work Rules" mandate that all employees conduct the Company's business and comply with honesty and ethics, and in compliance with all applicable laws and regulations. The management shall engage in business activities based on the principles of fairness, honesty, trustworthiness, and transparency, and shall actively implement the management policy of honesty and integrity.	None.
(II) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform analysis and assessment of business activities with higher risks of unethical conduct within the scope of business? Does the Company	√		(II) New employee training requires all employees to promptly inform the management of any violations of policy and ethics. The Company has established Work Rules and Regulations on Performance Appraisal, which clearly state the relevant incentives and disciplinary measures.	None.

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
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<p>implement programs to prevent unethical conduct accordingly and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(III) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	√		<p>(III) The Work Rules stipulate that any person, who is reported to the management with concrete evidence, of using their position for personal gain or accepting bribes shall be deemed to have violated the labor contract or Work Rules, and the Company may terminate the labor contract after verification of the authenticity of the said accusation.</p>	None.
<p>II. Ethical Management Practice</p> <p>(I) Does the Company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p>	√		<p>(I) The Company has formulated the "Regulations Governing the Evaluation of Suppliers" to evaluate the quality, environmental quality, and corporate social responsibility of suppliers. The Company shall examine the ethics of suppliers' operations in the evaluation process. If a supplier violates its corporate social responsibility policy or lacks ethical management in its operation, and has a significant impact on the environment and society, the Company may terminate or cancel the contract at any time. The Company's Work Rules prohibit employees from offering, accepting, or requesting gifts of value in the course of business.</p>	None.

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(II) Has the Company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	√		(II) The Board of Directors has established and approved the "Procedures for Ethical Management and Guidelines for Conduct," which are now available on the Company's website. Matters related to corporate ethical management are handled by the administrative and financial units. The Company provides an annual report to the Board of Directors annually on its policy of ethical management policy, outlining plans to prevent unethical practices and monitor the policy's implementation. The most recent report to the Board of Directors was submitted on November 11, 2024.	None.
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	√		(III) The "Guidelines for the Adoption of Codes of Ethical Conduct" have been established and approved by the Board of Directors and posted on the Company website to prevent conflicts of interest and avoid opportunities for personal gain. The Company places a strong emphasis on ethical principles. In the event that an employee becomes aware of any violation of laws, regulations, or ethical standards of conduct, they are encouraged to report it to either the Human Resources Department, Legal Office, or directly to the President. The Company offers an official complaint email address (hrm@anpec.com.tw) on its website of the Company for both internal and external parties to report any instances of employees violating laws and regulations or breaching ethical corporate management. All cases are handled confidentially and	None.

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(IV) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit devise audit plans based on the results of unethical conduct risk assessments and audit the systems accordingly to prevent unethical conduct, or hire external CPAs to perform the audits?	√		appropriately. If an investigation confirms unethical conducts, the Company will take action in accordance with the relevant laws and regulations or the Guidelines for Employee Recognition and Discipline.  (IV) The Board of Directors has approved the "Procedures for Ethical Management and Guidelines for Conduct." To ensure efficient and effective operations, reliable financial reporting, and compliance with relevant laws and regulations, the Company has implemented an accounting system, internal control system, and related management regulations that align with the principles of ethical corporate management. Additionally, the Company's internal auditors conduct regular audits to ensure compliance across all units of the organization.	None.
(V) Does the Company provide internal and external ethical corporate management training programs on a regular basis?	√		(V) The Human Resources Department is responsible for coordinating new employee training during employee orientation. The training program covers a range of topics, including ethical corporate management, labor safety and quality education, and professional ethics courses on Work Rules. For more information on the training hours for new employees in 2024, please see page 136-139. In addition, the Company conducted one internal training session on ethical corporate management for all employees this year, with a total of 293 participants and 586 hours of training, accounting for 100% of the total number of employees.	None.

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
<p>III. Implementation of Complaint Procedures</p> <p>(I) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?</p>	√		<p>(I) The Company has set up a mailbox for employees' opinions and an "employee grievance handling system" to provide a channel for employees to voice their opinions in order to strengthen the labor-employee partnership. The procedures for employee opinions and complaints are as follows: If an employee files a complaint verbally, they can discuss with their supervisor directly and seek a solution. If the immediate supervisor cannot effectively solve the problem, the employee may ask the human resources unit to assist in solving the problem, and if still dissatisfied, they can further seek resolution from the senior supervisors. All internal and external personnel may make reports through e-mail provided by the Company's official website (<a href="mailto:hrm@anpec.com.tw">hrm@anpec.com.tw</a>), and reports will be handled by designated personnel based on the contents of the reports. In 2024, the Company received 0 reports from the ethical complaint box, and there were no violations of ethical corporate management by employees.</p>	None.
<p>(II) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p>	√		<p>(II) All employee issues will be handled with a high degree of confidentiality and timeliness. If an employee feels that their rights have been violated or if they have any other concerns, they can directly submit a written complaint directly to the Human Resources Department in writing through the administrative system. The Human Resources team will collaborate with the supervisor of the relevant department to promptly address the</p>	None.

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(III) Has the Company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	√		issue or escalate it as necessary. The complainant will be informed of the outcome or status of the situation. All employees of the Company may report any violation or conflict of interest to Human Resources Department, Legal Office, or directly to the President. All employees are responsible for maintaining confidentiality regarding the processes in which they are involved in. (III) The Company will maintain the confidentiality of the complainant to prevent them from being subjected to any misconduct.	None.
IV. Strengthening Information Disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	√		The "Procedures for Ethical Management and Guidelines for Conduct" have been disclosed on the Company website. In addition, the Work Rules have also been put on the Company's intranet website to remind employees of the importance of maintaining ethical behaviors at all times.	None.
V. If the Company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: None.				
VI. Other important information to facilitate a better understanding of the status of operation of the Company's ethical corporate management policies (e.g., the Company's reviewing and amending of its ethical corporate management best practice principles): Employee Code of Conduct or Ethics: The company's five core values are Integrity (Authentic), Innovation (Novel), Passion (Passion), Execution (Execution), and Customer Orientation (Customer). Additionally, the Company has employee work regulations and related guidelines, clearly outlining employees' rights, duties, and rewards and penalties. These are disclosed in the Company's announcement area for employees to review and follow.				

(VII) Other important information that may be disclosed to enhance understanding of the operation of corporate governance:

1. The Company has established an internal control system, an internal audit system and various management guidelines, and its implementation is subject to random checks by auditors and external professionals (CPAs).
2. The Company has established a corporate website to provide investors with comprehensive information about the Company. In compliance with laws and regulations, significant financial and business information is promptly disclosed in a timely manner on the corporate website or on the MOPS. Additionally, the Company reports on the implementation status of sustainable development in its annual reports, prospectuses, and ESG website.

(VIII) Implementation Status of the Internal Control System

1. Internal Control Statement: Please refer to the MOPS for the internal control statement announcement.  
(<https://mops.twse.com.tw/mops/#!/web/t06sg20>)
2. If a CPA has been hired to carry out a special audit of the Internal Control System, the CPA audit report shall be disclosed: None.

(IX) Major Resolutions of Shareholders' Meeting and Board Meetings During the Most Recent Fiscal Year up to the Date of Publication of the Annual Report

1. Major Resolutions of Shareholders' Meeting

Date of Meeting	Major Resolutions	Implementation Status
2024.06.21	<p>Reported Items:</p> <ul style="list-style-type: none"> <li>• 2023 Business Report</li> <li>• 2023 Audit Committee's Review Report</li> <li>• 2023 directors' and employees' remuneration</li> <li>• 2023 earning distribution of cash dividends</li> </ul> <p>Proposals:</p> <ul style="list-style-type: none"> <li>• 2023 Business Report and Financial Statements</li> <li>• 2023 earnings distribution proposal</li> </ul> <p>Discussed proposals: None</p> <p>Election Items:</p> <ul style="list-style-type: none"> <li>• Election of 1 additional director</li> </ul> <p>Extempore Motions: None</p>	<ul style="list-style-type: none"> <li>• Adopted.</li> <li>• August 8, 2024 was set as the record date for cash dividend distribution, and the cash dividend was paid on August 28, 2024</li> <li>• Completed</li> </ul>

## 2. Major Resolutions of Board Meetings

Time	No. of Board of Directors	Major Resolutions
2024.02.26	4th meeting of the 10th Board of Directors	Discussed proposals: <ul style="list-style-type: none"> <li>• 2023 directors' and employees' remuneration</li> <li>• 2023 Business Report and Financial Statements</li> <li>• 2023 earnings distribution proposal</li> <li>• Assessment of effectiveness of internal control system and internal control system statement</li> <li>• Evaluation of independence and suitability of CPAs for 2024</li> <li>• Review of the appointment and remuneration of the Company's CPAs for 2024</li> <li>• Proposals from the Company's Remuneration Committee</li> <li>• Issuance of the new restricted employee shares</li> <li>• Change in Corporate Governance Officer</li> <li>• Election of 1 additional director</li> <li>• Convention of the Company's 2024 Annual Shareholders' Meeting.</li> </ul>
2024.05.10	5th meeting of the 10th Board of Directors	Discussed proposals: <ul style="list-style-type: none"> <li>• The Company's financial statements for Q1 of 2024</li> <li>• Proposals from the Company's Remuneration Committee</li> <li>• Nomination of director candidates proposal</li> <li>• Updated agenda for the 2024 Annual Shareholders' Meeting</li> </ul>
2024.08.09	6th meeting of the 10th Board of Directors	Discussed proposals: <ul style="list-style-type: none"> <li>• The Company's financial statements for Q2 of 2024</li> <li>• Cancellation of the issued new restricted employee shares</li> <li>• Application to financial institutions for working capital financing lines</li> <li>• Amendment of the "Board of Directors Meeting Regulations" and the "Audit Committee Charter."</li> </ul>
2024.11.11	7th meeting of the 10th Board of Directors	Discussed proposals: <ul style="list-style-type: none"> <li>• The Company's financial statements for Q3 of 2024</li> <li>• The Company's 2025 annual audit plan</li> <li>• Amendments to the Internal Control Systems"</li> <li>• The Company's 2025 operation plan</li> <li>• Proposals from the Company's Remuneration Committee</li> <li>• Issuance of the new restricted employee shares</li> </ul>
2025.02.21	8th meeting of the 10th Board of Directors	Discussed proposals: <ul style="list-style-type: none"> <li>• 2024 directors' and employees' remuneration</li> <li>• 2024 Business Report and Financial Statements</li> <li>• 2024 earnings distribution proposal</li> <li>• Cash distribution from capital surplus</li> <li>• Assessment of effectiveness of internal control system and internal control system statement</li> <li>• Evaluation of independence and suitability of CPAs for 2025</li> <li>• Review of the appointment and remuneration of the Company's CPAs for 2025</li> <li>• By-election of 1 director</li> <li>• Convention of the Company's 2025 Annual Shareholders' Meeting</li> </ul>

(X) Any Dissenting Opinion Expressed by a Director or Supervisor with Respect to a Major Resolution Passed by the Board of Directors During the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report, Where Said Dissenting Opinion Has Been Recorded or Prepared as a Written Declaration, and Its Main Content: None.

### III. Information on CPA Professional Fees

Unit: NT\$ thousands

Accounting Firm	Names of CPAs	Audit Period	Audit Fee	Non-audit Fee	Total	Remarks
Pricewaterhouse Coopers Taiwan	LI, TIEN-YI	2024/01/01~2024/12/31	3,110	1,580	4,690	Non-audit fees: Consulting services and business registration, tax attestation, business tax audit fees, and translation fees.
	BAI, SHU-CHIAN	2024/01/01~2024/12/31				

- (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) If the audit fee has decreased by 10% or more from the previous fiscal year, the amount, percentage, and reasons for the decrease shall be disclosed: None.

### IV. Information on Replacement of CPAs

#### (I) Information on the Former CPAs

Date of Replacement	2023.02.22		
Reasons for and remarks regarding replacement	Internal rotation within the firm for which the CPAs work		
Indicate whether the Company or the CPAs voluntarily ended the engagement or declined further engagement	Scenario	Parties	CPAs
	Proactively ended the engagement		N/A
	No longer accepting (continued) engagement		N/A
Issued an audit report expressing other than an unqualified opinion within the last two years and reasons	None		
Any disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of annual financial statements
			Scope of audit or procedures
			Others
	None	√	
	Description: None		
Other Disclosed Matters (Under Sub-subparagraphs 1-4 to 1-7, Subparagraph 6, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies, which stipulates that they shall be disclosed)	None		

(II) Information of Successor CPAs

Accounting Firm	PricewaterhouseCoopers Taiwan
Names of CPAs	LI, TIEN-YI, BAI, SHU-CHIAN
Date of engagement	2023.2.22
Matters and results of consultation on the accounting treatment or accounting principles for specific transactions and on the possible issuance of financial statements prior to the appointment	None
Successor CPAs' written opinion on the disagreement with the former CPAs' opinions	None

(III) Letter from the former CPAs in response to the items stipulated in Sub-subparagraphs 1 and 2-3, Subparagraph 6, Article 10 of the Regulations: Not applicable

- V. The Company's Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm: None.
- VI. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent
1. For share transfers, please refer to: [https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1)
  2. For changes in share pledges, please refer to: [https://mops.twse.com.tw/mops/#/web/STAMAK03\\_1](https://mops.twse.com.tw/mops/#/web/STAMAK03_1)
  3. Counterparties to share transfers or share pledges who are related parties: None.

VII. Information on Relationships among the Company's Top 10 Shareholders by Shareholding

April 25, 2025 (Unit: Share; %)

Name	Shareholding		Shareholding of Spouse and Minor Children		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Fubon Life Insurance Co., Ltd.	2,478,000	3.30	—	—	—	—	—	—	—
TransGlobe Life Insurance Inc.	1,634,000	2.17	—	—	—	—	—	—	—
LIN, CHE-MING	1,501,312	2.00	51,000	0.07	—	—	—	—	—
SINOPOWER SEMICONDUCTOR INC	1,238,088	1.65	—	—	—	—	—	—	—
HSBC (Taiwan) Commercial Bank Ltd. is entrusted with the custody of Merrill Lynch International's investment Fund	1,009,000	1.34	—	—	—	—	—	—	—
SHENG, KANG	957,958	1.27	12,499	0.02	—	—	—	—	—
Standard Chartered International Commercial Bank Business Department is entrusted with the custody of Advanced Starlight Fund Company's series of funds, specifically the Advanced Comprehensive International Equity Index Fund investment Fund	936,000	1.25	—	—	—	—	—	—	—
HUANG, JIN-HUA	902,708	1.20	60,555	0.08	—	—	—	—	—
Standard Chartered International Commercial Bank Business Department is entrusted with the custody of Vanguard Group's Vanguard Emerging Markets Stock Index Fund investment Fund	834,000	1.11	—	—	—	—	—	—	—
WANG, CHIH-HSIN	826,499	1.10	6,157	0.01	—	—	—	—	—

VIII. 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 (Unit: Share; %)

Investee Enterprises (Note)	Investment by the Company		Investment in Directly or Indirectly Controlled Businesses by Directors, Supervisors, Managerial Officers, and the Company		Total Ownership	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
ANPEC International Holding Ltd.	3,000,500	100.00	-	-	3,000,500	100.00
SUPEC International Holding Ltd.	-	-	10,001,667	100.00	10,001,667	100.00
SINOPOWER SEMICONDUCTOR INC	15,965,615	42.60	17,700	0.05	15,983,315	42.649
SUPEC (Suzhou) CO., LTD.	-	-	-	100.00	-	100.00

Investments by the Company accounted for using the equity method.

## Chapter 3 Capital Overview

### I. Capital and Shares

#### (I) Sources of Capital

##### 1. Formation of Capital

March 31, 2025 (Unit: thousand shares; thousands)

Month/ Year	Par Value per Share	Authorized capital		Paid- in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
1997.10	10	20,000	200,000	7,200	72,000	Incorporation by promoters (cash)	—	1997.10.24 (86) Fu Jian Shang Zi No. 125048
1998.05	10	36,000	360,000	24,000	240,000	Cash capital increase NT\$141,330 thousand	Technical value NT\$26,670 thousand	1998.05.02 (87) Yuan Shang Tzu No. 013722
1999.06	10	36,000	360,000	36,000	360,000	Cash capital increase NT\$106,670 thousand	Technical Value NT\$13,330 thousand	1999.07.20 (88) Yuan Shang Tzu No. 014949
2001.04	10	60,000	600,000	45,000	450,000	Cash capital increase NT\$90,000 thousand	—	2001.04.04 (90) Yuan Shang Tzu No. 008098
2002.08	10	60,000	600,000	46,404	464,040	Capitalization of retained earnings	—	2002.08.22 (91) Yuan Shang Tzu No. 0910020047
2003.07	10	70,000	700,000	54,484	544,836	Capitalization of retained earnings	—	2003.07.29 (92) Yuan Shang Tzu No. 0920019825
2004.08	10	87,000	870,000	71,669	716,692	Capitalization of retained earnings	—	2004.08.23 (93) Yuan Shang Tzu No. 0930022499
2005.04	10	87,000	870,000	71,929	719,292	Exchange of employee stock warrants	—	2005.04.04 (94) Yuan Shang Zi No. 0940008399
2005.06	10	87,000	870,000	72,322	723,222	Exchange of employee stock warrants	—	2005.06.22 (94) Yuan Shang Zi No. 0940016514
2005.08	10	100,000	1,000,000	80,413	804,132	Exchange of employee stock warrants and capitalization of retained earnings	—	2005.08.25 (94) Yuan Shang Zi No. 0940022996
2005.12	10	100,000	1,000,000	80,570	805,702	Exchange of employee stock warrants	—	2005.12.29 (94) Yuan Shang Zi No. 0940035823
2006.03	10	100,000	1,000,000	80,959	809,592	Exchange of employee stock warrants	—	2006.03.28 (94) Yuan Shang Zi No. 0950007539
2006.05	10	100,000	1,000,000	81,954	819,543	Exchange of employee stock warrants and conversion of convertible bonds	—	2006.05.19 (95) Yuan Shang Zi No. 0950012380
2006.08	10	120,000	1,200,000	96,509	965,092	Exchange of employee stock warrants	—	2006.08.25 (95) Yuan Shang Zi No. 0950022172

Month/ Year	Par Value per Share	Authorized capital		Paid- in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
2006.12	10	120,000	1,200,000	96,956	969,562	Exchange of employee stock warrants	—	2006.12.25 (95) Yuan Shang Zi No. 0950034018
2007.04	10	120,000	1,200,000	100,343	1,003,428	Exchange of employee stock warrants and conversion of convertible bonds	—	2007.04.02 (96) Yuan Shang Zi No. 0960008044
2007.07	10	120,000	1,200,000	101,850	1,018,497	Exchange of employee stock warrants and conversion of convertible bonds	—	2007.07.10 (96) Yuan Shang Zi No. 0960018072
2007.09	10	120,000	1,200,000	108,583	1,085,830	Exchange of employee stock warrants and capitalization of retained earnings	—	2007.09.29 (96) Yuan Shang Zi No. 0960026108
2007.12	10	135,000	1,350,000	113,487	1,134,874	Exchange of employee stock warrants and conversion of convertible bonds	—	2007.12.21 (96) Yuan Shang Zi No. 0960034857
2008.04	10	135,000	1,350,000	113,924	1,139,235	Exchange of employee stock warrants and conversion of convertible bonds	—	2008.04.02 (97) Yuan Shang Tzu No. 0970008763
2008.06	10	135,000	1,350,000	114,031	1,140,311	Exchange of employee stock warrants and conversion of convertible bonds	—	2008.06.26 (97) Yuan Shang Zi No. 0970017011
2008.08	10	180,000	1,800,000	122,059	1,220,586	Capitalization of retained earnings	—	2008.08.12 (97) Yuan Shang Zi No. 0970022445
2008.09	10	180,000	1,800,000	122,344	1,223,444	Exchange of employee stock warrants and conversion of convertible bonds	—	2008.09.09 (97) Yuan Shang Zi No. 0970025251
2009.01	10	180,000	1,800,000	122,419	1,224,194	Exchange of employee stock warrants	—	2009.01.12 (98) Yuan Shang Tzu No. 0980000627
2009.04	10	180,000	1,800,000	122,753	1,227,534	Exchange of employee stock warrants	—	2009.04.08 (98) Yuan Shang Zi No. 0980009315
2009.08	10	180,000	1,800,000	126,406	1,264,061	Capitalization of retained earnings	—	2009.08.03 (98) Yuan Shang Zi No. 0980021013
2010.08	10	180,000	1,800,000	130,198	1,301,982	Capitalization of retained earnings	—	2010.08.04 (99) Yuan Shang Zi No. 0990022521
2013.06	10	180,000	1,800,000	132,198	1,321,982	Issuance of new restricted employee shares	—	2013.06.11 (102) Yuan Shang Zi No. 1020016907
2014.05	10	180,000	1,800,000	132,615	1,326,152	Cancellation of new restricted employee shares for capital reduction/Exchange of employee stock warrants	—	2014.05.20 Zhu Shang Zi No. 1030014061

Month/ Year	Par Value per Share	Authorized capital		Paid- in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
2014.08	10	180,000	1,800,000	101,617	1,016,167	Cash capital reduction and returning stock price of issued new shares	—	2014.08.13 Zhu Shang Zi No. 1030023624
2015.04	10	180,000	1,800,000	99,781	997,813	Cancellation of treasury stock/Issuance of new restricted employee shares	—	2015.04.07 Zhu Shang Zi No. 1040009478
2015.05	10	180,000	1,800,000	100,151	1,001,509	Cancellation of new restricted employee shares for capital reduction/Exchange of employee stock warrants	—	2015.05.14 Zhu Shang Zi No. 1040013426
2015.08	10	180,000	1,800,000	100,395	1,003,946	Cancellation of new restricted employee shares for capital reduction/Exchange of employee stock warrants	—	2015.08.18 Zhu Shang Zi No. 1040023685
2016.09	10	180,000	1,800,000	101,448	1,014,485	Issuance of new restricted employee shares	—	2016.09.05 Zhu Shang Zi No. 1050024848
2016.12	10	180,000	1,800,000	102,324	1,023,245	Issuance of new restricted employee shares	—	2016.12.05 Zhu Shang Zi No. 1050033892
2017.03	10	180,000	1,800,000	102,288	1,022,885	Cancellation of new restricted employee shares for capital reduction	—	2017.03.27 Zhu Shang Zi No. 1060007845
2017.06	10	180,000	1,800,000	102,858	1,028,585	Issuance of new restricted employee shares	—	2017.06.14 Zhu Shang Zi No. 1060015798
2017.08	10	180,000	1,800,000	102,772	1,027,725	Cancellation of new restricted employee shares for capital reduction	—	2017.08.18 Zhu Shang Zi No. 1060022762
2017.11	10	180,000	1,800,000	102,762	1,027,625	Cancellation of new restricted employee shares for capital reduction	—	2017.11.15 Zhu Shang Zi No. 1060031329
2018.08	10	180,000	1,800,000	71,930	719,308	Cash capital reduction and returning stock price of issued new shares	—	2018.08.15 Zhu Shang Zi No. 1070023811
2018.12	10	180,000	1,800,000	72,660	726,608	Issuance of new restricted employee shares	—	2018.12.07 Zhu Shang Zi No. 1070035860
2019.04	10	180,000	1,800,000	72,659	726,587	Cancellation of new restricted employee shares for capital reduction	—	2019.04.10 Zhu Shang Zi No. 1080009781
2019.05	10	180,000	1,800,000	72,649	726,485	Cancellation of new restricted employee shares for capital reduction	—	2019.05.22 Zhu Shang Zi No. 1080014568
2019.07	10	180,000	1,800,000	73,119	731,185	Issuance of new restricted employee shares	—	2019.07.01 Zhu Shang Zi No. 1080018581
2020.04	10	180,000	1,800,000	73,083	730,830	Cancellation of new restricted employee shares for capital reduction	—	2020.04.07 Zhu Shang Zi No. 1090009437
2020.07	10	180,000	1,800,000	73,050	730,500	Cancellation of new restricted employee shares for capital reduction	—	2020.07.01 Zhu Shang Zi No. 1090018235

Month/ Year	Par Value per Share	Authorized capital		Paid- in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
2020.11	10	180,000	1,800,000	73,048	730,485	Cancellation of new restricted employee shares for capital reduction	—	2020.11.17 Zhu Shang Zi No. 1090032572
2021.03	10	180,000	1,800,000	73,798	737,985	Issuance of new restricted employee shares	—	2021.03.31 Zhu Shang Zi No. 1100008752
2021.08	10	180,000	1,800,000	73,785	737,845	Cancellation of new restricted employee shares for capital reduction	—	2021.08.19 Zhu Shang Zi No. 1100023768
2021.11	10	180,000	1,800,000	74,113	741,125	Cancellation of new restricted employee shares for capital reduction/Issuance of new restricted employee shares		2021.11.25 Zhu Shang Zi No. 1100034815
2022.03	10	180,000	1,800,000	74,076	740,755	Cancellation of new restricted employee shares for capital reduction		2022.03.29 Zhu Shang Zi No. 1110009450
2022.05	10	180,000	1,800,000	74,073	740,725	Cancellation of new restricted employee shares for capital reduction		2022.05.18 Zhu Shang Zi No. 1110015514
2022.11	10	180,000	1,800,000	74,070	740,695	Cancellation of new restricted employee shares for capital reduction		2022.11.15 Zhu Shang Zi No. 1110036520
2023.03	10	180,000	1,800,000	74,068	740,675	Cancellation of new restricted employee shares for capital reduction		2023.03.03 Zhu Shang Zi No. 1120006579
2023.08	10	180,000	1,800,000	74,646	746,455	Cancellation of new restricted employee shares for capital reduction/Issuance of new restricted employee shares		2023.08.23 Zhu Shang Zi No. 1120027907
2023.11	10	180,000	1,800,000	74,642	746,415	Cancellation of new restricted employee shares for capital reduction		2023.11.22 Zhu Shang Zi No. 1120038600
2024.03	10	180,000	1,800,000	75,050	750,495	Issuance of new restricted employee shares		2024.03.14 Zhu Shang Zi No. 1130007415
2024.08	10	180,000	1,800,000	75,019	750,185	Cancellation of new restricted employee shares for capital reduction		2024.08.15 Zhu Shang Zi No. 1130026167
2024.11	10	180,000	1,800,000	75,149	751,485	Issuance of new restricted employee shares		2024.11.20 Zhu Shang Zi No. 1130037169

## 2. Type of Stock

April 25, 2025; Unit: Share

Type of Stock	Authorized Capital (Shares)			Remarks
	Issued Shares (Note)	Un-issued Shares	Total	
Registered Common Stock	75,148,500	104,851,500	180,000,000	Over-the-counter

Note: Including 485,000 shares of treasury stock

## 3. Information on Shelf Registration: Not applicable.

## (II) List of Major Shareholders

Shareholders Owning 5% or More of the Outstanding Shares of the Company or with the Shareholding Stake in Top 10 List:

April 25, 2025

Ranking	Shareholder's Name	Shareholding (shares)	Percentage (%)
1	Fubon Life Insurance Co., Ltd.	2,478,000	3.30
2	TransGlobe Life Insurance Inc.	1,634,000	2.17
3	LIN, CHE-MING	1,501,312	2.00
4	SINOPOWER SEMICONDUCTOR INC	1,238,088	1.65
5	HSBC (Taiwan) Commercial Bank Ltd. is entrusted with the custody of Merrill Lynch International's investment Fund	1,009,000	1.34
6	SHENG, KANG	957,958	1.27
7	Standard Chartered International Commercial Bank Business Department is entrusted with the custody of Advanced Starlight Fund Company's series of funds, specifically the Advanced Comprehensive International Equity Index Fund investment Fund	936,000	1.25
8	HUANG, JIN-HUA	902,708	1.20
9	Standard Chartered International Commercial Bank Business Department is entrusted with the custody of Vanguard Group's Vanguard Emerging Markets Stock Index Fund investment Fund	834,000	1.11
10	WANG, CHIH-HSIN	826,499	1.10

## (III) Dividend Policy and Implementation Status

### 1. Dividend Policy

According to the Company's Articles of Incorporation, in the event of a surplus in the annual final accounts, the Company must prioritize setting aside funds for income tax payable and making up for any deficits from previous years. Following this, 10% of the surplus must be allocated to the legal reserve, and any required special reserve must be set aside and reversed in accordance with legal or by the competent authority requirements. The remaining balance may then be allocated for dividend or bonus distribution by the Board of Directors, subject to approval by the Shareholders' Meeting for resolution.

As per Article 240 of the Company Act, the Board of Directors has the authority to distribute dividends and bonuses, either fully or partially, in part in the form of cash. This can be done through a resolution passed by the Board of Directors, provided that at least two-thirds of the directors are present and the approval of a majority of them approve the resolution. Once the resolution is passed, it is reported to the Shareholders' Meetings, and the provisions of the Articles of Incorporation regarding the resolutions of the Shareholders' Meetings do not apply.

The Company will allocate and distribute shareholder dividends from distributable surplus, taking into account its operating environment and the stage

of growth stage, as well as future capital demands and long-term financial planning. The cash dividends shall not be less than 10% of the total dividends. However, the type and ratio of this earnings distribution may be adjusted by a resolution of the Shareholders' Meeting based on the actual profit and capital status of the year, while still meeting shareholders' demands for cash inflows. The Company's dividend policy is determined by the Board of Directors determines its dividend policy based on various factors, including the Company's operating conditions, capital demands, capital expenditure budget, and changes in the general internal and external environment. The interests of shareholders are also taken into account. Unless there are special circumstances, the Company ensures that the percentage of cash dividends is not be less than 10% of the total dividends. Additionally, the Company follows the principle of ensuring that the dividend is no less than 50% of the current year's after-tax earnings.

2. Distribution of Dividends Resolved by the Board of Directors

On February 21, 2025, the Board of Directors resolved to distribute cash dividends from the earnings of 2024 as shown in the table below; the Chairman is authorized to set another date as the record date of dividend distribution.

2024 Earnings Distribution Proposal

Unit: NT\$

Distributed Item	Amount
Dividend distribution to shareholders - cash (NT\$8 per share)	597,308,000

Distribution of Capital Surplus in Cash to Shareholders for 2024

Unit: NT\$

Distributed Item	Amount
Dividend distribution to shareholders - cash (NT\$0.6 per share)	44,798,100

(IV) Effect upon Business Performance and Earnings per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting:

Not applicable as there is not any stock dividend distribution.

(V) Employee and Director Remuneration

- The percentages or ranges with respect to employee remuneration, as set forth in the Company's Articles of Incorporation:

As per Article 30 of the Company's Articles of Incorporation, employee compensation will be distributed at a rate ranging from 10% to 25% of the Company's profit for the current year. However, such compensation will not be

provided in the event that the Company has incurred losses.

The employee remuneration in the preceding paragraph may be distributed in stock or cash to the employees. The stock or cash may be distributed to employees of the subordinate companies who meet certain criteria.

"Profit for the current year" refers to the current year's pre-tax benefits before deducting the employee and director remuneration being distributed.

The distribution of employee remuneration shall be made by a resolution of the Board of Directors with the presence of at least two-thirds of the directors and the approval of a majority of the present directors; then, the resolution shall be reported to the Shareholders' Meeting.

2. The percentages or ranges with respect to director remuneration, as set forth in the Company's Articles of Incorporation:

In accordance with Article 30 of the Company's Articles of Incorporation, director remuneration shall no more than 3% of the profit for the current year.

"Profit for the current year" refers to the current year's pre-tax benefits before deducting the employee and director remuneration being distributed.

The distribution of director remuneration shall be made by a resolution of the Board of Directors with the presence of at least two-thirds of the directors and the approval of a majority of the present directors; then, the resolution shall be reported to the Shareholders' Meeting.

3. Remuneration Policy for Directors and Managers:

Pursuant to Article 7 of the Company's "Remuneration Committee Charter":

The Remuneration Committee shall have the loyalty and shall exercise the due care of a good administrator and faithfully perform the following duties and responsibilities and submit its suggestions to the Board of Directors for discussion:

Article 1 To establish and review the performance targets of directors and managerial officers of the Company as well as the policies, systems, standards, and structure of remuneration and compensation.

Article 2 To periodically evaluate whether the Company's directors and managerial officers have reached performance targets, and the content and amount of their individual remuneration are determined.

The Remuneration Committee shall perform the aforementioned functions in accordance with the following principles:

- (1) To ensure that the Company's remuneration arrangements comply with relevant laws and regulations and are sufficient to attract talented individuals.

- (2) The Company shall evaluate the performance evaluation and compensation of its directors and managerial officers by considering the industry's average remuneration level, their performance in relation to the Company's operating performance and future risks, taking into account the time and responsibilities they have devoted, their personal goal achievements, their performance in other positions, the remuneration that others have received by others in the same positions in recent years, and the achievement of the Company's short-term and long-term business targets and the Company's financial position. This evaluation will ensure that the remuneration and performance of the directors and managerial officers are reasonable and aligned with the Company's goals.
  - (3) Directors and officers shall not be induced to engage in conduct that exceeds the Company's risk appetite in pursuit of more compensation.
  - (4) The percentage of bonuses for short-term performance and the timing of partial changes in compensation for directors and senior managerial officers shall be determined by taking into account the characteristics of the industry and the nature of the Company's business.
  - (5) The members of the Remuneration Committee shall not participate in the discussion and vote on decisions regarding their personal remuneration decisions.
4. The Basis for Estimating the Amount of Employee and Director Compensation, for Calculating the Number of Shares to Be Distributed as Employee 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 estimates are based on historical percentage for distribution.
  - (2) There was no distribution of employee remuneration in stock during the year.
  - (3) The Company has adopted the International Financial Reporting Standards (IFRSs) since 2013.
5. Distribution of Remuneration Approved in the Board of Directors Meeting:
  - (1) The amount of employee compensation and director remuneration distributed in cash or stock; if there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: On February 21, 2025, the Board of Directors of the Company resolved to distribute NT\$137,188,686 to employees and NT\$20,324,251 to directors

for the year 2024, and there was no difference between the amount distributed and the estimated amount.

- (2) The amount of employee compensation distributed in stock and its percentage to the total amount of net income after tax and total employee compensation in the parent company only or individual financial statements for the period: There was no distribution of employee compensation in stock during the year.
  - (3) The Company's estimated earnings per share after the distribution of employee and director remuneration: NT\$9.89
6. Actual distribution of remuneration to employees and directors in the previous year:

Unit: NT\$

Distributed Item	Actual Distributed Amount	Amount Resolved by the Board of Directors	Reasons for Difference
I. Employee remuneration:			
1. Employee remuneration in cash	97,728,634	97,728,634	—
2. Employee remuneration in stock	0	0	—
II. Director remuneration	14,478,316	14,478,316	—

(VI) Share Repurchases:

1. Exercised

March 31, 2025

Number of Times of Repurchase	1st repurchase of 2020
Date of Resolution of the Board of Directors	March 25, 2020
Purpose of Repurchase	Transfer of Shares to Employees
Period of Repurchase	2020.04.21~2020.05.18
Price Range of Repurchase	NT\$61.838-NT\$71.56 per share; the average repurchase price is NT\$68.35 per share
Type and Number of Repurchased Shares	485,000 common shares
Amount of Repurchased Shares	NT\$33,147,326
Number of Repurchased Shares as a Percentage of the Number of Shares to be Repurchased (%)	40.42%
Number of Shares Cancelled and Transferred	0 shares
Number of Shares of the Company Held	485,000 common shares

Cumulatively	
Ratio of Number of Shares of the Company Held Cumulatively to the Total Number of Issued Shares (%)	0.65%

2. Outstanding shares: As of the publication date of this annual report on March 31, 2025, there are no treasury shares outstanding.

II. Issuance of Corporate Bonds:

None.

III. Issuance of Preferred Shares:

None.

IV. Issuance of Global Depository Receipts:

None.

V. Issuance of Employee Stock Options

None.

VI. Issuance of Employee Restricted Stock Awards

- (I) The New Restricted Employee Shares for which the Vesting Conditions Have Not Yet Been Met for the Full Number of Shares, the Annual Report Shall Disclose the Status up to the Date of Publication of the Annual Report and the Effect on Shareholders' Equity

March 31, 2025

Type of New Restricted Employee Shares	2023 Employee Restricted Stock Awards		
	(First Issuance)	(Second Issuance)	(Third Issuance)
Approval Date	July 18, 2023 Jin Guan Zheng Fa No. 1120348510		
Date of Issuance	August 15, 2023	March 6, 2024	November 12, 2024
Number of New Restricted Employee Shares Issued	579,000 shares	408,000 shares	130,000 shares
Issued Price	NT\$0 (Note1)		
Ratio of Number Employee Restricted Stock Awards Issued to the Total Number of Issued Shares (Note 2)	0.77%	0.54%	0.17%
Vesting Conditions of New Restricted Employee Shares	<p>1. Employees who remain in employment and meet the performance requirements of the Company after the date of allotment of new restricted employee shares are entitled to the following percentages of shares respectively:</p> <p>(1) If an employee remains in the employ of the Company for one year from the date of issuance and has a superior performance evaluation in the year of issuance, he/she shall be vested 50% of the new restricted employee shares.</p> <p>(2) If an employee remains in the employ of the Company for two years from the date of issuance and has a superior performance evaluation in the year following the date of issuance, he/she shall be vested 50% of the new restricted employee shares.</p> <p>2. If an employee violates the labor contract, Work Rules, or contractual agreements with the Company after receiving new restricted employee shares, the Company reserves the right to retrieve the aforementioned shares without compensation and cancel them if the employee fails to meet the vesting conditions.</p>		
Restricted Rights of New Restricted Employee Shares	1. The new restricted employee shares issued under the Regulations shall be delivered to a stock trust in the name of the employee for		

Type of New Restricted Employee Shares	2023 Employee Restricted Stock Awards		
	(First Issuance)	(Second Issuance)	(Third Issuance)
	<p>safekeeping. After the employee is allotted the new shares, the rights restricted until the vesting conditions are met are as follows:</p> <ol style="list-style-type: none"> <li>(1) After being allotted new shares, employees may not sell, mortgage, transfer, give, pledge, or otherwise dispose of the new restricted employee shares until the vesting conditions are met, except for inheritance.</li> <li>(2) The rights to attend, propose, speak, and vote at Shareholders' Meetings shall be executed by the trustee institution in accordance with the law.</li> </ol> <p>2. Except for the aforementioned restrictions due to the trust agreement, the employee restricted stock awards allocated to employees under the Regulations shall, until the vesting conditions are met, have other rights, including but not limited to: The rights of receiving dividends, bonuses, and legal reserve; the right to receive capital surplus; and the right to subscribe and vote for cash capital increase, etc. These are the same as the rights of the Company's issued common shares.</p>		
Custody of New Restricted Employee Shares	<p>When an employee is granted new restricted employee shares, the Company will provide the employee with the newly issued common shares or a certificate of entitlement to new shares through a book-entry transfer. This will occur after the number of shares allotted to the employee has been recorded in the Company's register of shareholders. The shares will then be delivered to a trust for safekeeping during the period of vesting restrictions, as outlined in accordance with the trust agreement.</p>		
Handling Methods of Employees Who Fail to Meet the Vesting Conditions after Being Allotted or Subscribing New Shares	<p>If an employee fails to meet the vesting conditions or if a succession occurs, the employee shall be treated in the following manner:</p> <ol style="list-style-type: none"> <li>1. Separation from the Company (voluntary/retirement/redundancy/dismissal): New restricted employee shares that do not meet the vesting condition shall be deemed not to meet the vesting condition from the effective date, and the Company shall retrieve the shares without compensation and cancel them in accordance with the law.</li> <li>2. General death: New restricted employee shares that have not met the vesting conditions are deemed not to have met the vesting conditions on the date of death of the employee, and the Company will retrieve the shares without compensation and cancel them in accordance with the law.</li> <li>3. Disability or death caused by an occupational accident: <ol style="list-style-type: none"> <li>(1) For the employees who are physically disabled due to an occupational accident and are unable to continue to work and leave the Company, the new restricted employee shares that do not meet the vesting conditions may be collected within one month from the effective date of separation.</li> <li>(2) If an employee dies as a result of an occupational accident, the employee's legal heirs may receive the shares within one year from the date of death.</li> </ol> </li> <li>4. Leave without pay: New restricted employee shares that have not met the vesting condition shall be reinstated from the date of reinstatement of the employee, but the vesting period shall be deferred in accordance with the period of leave without pay. After the deferral, if the vesting condition is met, the stock transfer will be postponed to the next business day if it falls on a holiday.</li> <li>5. Transfer:</li> </ol>		

Type of New Restricted Employee Shares	2023 Employee Restricted Stock Awards		
	(First Issuance)	(Second Issuance)	(Third Issuance)
	<p>If an employee requests to be transferred to an affiliate or another company (other than a subsidiary), his or her new restricted employee shares shall be treated in the same manner as stipulated the first subparagraph of this paragraph, "Separation from the Company". However, if an employee is assigned by the Company to transfer to an affiliate of the Company or another company for the Company's operational needs, his or her allotment of new restricted employee shares shall not be affected by the transfer.</p> <p>6. The employees or their heirs shall receive the shares of those who have fulfilled the vested conditions or who are disabled or died as a result of an occupational accident in accordance with the trust agreement.</p>		
Retrieved or Purchased Shares of New Restricted Employee Shares	23,000 shares	12,000 shares	0 shares
Number of Shares of New Restricted Employee Shares Already Released from Restrictions	277,000 shares	198,000 shares	0 shares
Number of unvested new restricted shares	279,000 shares	198,000 shares	130,000 shares
Ratio of Number of Shares of New Restricted Employee Shares Not Yet Released from Restrictions to the Total Number of Issued Shares (Note 2) (%)	0.37%	0.26%	017%
Impact on Shareholders' Equity	Based on the number of shares outstanding, the Company estimates that the potential amounts of reduction in earnings per share after expenses for the years 2023 to 2027 are NT\$0.158, NT\$0.764, NT\$1.028, NT\$0.5 and NT\$0.079, respectively, which does not impact the diluted earnings per share of the Company very much, and therefore has no material impact on shareholders' equity.		

Note 1: The par value per share is NT\$10 and is issued at NT\$0, i.e., no cash consideration and allotted to employees without compensation.

Note 2: The total number of issued shares is the number of shares registered with the Ministry of Economic Affairs.

(II) Names and Acquisition Status of Managerial Officers Who Have Acquired New Restricted Employee Shares and of Employees Who Rank among the Top Ten in the Number of New Restricted Employee Shares Acquired

March 31, 2025

	Title	Name	Number of New Restricted Employee Shares Acquired	Ratio of Number of New Restricted Employee Shares Acquired to the Total Number of Issued Shares (Note 2)	Restricted Rights Lifted				Restricted Rights Not Lifted			
					Number of Shares with Restricted Rights Lifted	Issued Price	Par Value	Ratio of Number of Shares with Restricted Rights Lifted to the Total Number of Issued Shares (Note 2)	Number of Shares with Restricted Rights Not Lifted	Issued Price	Par Value	Ratio of Number of Shares with Restricted Rights Not Lifted to the Total Number of Issued Shares (Note 2)
Managerial Officers	Chairman and President	WANG, CHIH-HSIN	204,000	0.27%	60,000	Per Share NT\$0	Per Share NT\$10	0.08%	144,000	Per Share NT\$0	Per Share NT\$10	0.19%
	Executive Vice President	SHENG, KANG										

	Title	Name	Number of New Restricted Employee Shares Acquired	Ratio of Number of New Restricted Employee Shares Acquired to the Total Number of Issued Shares (Note 2)	Restricted Rights Lifted				Restricted Rights Not Lifted			
					Number of Shares with Restricted Rights Lifted	Issued Price	Par Value	Ratio of Number of Shares with Restricted Rights Lifted to the Total Number of Issued Shares (Note 2)	Number of Shares with Restricted Rights Not Lifted	Issued Price	Par Value	Ratio of Number of Shares with Restricted Rights Not Lifted to the Total Number of Issued Shares (Note 2)
	Deputy Head of Division	HUANG, KUI-YI										
Employee (Note 1)	Senior Head of Division	CHEN, CHIH-YUAN	239,000	0.32%	96,500	Per Share NT\$0	Per Share NT\$10	0.13%	142,500	Per Share NT\$0	Per Share NT\$10	0.19%
	Senior Head of Division	KAO, MENG-FEI										
	Head of Division	PAN, HUNG-KUN										
	Head of Division	LAI PO CHUNG										
	Head of Division	HUANG, CHIA-HUNG										
	Deputy Head of Division	XIE, HUI-MEI										
	Deputy Head of Division	CHEN, KUN-MIN										
	Deputy Head of Division	CHANG, TIEN-TSAI										
	Senior Manager	SU, CHIH-HENG										
	Senior Manager	TSAI, MING-JUNG										

Note 1: The top ten employees who have acquired new restricted employee shares means employees other than managerial officers.

Note 2: The total number of issued shares is the number of shares registered with the Ministry of Economic Affairs.

#### VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies

None.

#### VIII. Implementation of the Company's Capital Allocation Plans

For the Period as of the Quarter Preceding the Date of Publication of the Annual Report, with Respect to Each Uncompleted Public Issue or Private Placement of Securities, and to Such Issues and Placements That Were Completed in the Most Recent Three Years but Have Not Yet Fully Yielded the Planned Benefits: None.

## Chapter 4 Operational Highlights

### I. Business Activities

#### (I) Scope of Business

##### 1. Major Lines of Business of the Company

###### (1) CC01080 Electronics Components Manufacturing

Research, development, production, manufacturing and sale of the following products:

- A. Semiconductor power IC and modules.
- B. Semiconductor power components and modules.
- C. Intelligent power IC and modules.
- D. Wireless and network communication IC.
- E. Photoelectric driver IC.

###### (2) Consulting on the above-mentioned businesses.

##### 2. Proportions of Different Lines of Business in 2024

Products	Proportion (%)
Power conversion and management ICs	27.93
Amplifier and driver ICs	27.87
Discrete power components	44.20
Total	100.00

##### 3. Current Products and Services of the Company

- (1) Power conversion and management ICs
- (2) Amplifier and driver ICs
- (3) Discrete power components
- (4) Consultation on commissioned technology development

##### 4. New Products to Be Developed

###### (1) Power management IC (PMIC)

The Company plans to develop a comprehensive solution for memory modules and next-generation server memory modules, gradually expanding application coverage. For PC and server applications, the Company continues to develop next-generation power management solutions for NB/DT motherboards, as well as battery management and charging solutions, high-power conversion products, and polyphase core power solutions to continuously enhance product value. For security control image recognition applications, the Company works with clients to develop highly integrated and high-power PMIC customized solutions to improve system performance and simplify clients' system design. For storage applications, the Company works with clients to develop next-generation customized power management solutions to strengthen client

relationships. For network communication devices, the Company continues to participate in original manufacturer reference designs and develops next-generation low-noise power management solutions to enhance the breadth of the product line. For automotive electronics applications, the Company is working with leading chip clients to develop supporting PMIC reference designs so that the Company can gradually enter the field of automotive electronics.

(2) Motor Driver and Control ICs

The Company will continue to introduce high-power solutions for laptop cooling fans that are quieter and more energy-efficient. Simultaneously, resources will be invested in developing new-generation constant-speed intelligent control and drive solutions, as well as highly integrated, high-current products for various fields including high-end AI laptops, gaming PCs, charging piles, and network servers. This aims to continuously enhance the adaptability of the Company's products while assisting customers in reducing production costs. The Company also develops programmable intelligent high-power drive solutions, which assist clients in greatly simplifying the existing design process and reducing the complexity and maintenance costs of products. At the application level, they are highly compatible with motors and correct assembly errors, primarily used in the white goods and automotive electronics markets.

(3) LED Driver ICs

In the LED driver product line, the team focuses on the development of backlight driver ICs for LCD televisions and displays. As the requirements for dynamic contrast and brightness in LCD TV and display products increase, the Company will continue to develop next-generation, highly integrated mini LED local backlight driver solutions to meet system requirements in different segments. In the automotive field, our related products have been certified for automotive use and will be actively promoted to the leading customer segment in the area of smart cabin digital displays.

(4) Audio Amplifier ICs

Continuously developing low-noise, low-distortion, high-efficiency audio amplification and driver products, and collaborating with specific customers to develop customized product solutions to enhance system audio performance, assisting customers in strengthening the competitiveness of their end products.

(5) Discrete Power Component and Integrated Driver IC Products

The Company focuses on the development of high-power semiconductor product lines, and aims to provide products with performance, quality and service comparable to those of international manufacturers. These product lines include power semiconductors such as Trench Power MOSFET, insulated-gate bipolar transistor (IGBT), and various protection and integrated products.

With the aim of expanding the power semiconductor product line to provide more professional services for PC and consumer applications while continuously developing new market segments, the Company will focus on the development of high-density unit cells and new technology platforms. For low- and medium-voltage products, the development target is the characteristics of ultra-low ON-resistance and extremely low gate charge. For high-voltage products, the Company gives priority to super-contact technology platforms. The existing low-voltage ( $\leq 40\text{V}$ ) product line will continue to expand. In addition to adding power device products, DrMOS products with integrated driver ICs have been introduced to meet the needs of high-end models for computer applications (such as commercial laptops, servers, and HPC applications). The mid-voltage (40V to 250V) product line will enhance performance through new technologies to meet the demands of industrial applications, motor drives, and power supplies. For the high voltage ( $>250\text{V}$ ) product line, the Company will extend the voltage operation range to 800V or more and enhance the development of technologies for component performance enhancement.

R&D in IGBTs primarily focuses on industrial motor driver applications with high voltage and high current, extending towards higher voltage operation. For wide band-gap semiconductors (e.g., SiC and GaN), the Company will also simultaneously arrange resources for the development of such products. After the platform is completed, the Company will come up with the source of performance growth for power semiconductors in the next stage.

(II) Industry Overview

1. Current Status and Development

(1) ICs

The global semiconductor industry is experiencing a strong recovery in 2024, largely driven by the gradual recovery of the global economy and the rapid development of artificial intelligence (AI) technology. While the demand for high-performance computing driven by AI continues to rise,

the growth of the semiconductor industry is not due to a single factor but rather the result of multiple application fields pushing the market forward. In 2024, global notebook (NB) shipments reached 174 million units, a 3.9% increase year-on-year, breaking free from the decline of the past two years. The demand for business notebook and the rise of AI notebooks are the main drivers of market growth. The termination of Windows 10 support by Microsoft has particularly stimulated corporate users to upgrade their devices. Looking ahead to 2025, with the further development of AI technology and the widespread adoption of new work models, global notebook shipments are expected to continue growing, reaching 183 million units, a 4.9% increase year-on-year.

In 2024, global server shipments reached 13.65 million units, a 2.05% increase year-on-year. Among these, the shipment volume of AI servers accounts for approximately 12.1%, indicating the driving effect of AI applications on the server market. To meet the demand for large-capacity, high-bandwidth memory for AI computing, the DRAM market is also showing robust growth. In 2024, the global DRAM market value is estimated to reach \$90.7 billion, with strong demand for high-bandwidth memory (HBM). Looking ahead to 2025, with the continued construction of cloud services, 5G base stations, and increased investments in data centers, the server market is expected to maintain steady growth.

Among these developments, the issue of heat dissipation in high-performance computing equipment has always been a focal point of industry attention. In 2024, with the increase in shipments of servers, data centers, and high-performance notebook, the heat dissipation industry also experienced new growth opportunities. The application of new cooling technologies such as liquid cooling and phase change materials has effectively addressed the heat dissipation challenges of high-density servers. It is expected that by 2025, with the widespread deployment of 5G base stations and the expansion of data centers, the heat dissipation industry will continue to maintain rapid growth.

In terms of storage devices, global HDD shipments was approximately 1 billion units in 2024, while SSD shipments was approximately 600 million units. As enterprises continue to increase their demands for data storage capacity and access speed, enterprise-grade storage and flash memory devices have been widely adopted in data centers, cloud services, and other sectors. Looking ahead to 2025, with the expansion of IoT, big data, and

other application scenarios, the storage device market is expected to maintain growth.

In 2024, global LCD TV shipments was approximately 242 million units, with shipment area increasing due to larger product sizes, projected to grow by 8.6% year-on-year. Looking ahead to 2025, the global large-size LCD panel industry and market will see a more balanced supply and demand, with supply-demand equilibrium expected to be reached in the third quarter of 2025. The rise of emerging display technologies such as Mini LED and OLED will bring new growth momentum to the LCD TV market.

At the same time, with the increasing application of AI technology in the security surveillance field, global shipments of security cameras was approximately 490 million units in 2024, a year-on-year growth of approximately 2%. This growth is driven by several factors, including the rapid development of artificial intelligence technology, the expansion of the consumer-grade network camera market, and the maturity of technologies such as facial recognition and behavioral analysis, which have driven the demand for image processing chips. Looking ahead to 2025, with the acceleration of smart city construction, the security surveillance market is expected to continue its rapid growth.

On the other hand, with the development of electric vehicles and autonomous driving technology, the automotive electronics market continues to show a growth trend. By 2025, with the popularization of new energy vehicles, the automotive electronics market is expected to maintain its high growth momentum.

Looking ahead, the semiconductor industry has a broad development prospect, but it also faces numerous challenges. Geopolitical risks, supply chain disruptions, and the rapid development of emerging technologies may all have a profound impact on the industry landscape. The Company will continue to increase its investment in research and development, enhance its technological innovation capabilities, and strengthen cooperation with upstream and downstream industry chains, gradually becoming a leading supplier at the forefront of various application fields.

## (2) Power MOSFET and Integrated Driver IC Products

The power semiconductor component industry is a niche industry in the global semiconductor market, accounting for roughly 4-5% of the total semiconductor market. The power MOSFET market accounts for more than 50% of the power semiconductor component industry. According to research firm Mordor Intelligence, the global sales of MOSFET power

transistors are projected to reach USD 7.15 billion in 2024 and are expected to grow to USD 8.91 billion by 2029, with a compound annual growth rate (CAGR) of 4.49%. Driven by trends toward energy conservation and increasing energy efficiency, the market is experiencing steady growth. The compound annual growth rate (CAGR) for power transistor ASP was only 2.1% in the 10 years prior to the global COVID-19 pandemic in 2020. Looking at the sales performance, global power transistor sales have grown for six consecutive years until 2021 and reached record highs every year during this period, with sales increasing a whopping 26% year-on-year in 2021. The reason for the significant sales growth in that year is not only related to the 13% year-over-year growth in power transistor shipments, but also an 8% increase in ASP due to bottlenecks in the expansion of production capacity for the component. Looking ahead, global power transistor sales and ASP are expected to decline by 2% and 4% respectively in 2023, marking the end of continuous growth in recent years, due to a significant slowdown in global economic growth in the year. Although sales are forecast to recover in 2024, the growth is not as strong as previously expected, which instead raises expectations for a better performance in 2025. With a potential wave of consumer PC replacements and the strong promotion of devices equipped with artificial intelligence (AI) features, the PC market is expected to experience further growth. The growth of the PC market in 2025 is anticipated. The PC market has always been a major market for low-voltage MOSFETs, and this growth is expected to greatly benefit the sales of 2025 Si MOSFETs.

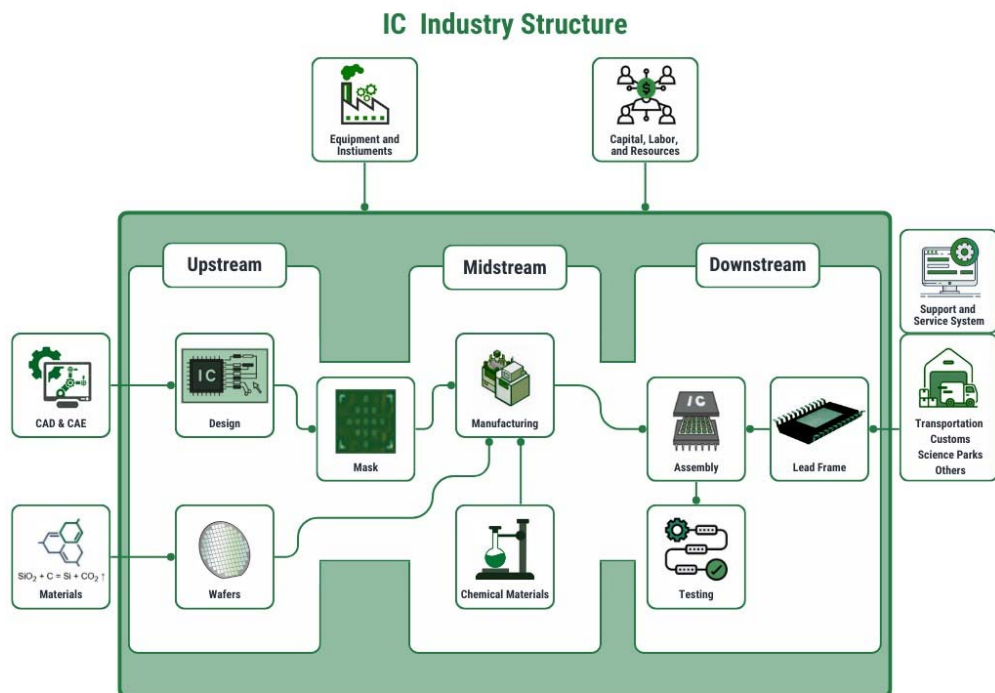
MOSFET is the largest market among power semiconductor components. Thanks to its excellent stability and applicability in AC/DC converters, DC/DC converters, and power stages, it is commonly used in the industrial, automotive, consumer electronics, telecommunications, and computing fields. In the power semiconductor component market, motor control, rail transportation, wireless power supply, energy control, and smart grid represent the industrial fields with the highest proportion of the use of power semiconductor components at more than 30% over the long term. Coming right behind them is the automotive field, which also constitutes over 30% of the use of power semiconductor components. With the development of new energy vehicles/electric vehicles, both the automotive market and high-voltage MOSFET markets are going to expand gradually. With the pandemic largely behind us and the ongoing U.S.-China rivalry accelerating the development of new technologies, along with the

emergence and rapid proliferation of generative AI, the strong launch of AI PCs in 2024 has ignited intense competition among CPU and AI chip manufacturers. Although demand has not surged as initially expected, the momentum for medium- to long-term growth is gradually building. The advancement of electric vehicles—driven by the rapid growth of third-generation power semiconductors such as SiC and GaN—alongside the expansion of the automotive electronics market, global shortages of automotive semiconductors, and the rollout of 5G connectivity enabling various smart technologies, will all continue to drive the ongoing expansion of the power device market.

## 2. Relationships Among the Upstream, Midstream, and Downstream Sectors

### (1) ICs

The IC design industry is at the front end of the IC industry system (see figure below) and has no relationship with the upstream sector, while its downstream industries are foundry, IC process, packaging and professional testing. The IC industry in Taiwan is different from that in other countries, where major foreign companies cover everything from design, manufacturing, packaging and testing. In Taiwan, there are individual companies involved in each production process, with a clear vertical division of labor and expertise. The structure of the IC industry is presented as follows:



(2) Power MOSFET and Integrated Driver IC Products

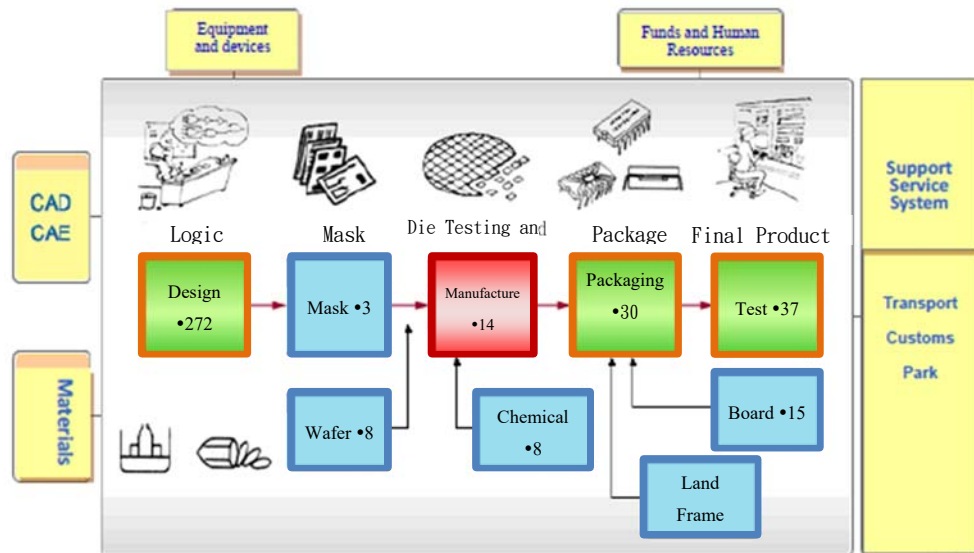
Component design for power semiconductors belongs to the midstream sector in the semiconductor industry and plays a role in the midstream sector within the supply chain of the electronics industry. On the other hand, the upstream sector is made up of wafer fabs and packaging and test houses, while the downstream sector serves system vendors (end clients).

The Company either develops and designs its MOSFET product line or is commissioned by clients to design related products. After completing the layout design required in the manufacturing process, semi-finished wafers are produced through mask making and wafer foundries, and then sent to packaging plants for cutting and packaging after frontend testing. Lastly, the wafers are sent to professional testing plants for backend testing before the manufacture of such products is deemed completed. The downstream sector in the power semiconductor field encompasses various industries, including IT, telecommunication, consumer electronics, industrial control equipment, automotive, and medical devices. Almost all upstream raw materials are developed and produced by international and local manufacturers. Abundant supply of raw materials and a wide range of applications in downstream industries have led to the sound development of both the upstream and downstream systems. Thanks to the mature development of the semiconductor industry chain, coupled with Taiwan's position as a major manufacturing country in the global IT hardware industry, these factors have created a favorable environment for the development of the semiconductor design industry in Taiwan and established the trend of continuous growth in the power semiconductor component industry.

Power semiconductor components share similar production processes with general ICs. However, power semiconductor components differ from ICs in terms of technology platform development and work in a significantly distinct way than ICs. For general ICs, standard manufacturing processes are provided by fabs, while IC design companies design circuits and layouts according to these manufacturing processes. Therefore, different IC design companies are able to design products with distinct features based on the same standard manufacturing processes to meet various application requirements. On the other hand, the manufacturing processes for power semiconductors have to be jointly developed by product design companies and wafer fabs, and also adjusted simultaneously in consideration of the use of substrates and EPIs with different specifications in such products

due to different hipot requirements. When fabs do not have the relevant manufacturing processes, the basic manufacturing processes have to be provided by product design companies, and then implemented by fabs before carrying out calibration based on output results. After the manufacturing processes are confirmed, design companies will initiate component design and product development based on the manufacturing processes they have developed. In general, process development and component design must be coordinated and carried out simultaneously. Therefore, in actual applications, the parameters of each supplier's products may vary slightly due to different production processes (or production sites), and the applicability of the applications needs to be confirmed once again.

The relationships among the industries to which MOSFETs belong in the upstream, midstream, and downstream sectors are illustrated as follows:



Source: Industrial Economics and Knowledge Center (IEK), Industrial Technology Research Institute

#### A. Services in the upstream sector:

##### (A) Wafer foundry:

The manufacturing procedures in the upstream sector involve repeatedly using various process techniques, such as photolithography, etching, oxidation, and diffusion, to create the designed circuit patterns on the silicon wafers layer by layer.

##### (B) Wafer packaging and finished product testing:

Packaging and testing, which constitute the backend process, will be carried out based on the electrical properties and application

requirements of products for the purpose of protecting the crystal grains, completing the required pins, and ensuring that products are of good quality.

B. Services in the midstream sector:

(A) R&D, outsourcing management, and sales:

The Company belongs to the midstream sector in the supply chain of the electronics industry, whose primary function is to develop and design products. The midstream sector completes the layout design for the required power semiconductor components, which are then manufactured via a series of manufacturers in the upstream sector, including wafer foundries and packaging and testing houses. Manufactured products (finished products) are sold through channel agents or by the Company itself.

C. Services in the downstream sector:

(A) The downstream sector supplies power semiconductor components to system vendors in the computer industry, brand vendors, and communication vendors (i.e., end clients).

(B) Agents/distributors: Manufactured products (finished products) are sold to end clients through agents/distributors.

3. Product Development Trends and Competition

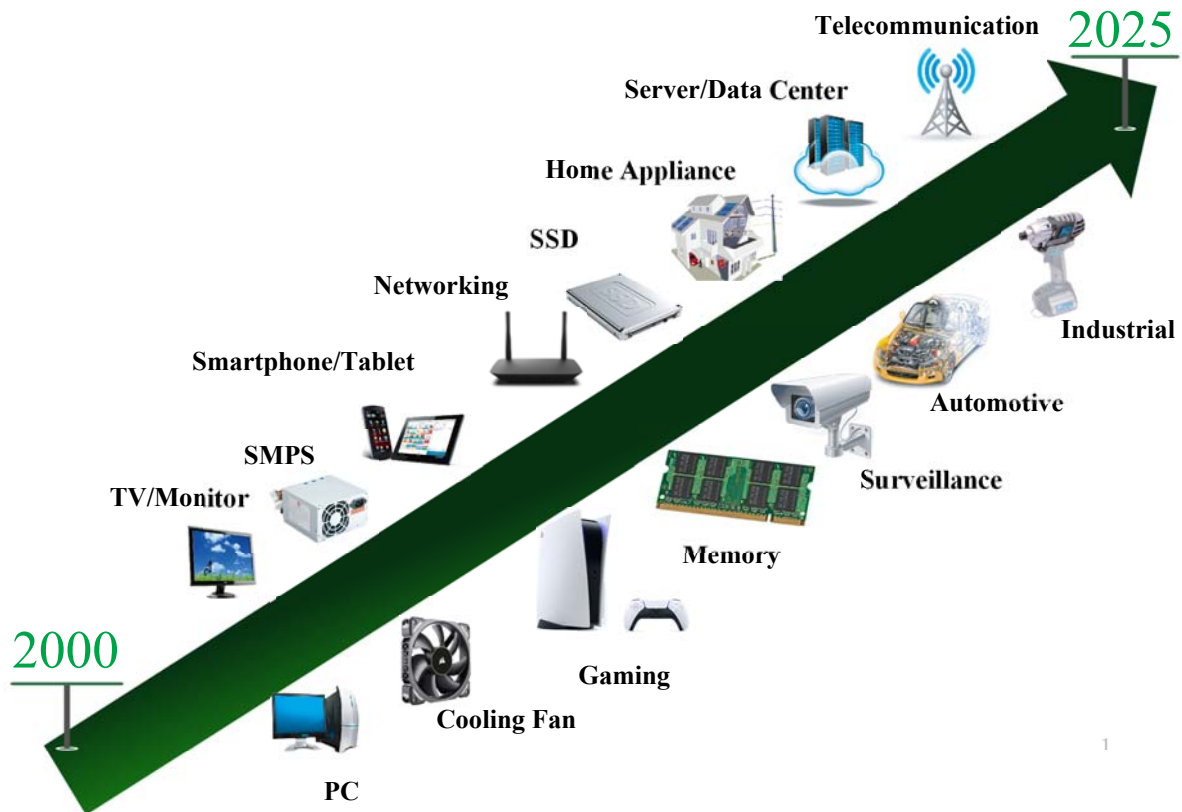
(1) Product development trends:

A. ICs

The Company engages in the design, testing, production, and marketing of power ICs and sensory ICs. We focus on Motor Driving, Power Management, LED Driving, and Audio Amplifying. The Company engages in a diverse range of application areas, including personal computers, servers, network communication, storage devices, random access memory, industrial, automotive, security surveillance, TVs and monitors, telecommunication devices, and game consoles. In the field of power management, as electronic products continue to advance in speed and capacity, power consumption increases, necessitating power management ICs with higher power density and more sophisticated control capabilities to meet demands. From battery-powered systems to high-power-consuming industries such as data centers, there is a growing need for high-efficiency power management solutions to extend system usage time and reduce energy consumption. As end products become more complex in functionality,

the demand for higher integration in power management ICs is also increasing. In high-reliability application areas such as automotive, industrial, and enterprise-grade products, high-quality power management solutions are essential to ensure safety and continuous operation. In the field of motor and fan driver, as product performance improves and device sizes shrink, customer expectations for thermal performance have become more stringent. This includes enhanced cooling efficiency, reduced vibration and noise, improved operational efficiency, and precise speed control. In industrial and automotive applications, the demand for high-voltage and programmable solutions continues to rise. In the LED backlighting field, end products are increasing the number of dimming zones to enhance display performance, driving demand for higher integration to improve manufacturing efficiency, meet gaming specifications, and boost image quality. In the field of audio drivers, the market pursues a lower signal-to-noise ratio to enhance audio performance.

Product Development Timeline at Anpec Electronics Co.



## B. Power MOSFET and Integrated Driver IC Products

### (A) Technology trends: Commitment to the development of high-efficiency, energy-saving and carbon-reducing products

Thanks to the booming development of numerous information products and portable products, power semiconductor components are developing towards ultra-low on-state resistance and optimized switching parameters in order to improve product efficiency, reduce energy consumption, and prolong battery life, with hopes of providing the most suitable products for the needs of various power applications. At present, the Company is focusing on the development of various technologies for power semiconductor devices, including low-, medium-, and high-voltage trench power MOSFETs, higher-voltage IGBTs, as well as various protection and integrated products. The Company is also working on product technologies that integrate both driver circuits and power components. With power components made from emerging materials (e.g., SiC and GaN) becoming a hot topic in recent times, teams at the Company's subsidiaries will also devote some resources to the development of power components, with a view to not only providing clients with a more complete selection of solutions, but also satisfying the needs of various power applications.

### (B) Market trends: Component integration and package size reduction

Under the dual requirements of the advancement of 5G+AI technology and energy conservation and carbon reduction, there has been a significant increase in the specifications for power components. At the same time, with the trend of slim and lightweight design, the requirements for the size reduction of new generation products and integration and packaging have become more stringent. Consequently, integrated driver IC products are poised to become a prevailing trend. Coordinating design conflicts under various requirements is a challenge in product definition. Furthermore, the integration of technologies, including Gallium Nitride (GaN) power field-effect transistors, Schottky diodes, and integrated protection diodes, among others, in addition to the integration of driving circuits and power components, will allow for circuit board space savings. While

shrinking space, it is imperative to enhance heat dissipation and power efficiency to avoid potential issues. Therefore, enhancing product performance and reducing size have become mainstream trends in the market. Thus, major manufacturers including Texas Instruments, Infineon (which has merged with International Rectifier), On Semi (which has merged with Fairchild), Vishay, and Renesas have already launched relevant solutions to compete for market share. The Company will gradually join the ranks of suppliers, provide products of the same level, and take over the existing market share of international major manufacturers with more complete design services.

(2) Competition:

A. ICs

Over the years, the Company has remained deeply committed to the high-end and high-value application markets. In the face of fierce competition from major international players, the Company leverages its core competencies in technological leadership, rapid development, and customized services. By continuously strengthening its high-end IP database, optimizing R&D processes, and deepening cross-departmental collaboration, the Company is able to swiftly deliver high-performance solutions tailored to customer needs. At the same time, through flexible inventory strategies and industry-leading production quality, the Company continues to earn deep trust from its customers, becoming a long-term and stable strategic partner. With years of engagement with tier-one clients, the Company has accumulated extensive experience and a strong reputation. The continuous expansion of the product line and the enhancement of brand value have further strengthened the Company's market competitiveness. The Company aims to surpass the technical specifications set by international manufacturers and focuses on broadening its product line and application coverage to address the diverse needs of customers across various sectors. Through comprehensive customer service, flexible delivery, and superior product quality, the Company helps clients maximize system value and secure leadership positions in end markets.

B. Power MOSFET and Integrated Driver IC Products

Following the trend of low-cost, miniature, lightweight, and energy-saving electronic products, clients are becoming increasingly

demanding with regards to the specifications and size of power components. Therefore, integrated components (including MOSFETs alone, the integration of MOSFETs and Schottky diodes, and the integration of driver circuits and power components) can achieve better performance in the optimization of various applications. The Company has successively launched a series of related products, which can be used in clients' models of all levels, thus becoming the best manufacturer in Taiwan with such specifications. The Company's integrated components have also been recognized and used by clients. The Company has adopted a step-by-step approach to enhance the technical level of its products, as well as strengthen cooperation and technical service support with clients while developing emerging niche products and markets and continuously boosting its operational efficiency to increase revenue.

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

1. R&D Expense Invested in the Most Recent Fiscal Year and During the Current Fiscal Year up to the Publication Date of the Annual Report

Unit: NT\$ thousands

Item	2024	2025 Q1
R&D expenses	640,839	175,814

2. Successfully Developed Technologies or Products

Having been engaging in the development and design of analog ICs since its founding more than 27 years ago, the Company has successfully developed over 1,814 products, which are detailed as follows:

- (1) PMIC product line: A total of 562 products have been developed, including PWM ICs, linear regulator ICs, and others.
- (2) Amplifier and driver IC product line: A total of 252 products have been developed, including Audio Amplifier ICs, Hall Effect ICs, and Motor Driver ICs.
- (3) Discrete power component product line: A total of over 1,000 MOSFET products have been developed.
- (4) The Company has filed a total of 1,157 patent applications, of which 920 have been approved and 247 are currently being processed.

### (IV) Long- and Short-term Business Development Plans

1. Short-term Plans

- (1) ICs

In terms of short-term business, the Company will prioritize the promotion of new products to expand market share and strive for a major market share

in order to increase the gross profit margin of each product line. The Company will strengthen direct communication with brand clients and closely observe market changes to keep abreast of end-user demand. On the client front, the Company strengthens its grip on existing first-tier brand clients, explore higher-value partnership opportunities, and expand the scope of collaboration, with the aim of enhancing its revenue base with individual clients. As the Company's market position and brand awareness continue to improve, the Company will allocate more resources to develop various regional markets. In terms of products, the Company will actively promote the design and implementation of next-generation products in existing application areas to achieve the maximum number of design approvals. In emerging application fields, the Company will promote new products and reference design solutions, strengthen technical services and on-site technical support, to expedite the implementation of new projects for frontline customers; and actively expand to other customers and increase overall market share. The Company will also strengthen the development of derivative products in various application areas to expand the breadth of its product line and enhance market coverage.

(2) Power MOSFET and Integrated Driver IC Products

In terms of business development, the Company not only actively maintains its growth in the motherboard and notebook computer component businesses, but also speeds up its diversification into industrial microcomputer controllers, DC brushless motor controllers, power supplies, lithium battery applications, and electric vehicles, which is the Company's business development direction at the present stage, in order to solidify and expand its own brand. In addition, the Company is actively cooperating with major international manufacturers to continuously reduce production costs with superior economies of scale, so as to provide clients with products and services with the lowest cost, the best quality and the fastest service.

A. Increase the market share of existing products:

Thanks to its ongoing innovation and development of new technologies, the Company has established a firm foothold with a solid foundation over the years. Specifically, the Company strives to work with existing clients on new low- and medium-voltage MOSFETs, with hopes of satisfying clients' increasingly diverse needs and customer service, thereby increasing the market share of its products.

- B. Expand into overseas markets outside Taiwan in a move towards the goal of "internationalization":

The Company will continue to engage in product development and design as well as global expansion with customer needs as the starting point in order to align itself to the future strategic development of global PC and consumer electronics makers and grow in tandem with them. With Mainland China becoming a market with the highest growth in the world in recent years, the Company is also actively expanding its presence in the consumer market in Mainland China to seize a multitude of business opportunities in this region. For example, the Company's products are applied in: DC brushless motor controllers, automotive voltage regulators, inverters, network communication products, consumer products, lithium battery protection for electric bicycles, etc

## 2. Long-term Plans

### (1) ICs

- A. Enhance the technology level, innovation capability, and product coverage of main product lines to increase the added value of the Company's new products and increase the level of customer satisfaction.
- B. Strengthen the management and establishment of sales channels.
- C. Strengthen the matching and integration of existing product lines to increase the added value of new products.
- D. Adjust product strategies and resource allocation to improve the success rate of new products.
- E. Strengthen mixed-signal design capabilities to provide more efficient solutions to the clients.
- F. Continuously develop IP and product lines in different fields of technology for existing applications and channels to enhance product line ranges and single-client product line coverage.
- G. Expand new application areas and cooperate with research institutions to develop and commercialize the core technologies required to become a growth engine for the Company's expansion into non-PC fields.
- H. Continuously expand into the European, US, Japanese and Korean markets and acquire first-tier brand clients to enhance the Company's product customization capabilities and market share.

- I. Develop product lines for automotive, server and industrial applications, and plan to introduce related quality management systems.
- J. Strengthen the Company's R&D and production management quality system to achieve the highest design and production quality requirements in the industry.
- K. Build technology-oriented new product lines and technical teams to develop new high-value application markets.
- L. Strengthen the Company's business and technical service capacity at all locations and add new service locations to meet clients' needs swiftly.
- M. Continuously build and improve information systems to enhance the Company's overall operational efficiency and management capabilities.

(2) Power MOSFET and Integrated Driver IC Products

The future of the electronics industry will be shaped by the growing adoption of generative AI (GenAI). What began in recent years with the surge in the AI server market is now gradually expanding into consumer electronics, driven by the increasing number of AI applications. This trend is expected to accelerate the upgrade cycle across all electronic products. In addition to continuously improving its competitive edge, the Company will also strive to intensify its efforts in market diversification. At present, not only is the Company specialized in motherboards, graphics cards, servers, and laptop products, but has also successfully stepped into the field of industrial control applications, such as brushless DC motor controllers, inverters, power supplies, power batteries, networking communication, and electric vehicle-related products. At the same time, the Company will also pay attention to development trends in the application of new technologies, such as 5G communication, high-speed computing applications, and robot-related motor drives, and keep up with them at all times. Expansion of product lines and display of technical capabilities will lead the Company into a new era.

- A. The Company is committed to developing products which are highly efficient in energy conversion, energy saving, and carbon reduction. With system features moving towards a lightweight, thin, short, and miniature design, the space available for heat dissipation in consumer electronics will become smaller. As a result, low-power loss solutions will become increasingly important. In addition, the requirement that

power consumption must be in line with environmental protection will also become a development trend in the future. In line with market trends, the Company is actively developing components with low ON resistance to improve energy conversion efficiency and thus realize energy saving and carbon reduction. These products include new components for low- and medium-voltage MOSFETs, which are used in electric vehicles, desktop computers, notebook computers, smart phone batteries, and high-efficiency switching power supplies. The Company's low on-resistance MOSFETs will continue to grow significantly.

- B. The Company continues to enhance its brand value to meet clients' all-round needs. In addition, the Company makes ongoing efforts to not only refine the quality of its products, but also develop and promote high value-added products, with a view to enhancing its competitiveness in the market.
- C. The Company continues to develop new process technologies and products with new specifications. in order to expand product application areas and expand new client sources. For wide band-gap semiconductors (e.g., SiC and GaN), the Company will also simultaneously arrange resources for the development of such products. After the platform is completed, the Company will come up with the source of performance growth for power semiconductors in the next stage.

## II. Overview of the Market, Production, and Sales

### (I) Market Analysis

#### 1. Major Products

The Company's products are mainly power conversion and management ICs, amplifier and driver ICs, and discrete power components, which account for 27.93%, 27.87%, and 44.20% of its overall sales in 2024, respectively.

#### 2. Sales Regions for Major Products in the Last Three Fiscal Years

Unit: NT\$ thousands; %

Item \ Year	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
Domestic Sales	1,545,132	24.21	1,351,113	24.95	1,381,542	22.69
Export Sales	4,836,474	75.79	4,065,137	75.05	4,707,962	77.31
Total	6,381,606	100.00	5,416,250	100.00	6,089,504	100.00

Note: The Company's primary export region is Asia.

### 3. Market Share

The Company's main products are power conversion and management ICs, amplifier and driver ICs, and discrete power components. In 2024, TWSE/TPEX-listed analog IC companies recorded a total revenue of approximately NT\$57.6 billion. Therefore, the Company's consolidated net revenue, which totaled NT\$6.1 billion, accounted for around 10.6% of the aforesaid total in 2024.

### 4. Future Market Supply, Demand, Growth Potential, and Competitive Niches

#### (1) Future Market Supply, Demand, and Growth Potential

##### A. Active IC Application Market

The electronics and semiconductor industry is a crucial pillar of the global economy. In recent years, with the development of emerging applications such as 5G, artificial intelligence, Internet of Things, data centers, and electric vehicles, the market demand for semiconductors has continued to grow. According to market research institutions, the global semiconductor market is estimated to reach \$1.02 trillion by 2025, with a compound annual growth rate of approximately 9.8%. The strongest demand comes from applications such as automotive semiconductors, 5G communication semiconductors, and data center semiconductors. In terms of supply, in 2024, with the slowdown in global terminal demand and inventory adjustments, the severe shortage of semiconductor production capacity during the pandemic is no longer seen, and the capacity utilization rates from packaging and testing factories to wafer fabs have all declined. Some wafer foundries expanded their production capacity during the pandemic, and the newly added capacity is expected to come online gradually between 2024 and 2025. Overall, by 2025, the global wafer manufacturing industry will experience polarization: in the advanced process segment, the supply is expected to remain tight due to the development of various emerging applications; in the mature process segment, due to economic slowdown, inflation, increased geopolitical risks, weak consumer electronics demand, and capacity expansion, both demand and wafer prices are expected to remain flat or gradually decline. On the chip supply front, the Company has long focused on high-value and high-end application areas, facing competition primarily from European and American IDM giants. The Company will enhance its innovation and advanced technical capabilities, and strengthen the breadth of its product line. Through comprehensive and

customized services, it aims to gain the trust of its brand and top-tier customers, laying the foundation for the Company's next stage of growth.

B. Power MOSFET and Integrated Driver IC Products

Power MOSFETs are mainly low-, medium-, and high-voltage discrete power components. The purpose of these products is to handle greater operating power in a smaller package size. The Company's overseas competitors in this market include Infineon (which has merged with International Rectifier), On Semi (which has merged with Fairchild), Vishay, and AOS. In addition to the continuing trend of replacing foreign companies in the PC market, the Company is also expanding into higher-voltage product lines in order to seize more business opportunities arising from emerging high-efficiency specifications in the end market.

The Company will not only focus on the development of technologies for its established product lines, with the near-term goal of improving the technical specifications of its product lines to be comparable to those of major overseas manufacturers, but also place an emphasis on various services for its products (including technical services, comprehensive supply, quality, delivery, and pricing), in hopes of enhancing the added value of clients' products. Owing to its ongoing focus on R&D in products, the Company owns one of the most widely distributed product lines of power MOSFETs among similar companies in Taiwan, covering a wide range of applications in the process. Despite the fact that its current revenue is still primarily contributed by computer-related applications, the Company has developed new products in other application areas and obtained certification from some customers through a series of efforts made over the years, which are anticipated to contribute gradually to its revenue in the future. On the subject of marketing strategy, the Company has a competitive edge as it is able to provide target clients with total solutions thanks to the wide range of applications its products can offer. Furthermore, the Company's products in existing computer applications have earned recognition from primary clients in terms of technology, speed, and quality, which will substantially increase the market share of its products in such applications. The Company is also capable of capturing the key moment of new demand in the future and seizing growth opportunities through which the

Company can create a win-win scenario with clients. As for the development trend of products, the Company will provide products with higher integration, higher efficiency, and updated functions in line with the development needs of end products in various applications.

(2) Competitive Niches:

- A. Professional and stable management team and sound financial status:  
The Company's management team has accumulated many years of technologies and experience. The members of its management team are all senior professionals within the industry, and they possess the knowledge of key technologies for various products and have the ability to conduct research and develop new products by themselves. Therefore, they can fully grasp the changes in the entire market and maintain the Company's competitive edge, which makes the Company a leading manufacturer in the industry. The Company attaches importance to enhancing clients' value and streamlining its operations. With the organization growing to be more mature, the Company continues to accumulate working capital. Aside from greatly reducing operational risks, the Company also sees mergers and acquisitions as a possible option for corporate growth.
- B. Steadily improving brand image and market position:  
After years of hard work and transformation, the Company has gradually emerged in the first-tier and high-end markets. The Company continues to focus on value enhancement, including product and technology innovation, flexible response speed, comprehensive service, highest quality, and continuous improvement of processes and organizations. Supplemented by endorsements from first-tier suppliers and clients, the Company's brand has gradually earned recognition from an increasing number of first-tier international clients, thus enabling the Company to get hold of broader cooperation opportunities of higher value. In terms of supplier development, new suppliers have a higher willingness to cooperate with the Company and gradually turn such a willingness into partnership.
- C. Innovative product planning capabilities and solid high-end technology development capabilities:  
As the Company continues to move towards high-value areas, the organization continues to bolster its product planning and innovation capabilities, and is able to respond more accurately to clients' multi-

faceted needs. After years of accumulation of R&D processes and systems, along with continuous breakthroughs in the development of high-end technologies, the Company's overall structure and capabilities are quite suitable for high-end technologies, as well as highly complex and highly integrated applications and market segments.

D. Good and stable relationship with upstream manufacturers:

Due to fierce market competition and the rapidly changing technology environment, the Company takes advantage of the professional division of labor in the global semiconductor industry to maintain long-term cooperation with wafer foundries and packaging facilities or establish strategic alliances by various means such as technical cooperation, in hopes of strengthening its ability to absorb the impact of environmental changes. Therefore, the Company takes into account factors, such as process technology, quality yield, equipment capacity, delivery speed, and price, when selecting the appropriate manufacturers. Thanks to its endeavor to maintain a good relationship with manufacturers via long-term cooperation, the Company has been able to manufacture competitive products of high quality.

E. Fast service and stable high quality:

Thanks to its special design capabilities in the manufacturing processes for power components, the Company not only offers timely technical support in collaboration with chip manufacturers to provide end clients with a wide range of power components and stable, high-quality products, but also speeds up the development of new products so that customers can receive comprehensive services from the Company. The Company emphasizes the concept of "one-stop shopping," which serves as a total solution that helps clients complete the entire process "from the generation of design concept to mass production" in the shortest possible time.

F. Integrated information management system:

The Company continues to establish a more complete information system, which enables informatization and digitization to penetrate into all functional units across the Company, improves information integration and analysis to shorten operating time, and continuously enhances the Company's general operating efficiency. This system has become an indispensable and fundamental capability for the Company to move towards the high-end market. At the same time, the Company

continues to build connections with systems developed by major clients and suppliers, which enables the Company to not only provide services in real time, but also reduce inventories and lower costs, in order to ensure the effective use of limited operational resources.

5. Favorable and Unfavorable Factors of Development Prospects

(1) Favorable factors

A. Continuous expansion of the overall market

With the rapid development of application fields such as high-performance computing, data centers, artificial intelligence, automotive electronics, the Internet of Things, cloud computing, edge computing, and image recognition, the demand for core technologies such as high-performance power management, motor drive, and thermal management continues to rise. At the same time, the global emphasis on energy conservation and carbon reduction, along with first-line customers' pursuit of product differentiation and market leadership, has driven the demand for high-end customized solutions. On the other hand, next-generation component specifications continue to evolve, with innovations such as faster memory, larger capacity storage modules, higher bandwidth wireless communication, more powerful battery management, and greater energy efficiency. Additionally, end systems are integrating more functional modules, increasing the demand for highly integrated solutions. These trends provide a broad range of application scenarios for the Company's development. Leveraging its strong foundation in high-end technology R&D, the Company is capitalizing on market trends, expanding its application scope, and providing more complete solutions to customers. The Company will continue to invest in R&D, focus on emerging application areas, and actively expand overseas markets, aiming to become a global supplier in high-performance power and motor management solutions.

B. High-quality and high-efficiency manufacturing supply chain

In order to effectively improve its competitiveness and provide better services to clients, the Company has commissioned ISO-certified first-tier manufacturers to manufacture, assemble, and test all its products, except for product design. By contracting with first-tier manufacturers, the Company can streamline production management and improve quality, so that the Company can focus on the development of innovative products and the acquisition of high-end

clients. Effective integration with both the upstream and downstream sectors, lower production costs, and higher yields also enable the Company to meet product quality, delivery, and service requirements.

C. Continuous elevation of the Company's brand and market position

After years of hard work, the Company has gradually gained a leading market position in the application areas for each product line. Following the success of earning trust from brand clients, the Company has been able to strengthen cooperation with them in the areas of technology and marketing on an ongoing basis and get in touch with different business units of the same clients while reaching out to other first-tier clients in the market as well. Having built its market reputation accumulated over the years, the Company is able to accelerate the promotion of new applications and products. Coupled with the Company's development strategies for new product lines, the Company will be able to effectively enter the supply chains of high-end clients and continue to increase its value. As market applications and product lines continue to grow, the Company will be able to grasp more opportunities for cross-product line solutions and cross-line integration, which presents a clear niche for the Company to continuously increase its value.

D. Independent R&D capabilities

The Company's core technologies for each product line, which have been accumulated by its self-nurtured R&D engineering and technical marketing teams, are promoted to the market and developed successfully through years of cooperation with first-tier clients. While the Company's internal chip technology and clients' system application know-how complement each other, the Company has developed a unique advantage through long-term cooperation and development with clients. In addition to accumulating strengths in IC circuit and architecture design and expanding the design team, the Company has also ramped up efforts to develop professional talents and teams in wafer fabrication, component technology, and packaging technology, in hopes of bringing synergy to one another in wafer fabrication, packaging engineering, and chip design, and eventually creating greater advantages and differences among each other. With a complete database of high-end IP circuits and a solid R&D system and R&D processes, the ability to continuously improve the speed of high-end product development is one of the Company's most important

competitive advantages. On the other hand, the Company also steps up cooperation with its subsidiary, Sinopower Semiconductor Inc., on the development of high-power products to create group synergy.

E. Growing demand in Power MOSFET and Integrated Driver IC Products

While the product market changes with economic conditions and demand, the specifications, requirements, and market for discrete power components definitely present a long-term growth trend driven by global trends in energy conservation and carbon reduction, 5G and AIoT, and electric vehicles. Therefore, the Company will undoubtedly be able to experience gradual growth with this trend as long as it focuses on bolstering its foundations such as improving product specifications and prices and reinforcing the concept of customer service.

(2) Unfavorable factors

A. The risk of geopolitical conflicts has led to increasingly complex planning of wafer production capacity.

Countermeasures:

(A) Strengthen supplier partnerships to obtain additional production capacity support.

(B) Accelerate the conversion of manufacturing processes.

(C) Proactively seek other qualified suppliers.

(D) Engage in strategic procurement.

(E) Adjust and optimize the Company's client and product composition.

B. Shortage of local R&D and design talents

Countermeasures:

(A) Engage in cooperative education with educational institutions to develop related talents.

(B) Nurture the Company's own R&D talents.

(C) Increase salary and benefits to boost employee motivation and reduce employee turnover.

(D) Strengthen cooperation with academic, research institutions and third parties within the industry to accelerate the development of products and technology using external resources

(E) Acquire appropriate target companies or technology teams to bolster R&D capabilities.

C. Competition from overseas manufacturers

Countermeasures:

- (A) Strengthen the Company's R&D capabilities and continuously launch new products to diversify its product mix.
- (B) Strengthen cooperation with first-tier system vendors and primary chip manufacturers in Taiwan and abroad to develop customized chips and next-generation solutions.
- (C) Develop new processes or products in collaboration with local R&D institutions to enhance product competitiveness.
- (D) Endeavor to engage in production rationalization with a view to reducing costs and ultimately boosting competitiveness.
- (E) Realize the Company's advantage in terms of flexibility, speed, and service, as well stay ahead and lead the market with technological innovation and customized services.

(II) Functions of Main Products and Their Manufacturing Processes

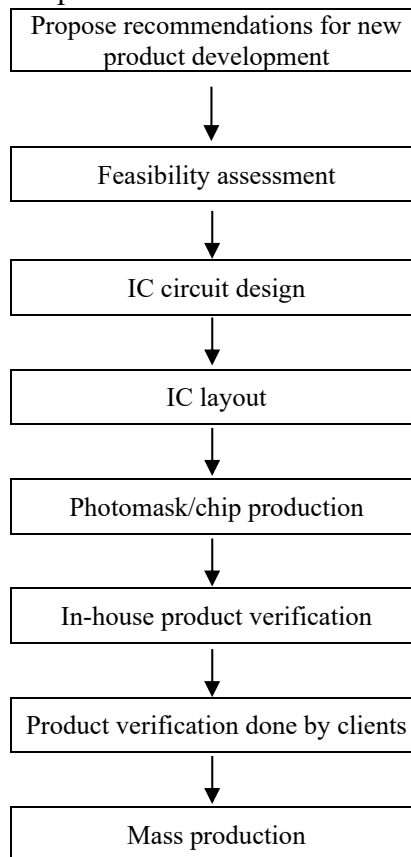
1. Important Functions of Main Products

Item	Main Product Category	Important Use or Function
1	Power management IC (PMIC)	Highly integrated multi-channel PMICs provide all the power supply and power driver-related functions required by the entire system. It is mainly used in various products, such as PCs, smart phones, tablets, network communication equipment, embedded systems, game consoles, and solid-state disks.
2	Switching PMIC	It is the main component that provides stable DC power in electronic systems and it is used to adjust voltage appropriately so that electronic systems have a proper and stable power source. It is mainly applied in motherboards, laptops, TVs, and mobile phones.
3	Linear regulator IC	It extends battery life and possesses several characteristics such as low in/out voltage difference and low power consumption. Not only does it provide stable voltage output but also improves system reliability. It is mainly used in digital signal processors, personal digital assistants, laptop, and desktop computers.
4	Audio Amplifier ICs	It serves as a headphone or speaker driving stereo sound with 2W-20W output power per channel, which can lower cost, save components and space on the circuit boards, and reduce design time. Equipped with dual bridge audio amplifiers, it is mainly used in laptop or desktop computers, and audio equipment in TVs.
5	Battery charging management IC	It is used in terminal devices with batteries such as mobile phones, tablets, and laptops. Related ICs manage battery status, charging current, voltage, temperature, as well as communication and interaction with external transformers or power supplies.

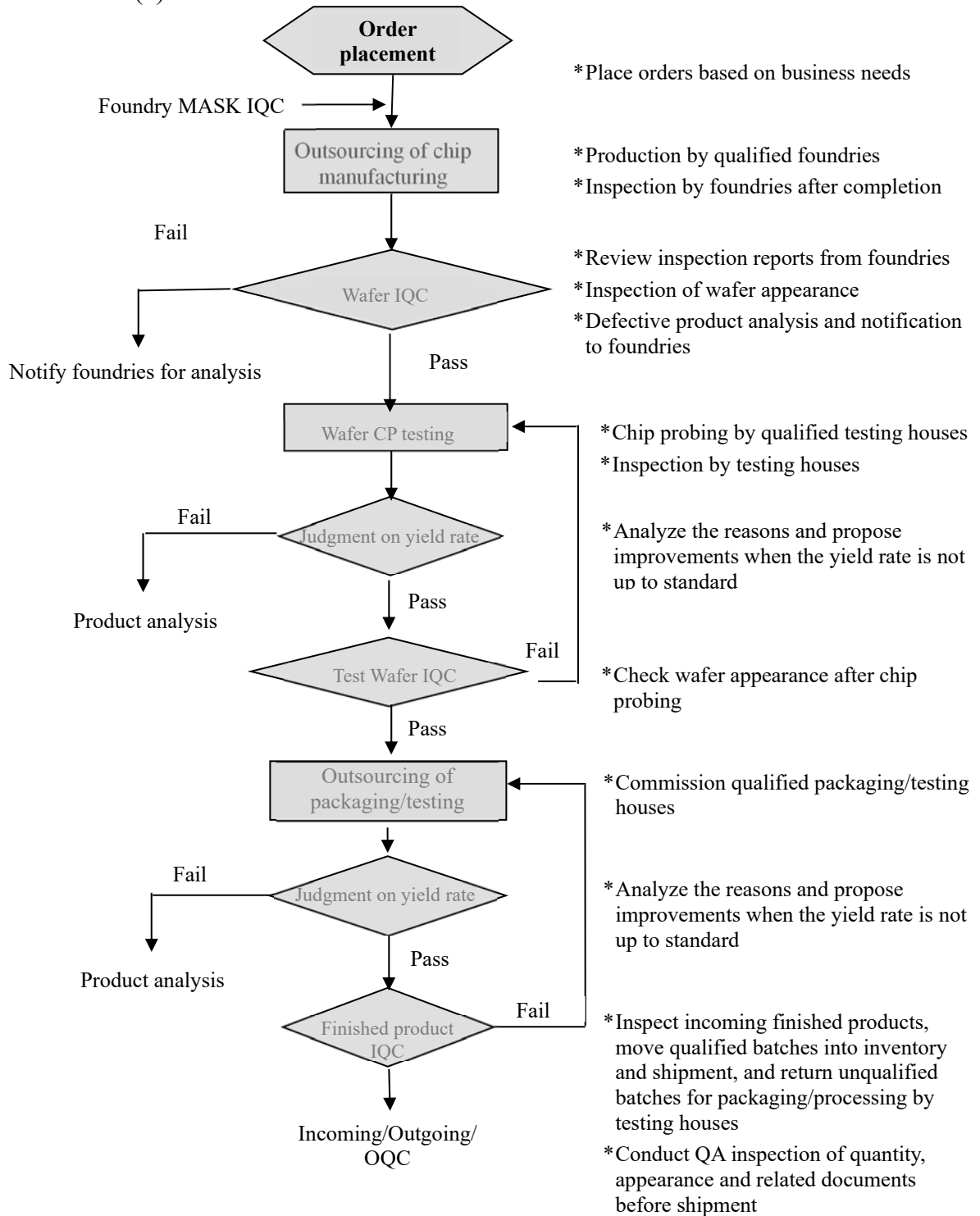
Item	Main Product Category	Important Use or Function
6	Hall-effect sensor driver IC and motor driver IC	They are used for sensing changes in magnetic field to send motor fan control signals, so that motor fans can run continuously and steadily. They are mainly used in electronic products with fans.
7	Trench power MOSFET and its integrated products	<ul style="list-style-type: none"> <li>a. Power source for motherboards and graphics cards in desktop PCs and workstations.</li> <li>b. Power source for laptops and tablets.</li> <li>c. Power source for LCD TVs and computer monitors.</li> <li>d. Power applications for power supplies and uninterruptible power supply systems.</li> <li>e. Various fan cooling applications.</li> <li>f. Power applications for various power supply products and lithium battery charging and discharging.</li> <li>g. Power control for video converters, switches and routers in network communication applications.</li> <li>h. Power applications for electronic equipment in vehicles.</li> <li>i. High-current switch and high-power voltage conversion are the application markets for power MOSFETs in a wide range of electronic products.</li> </ul>
8	IGBT and its integrated products	<ul style="list-style-type: none"> <li>a. Power control for refrigerators, air conditioners, washing machines, air cleaners, microwave ovens, electric pots, and induction stoves in home appliance applications.</li> <li>b. Power control for motor controllers, industrial inverters, wind/photovoltaic power generation systems, welding machines, industrial induction heating, UPS, and automotive motor drive modules in industrial and automotive applications.</li> </ul>
9	LCD TV backlight control ICs	<p>Increasing emphasis is placed on high-dynamic-range (HDR) specifications in LCD TVs.</p> <p>This controller can drive a total of 16 LED backlight areas independently.</p> <p>It is also scalable as multiple controllers can be connected in series to reach more backlight areas, so as to obtain finer and high contrast image quality.</p>
10	High efficiency VCSEL drivers and receivers	The driver drives laser light while the sensor receives the refraction of laser waves, which can be used in products with 2D/3D facial recognition such as handheld devices, laptops, and home security systems.
11	Micro-electromechanical micro speaker driver control IC	This speaker is a speaker unit made by micro-electromechanical process, and it is presented with capacitive loading. This is completely different from the traditional coil driver speaker in terms of structure and driving method. Its small size is a major feature of this product, which is very suitable for in-ear headphones.

## 2. Manufacturing Processes for Main Products

### (1) Product Development Process



(2) IC Production Flow Chart



Description: Qualified vendors must pass the ISO 9000 certification process and Anpec's quality system and reliability evaluation process.

### (III) Supply of Main Raw Materials

Suppliers of the Company's main raw materials are all well-known domestic and foreign manufacturers with sufficient production capacity and their products are of good quality.

### (IV) Major Suppliers (Clients) Who Have Accounted for at Least 10% of Net Purchases (Sales) in Any of the Last Two Years, Their Purchases (Sales) Amount and Proportion, and Reasons for Increase or Decrease.

#### 1. Major Suppliers Who Have Accounted for at Least 10% of Net Purchases in Any of the Last Two Years and Their Purchases Amount and Proportion:

Unit: NT\$ thousands

Item	2023				2024				Reasons for Changes in the Last Two Fiscal Years
	Name	Amount	Proportion to Annual Net Purchase (%)	Relationship with Issuer	Name	Amount	Proportion to Annual Net Purchase (%)	Relationship with Issuer	
1	B	638,055	37.38	—	B	621,325	33.19	—	Due to differences in product production combinations.
2	G	351,449	20.59	—	C	597,956	31.95	—	
3	C	330,818	19.38	—	A	250,617	13.39	—	
4	A	199,310	11.68	—	G	161,038	8.60	—	
	Others	187,303	10.97	—	Others	240,920	12.87	—	
	Net Purchase	1,706,935	100.00	—	Net Purchase	1,871,856	100.00	—	

Note 1: List all suppliers accounting for 10 percent or more of the Company's total procurement amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the Company is prohibited by contract from revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

#### 2. Major Clients Who Have Accounted for at Least 10% of Net Sales in Any of the Last Two Years and Their Sales Amount and Proportion:

Unit: NT\$ thousands

Ranking	2023				2024				Reasons for Changes in the Last Two Fiscal Years
	Client	Amount	Percentage (%)	Relationship with Issuer	Client	Amount	Percentage (%)	Relationship with Issuer	
1	Company A	705,985	13.03	—	Company A	819,040	13.45	-	Mainly due to changes in the end product market and the different combinations of products purchased by clients
2	Company B	612,006	11.30	—	Company B	685,456	11.26	-	
	Others	4,098,259	75.67	—	Others	4,585,008	75.29	—	
	Net Sales	5,416,250	100.00	—	Net Sales	6,089,504	100.00	—	

Note 1: List all customers accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each. If the Company is prohibited by contract from revealing the name of a customer, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

III. Information on Employees for the Most Recent Two Fiscal Years, and During the Current Fiscal Year Up to the Date of Publication of the Annual Report

Year		2023	2024	As of March 31, 2025
Number of employees (people)	Sales personnel	140	138	141
	Management personnel	40	40	40
	R&D personnel	146	143	143
	Production personnel	77	78	78
	Total	403	399	402
Average Age		40.2	41.0	41.3
Average years of service		9.5	10.2	10.3
Distribution by education level	Ph.D.	0.7	0.8	0.8
	Master's degree	41.7	40.9	41.3
	Bachelor's degree	53.4	54.1	53.7
	Senior high school	4.2	4.2	4.2
	Below senior high school	0	0	0

IV. Environmental Protection Expenditure

Any losses suffered by the Company in the most recent year and during the current year up to the publication date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in the environmental inspection, the disposition dates, disposition reference numbers, the articles of law violated, the contents of law violated, and the content of the dispositions), and an estimate of possible expenses that could be incurred currently and in the future and countermeasures being or to be taken shall be disclosed:

1. The Company is a professional analog IC design company with no factory; therefore, there are no aforementioned losses.
2. In the most recent year and as of the publication date of this annual report, the Company has not been affected by the European Union's directive of Restriction of the Use of Hazardous Substance (ROHS), halogen free (HF) regulations, Registration, Evaluation, and Authorization of Chemicals (REACH) policies, and environmental protection regulations in clients' countries.

V. Labor Relations

(I) Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Their Implementation Status, Labor-Management Agreements, and Measures for Safeguarding Employees' Rights and Interests

1. Employee Welfare

- (1) The Company has established the Employee Welfare Committee pursuant to the Employee Welfare Fund Act. According to the

regulations, the Company and employees shall make contributions to a welfare fund, which is fully managed and used by the Employee Welfare Committee at its discretion.

- (2) Employee benefits include: Labor insurance, National Health Insurance, group insurance, labor pension contribution, birthday gift, coupons for Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival, wedding and funeral subsidies for employees and their dependents, hospitalization subsidy for employees, employee recreational activities subsidy, domestic and overseas travel subsidy, holiday gifts, education training, year-end dinner and employee lottery, etc.
  - A. Insurance and health care: All employees of the Company are covered by both the labor insurance and national health insurance pursuant to the law, and are entitled to insurance benefits according to the relevant laws and regulations. In addition, the Company also takes out group insurance for employees, including life insurance, injury insurance, accidental medical care, hospitalization insurance, cancer insurance, in order to provide employees with better protection. Dependents (i.e., spouse and children of the employees) can participate in group insurance at their own expense.
  - B. Employee travel: According to the Regulations on Travel Subsidy, employees can participate in domestic and overseas travel trips either on their own or in groups, and the subsidy period and amount for these trips are determined based on the Company's annual budget. The Company also organizes domestic and overseas travel activities to help employees relieve stress and improve work efficiency, thereby uniting all employees.
  - C. Club activities: In order to enhance employees' emotional, physical, and mental health, employees can participate in clubs of their own interest, such as badminton club, basketball club, aerobics club, boxing aerobics, yoga club , and outdoor walking club, etc. Employees are entitled to subsidies for various club activities.
  - D. Diverse activities: Organizing hiking activities, movie events, social welfare activities, parent-children parties and activities, life talks, year-end dinners, family days and various holiday celebrations.
  - E. Affiliated stores: The Company has signed contracts for employee discounts with a number of stores that provide food, clothing, housing, transportation, education and entertainment, so that employees can enjoy a convenient life.

- (3) With the aim of encouraging employees to take an appropriate amount of rest, the Company provides more days off than those stipulated in the laws and regulations. Moreover, the Company does not abolish the seven national holidays stated in the previous version of the Labor Standards Act, so that employees can relax their body and mind and then improve their work efficiency, thereby achieving work-life balance.
- (4) In addition to the institutionalized year-end bonus, the Company distributes employee compensation annually based on its profit performance. Additionally, the Company may issue incentive bonuses depending on operational conditions to reward employees.
- (5) The Company has an employee cafeteria and a coffee bar that provide breakfast, lunch, dinner, various Western-style meals, juice, and coffee. Employees are not only given subsidies for lunch, but can also enjoy free dinner when they are required to work overtime. The meal options are diverse, including noodles, buffets, fruit meals, and healthy meals, to take care of employees' daily dietary needs.
- (6) The Company provides comprehensive sports and leisure facilities such as gymnasium, badminton court, billiard court, basketball court, and aerobics classroom for employees to exercise and maintain their physical and mental health.
- (7) Comfortable and private breastfeeding rooms are provided for mothers with breastfeeding needs.
- (8) Establish gender-friendly restrooms that respect diverse communities and provide a friendly, convenient, and private environment for using the facilities. This ensures that individuals of all genders can use the restrooms comfortably and without barriers.
- (9) Reserved compassionate parking spaces are provided for pregnant employees and those in need of assistance. These spaces are located near the elevators, reducing the walking distance.
- (10) The Company provides awards to senior employees (after 5 and 10 years of service) and trophies to encourage employees who stay with the Company.
- (11) Health promotion programs
  - A. Health examination and management: The Company endeavors to safeguard employees' health so that their work and life at the Company will not be affected by health problems. The Company has established the basic health information of employees in order to keep track of their health status. Suitable work is assigned to employees based on such information to prevent employees from

getting occupational diseases and reduce the occurrence of health problems. According to the "Regulations Governing Labor Health Protection," new employees are subject to general physical examinations, while current employees are subject to regular health examinations that are better than the limitations on age and examination items stipulated in the relevant laws and regulations. In addition, dependents are allowed to enjoy the same preferential examinations at their own expense, so as to protect the health of both employees and their families, thereby establishing a set of reasonable employee health management standards. Aside from items that are better than the limitations stipulated in the relevant laws and regulations, self-funded examination items are also offered to provide employees with different choices. After analyzing the medical examination results, the Company organizes health promotion activities.

- B. Physician consultation service: The Company engages physicians to provide consultation services after physical examinations so that employees can have one-on-one consultation on their personal health problems.
- C. Health seminars: Health seminars are held to inculcate various health concepts among employees.
- D. Providing healthy and energy-boosting meals: Dietitians are in charge of planning and preparing such meals, which feature mixed grains, low-fat meat, and a low amount of oil when cooking, with the amount of calories clearly marked on them, in order to facilitate self-health management among employees.
- E. Sports club activities (i.e., aerobics, yoga, and various ball games): Weekly club activities are carried out to help employees strengthen physical fitness, burn body fat, and relieve physical and mental stress.
- F. Health and psychological counseling mailbox and hotline: The Company assists employees in dealing with various psychological and health problems, as well as addressing the problems and troubles they face.

(12) Conduct regular employee satisfaction surveys

- A. The Company places significant value on the opinions of its employees and regularly conducts surveys to gauge their satisfaction. The results of these surveys are reported to the relevant supervisors during their meetings. This information serves as a

foundation for the personal development of employees and the improvement of supervisors' leadership styles, ultimately enhancing the effectiveness of the Company's management.

- B. An employee opinion survey covers a variety of topics including job satisfaction, salary and benefits, employee development, communication and teamwork, leadership and management of direct supervisors, and company management policies and goals. The statistical analysis report on these surveys will be used as a basis for employees' personal development and improving supervisors' leadership style to realize growth in business management at the Company.
  - C. A random sample of 60 employees is selected each quarter for the satisfaction survey. In 2024, a total of 240 employees participated in the satisfaction survey, accounting for 87.6% of all employees.
  - D. The satisfaction survey ratings range from 1 to 5 points: Strongly Agree (5 points), Agree (4 points), Neutral (3 points), Disagree (2 points), and Strongly Disagree (1 point). If an employee rates an option as Neutral (3 points) or below, they are asked to provide relevant suggestions and thoughts. HR will then conduct interviews with these employees, compile the interview records, categorize the feedback, and forward it to the respective responsible units for handling. Progress will be tracked, and the final results will be communicated to the interviewed employees.
  - E. In 2024, the target satisfaction score for each quarter was set to be  $\geq 4.2$ . The scores for all quarters throughout the year exceeded this target.
- (13) A physical and online library database has been established to provide employees with more diverse channels to acquire new knowledge. This not only helps employees enhance their professional capabilities but also encourages sharing and exchanging information with internal colleagues, fostering a win-win situation for both employee development and company growth.
2. Continuing education and training system and its implementation
- Based on job categories and employee development, the Company provides versatile on-the-job training and diverse learning channels to establish a systematic training framework: The Company has implemented a comprehensive training program that covers supervisory skills, professional functions, general knowledge, English language proficiency, and new employee orientation. This framework is designed to help employees enhance

their professional expertise and improve their management skills, resulting in mutual benefits for both employee development and company growth.

Annual plan: At the end of each year, the Company prepares an annual education and training plan, and conducts a training history analysis based on the Company's core values, with the aim of establishing a positive working atmosphere, improving employees' management skills and professional skills, thereby boosting the Company's overall competitiveness.

Training method: Every year, the Company sends employees to participate in professional skills training at home and abroad, absorb the latest technologies and new knowledge, in an effort to bolster the Company's R&D capabilities. Management skills training is conducted by external lecturers to improve employees' skills, thereby effectively enhancing the competitiveness of both the Company and employees.

Training framework: A systematic training framework is established based on job categories and employee development, and comprises the following categories of training:

(1) Business management training

Employees are trained to develop a full range of business management skills and improve the organization's performance in business management. Such training covers various areas, including project management, performance management, business analysis, and leadership.

(2) Professional training

Different functional departments establish professional competence training for their respective department based on different expertise and needs, such as IC circuit design, IC circuit analysis, and instrument operation.

(3) Training for specific professional personnel

Employees who are required to possess the relevant licenses pursuant to laws and regulations to perform their job duties shall receive professional education and training and obtain the relevant licenses in various professions, such as internal auditors, instrument calibration management personnel, labor safety and health management personnel, special operation supervisors, fire prevention management personnel, and first aid personnel.

(4) Labor safety and health training

According to the Occupational Safety and Health Education and Training Rules, the Enforcement Rules of Fire Services Act, and The Military Duty Support and Civil Defense Team Organization Training

Exercise Regulations, general workers shall receive at least three hours of on-the-job safety and health training every three years and firefighting team personnel should train at least four hours of fire extinguisher, reporting, and evacuation training every six months. Civil defense team personnel are required to undergo a minimum of 4 hours of annual training each year.

(5) Environmental quality training

Quality assurance outsourcing, inspection personnel, and material control management personnel are all required to undergo professional training on environmental quality.

(6) New employee training

Newly hired employees are required to undergo new employee training for new employees, which covers a host of topics including corporate spirit and culture, introduction to the Company and HR rules and regulations, human rights policy, prevention of workplace sexual harassment (including complaint and disciplinary procedures), the Procedures for Ethical Management and Guidelines for Conduct, general labor safety and health education and training, cybersecurity and social engineering awareness training, the ISO 9001/ISO 14001 Environmental Quality Management Systems standards, and professional training at each department, in order for them to integrate into the Company, showcase their capabilities and talents, and develop themselves at the Company.

(7) Others

Training courses which are not part of the aforementioned training categories are categorized as others, such as language courses, general studies courses, and health seminars.

Course evaluation: In order to effectively utilize training resources, different types of post-training evaluations must be conducted in accordance with supervisor's demand and course requirements after training is completed, in order to confirm the effectiveness of the courses and knowledge transfer, thereby effectively carrying out knowledge management.

In 2024, the Company spent NT\$410,000 on education and training, and conducted a total of 148 training classes, which saw the participation of 1,921 people over 4,773.5 training hours in total.

Item	Total Number of Classes	Total Participants	Total Training Hours	Total Cost (NT\$)
1. Business management training	6	389	790	45,675
2. Professional training	81	128	947	251,250
3. Training for specific professional personnel	10	50	555	105,800
4. Labor safety and health training	7	1,007	1,681	5,000
5. Environmental quality training	20	178	532.5	2,200
6. New employee training	19	34	75	0
7. Others	5	135	193	0
Total	148	1,921	4,773.5	409,925

### 3. Retirement System and Its Implementation Status

#### (1) Retirement System:

In accordance with the Labor Standards Act, the Company has established a defined benefit pension plan under the "Anpec Electronics Co. Labor Retirement Regulations" for all regular employees prior to the implementation of the Labor Pension Act on July 1, 2005, and for employees who choose to be subjected to the Labor Standards Act after the implementation of the Labor Pension Act.

Old system: Pursuant to the relevant laws and regulations, a monthly pension reserve of 2% of the total remuneration paid is set aside by the Company and deposited into a pension fund account opened with the Bank of Taiwan.

New system: Effective from July 1, 2005, the Company has established a defined contribution pension plan in accordance with the Labor Pension Act and contributes 6% of the remuneration to the employees' personal accounts at the Bureau of Labor Insurance each month.

#### (2) Implementation Status:

Old system: As of March 31, 2025, the balance of the labor pension fund deposited in the Bank of Taiwan is NT\$42,294 thousand, and one in the Company applied for the lump-

sum payment of retirement benefits under the old system in 2024. 32 employees are currently covered by the pension system stipulated in the Labor Standards Act (old system).

New system: Effective from July 1, 2005, the Company has established a defined contribution pension plan in accordance with the Labor Pension Act and contributes 6% of the remuneration to the employees' personal accounts at the Bureau of Labor Insurance each month.

#### 4. Labor-Management Agreements

The Company regards its employees as its most valuable assets and values the development of its employees. Therefore, the Company maintains smooth promotion channels that are fair, just, and open.

- (1) The Company communicates with employees regularly through labor-management meetings to reach a consensus on issues related to labor-management interaction.
- (2) Employees can express their personal opinions through suggestion mailboxes or letters, or directly speak to their supervisors to achieve two-way communication and facilitate harmonious labor relations.

#### 5. Employee Rights Protection Measures

With a commitment to upholding the spirit of sharing the fruits of its operations, the Company has not only set up the Employee Welfare Committee to coordinate the allocation and use of the employee welfare fund, but also establishes two-way communication between labor and management representatives based on a mutually agreed business philosophy through labor-management meetings in order to provide a high-quality working environment at the Company.

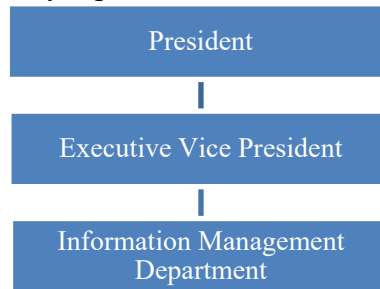
- (II) The Company has not suffered any losses due to labor disputes in the most recent fiscal year and during the current fiscal year up to the publication date of this annual report. With the Company's good labor relations, it is very unlikely that any labor disputes will arise in the future.

### VI. Cyber Security Management

#### (I) Cyber Security Risk Management Framework

In order to implement the cyber security strategy set by the enterprise cyber security organization and ensure internal compliance with relevant information security guidelines, procedures and regulations, the President serves as the head of the organization, the Executive Vice President serves as the management representative, and the Information Management Department is responsible for overseeing and implementing cyber security policies, disseminating cyber security

information, raising employees' awareness of cyber security, and collecting and improving the performance and effectiveness of the organization's cyber security management system, technologies, products or procedures. The Auditing Office conducts cyber security inspections on the Company's internal control system every year, evaluates the effectiveness of internal controls in the Company's cyber operations, and regularly reports to the Board of Directors every year.



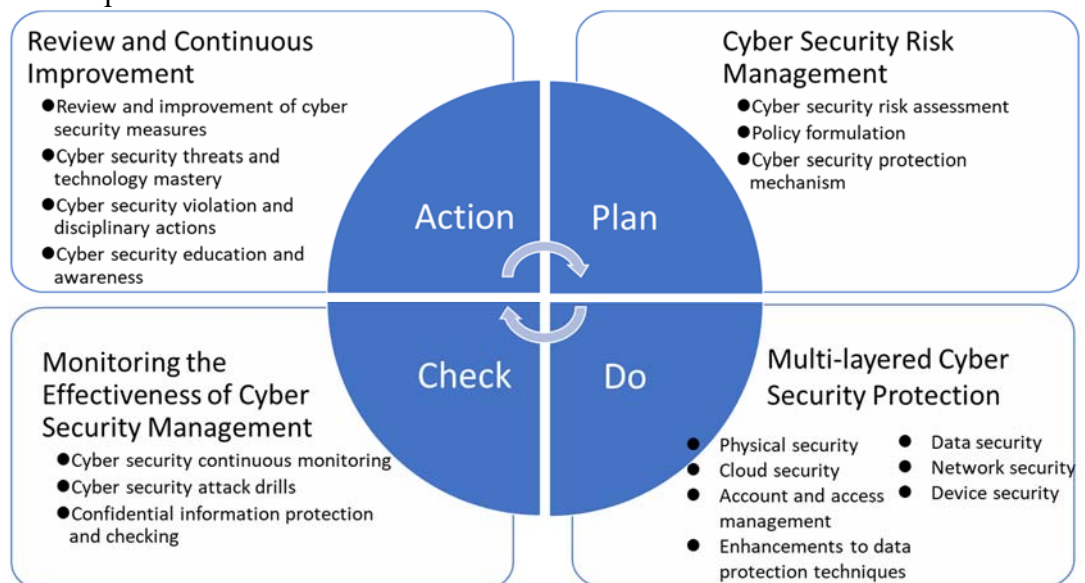
(II) Cyber Security Policy

1. Enterprise Cyber Security Management Strategies

- (1) Maintain the sustainable operation of each cyber system
- (2) Maintain the security of the physical environment
- (3) Preventing hackers and various viruses from invading and damaging data and systems
- (4) Prevent leakage of sensitive information
- (5) Prevent intentionally improper and unlawful use

2. Enterprise Cyber Security Risk Management and Continuous Improvement Framework

Organizational operation mode - Plan-Do-Check-Act (PDCA) cycle management to ensure the achievement of objectives and continuous improvement.



### 3. Specific Management Plan

Physical security	Device security	Network security	Cloud protection	Data security	Education and awareness
<ul style="list-style-type: none"> <li>Implement access control for server rooms</li> <li>Dual-loop uninterruptible power supply (UPS) setup and protection to prevent damages caused by power outages or other power anomalies</li> </ul>	<ul style="list-style-type: none"> <li>Develop endpoint anti-virus measures by computer type</li> <li>Strengthen detection of malware behavior</li> <li>URL filtering protection</li> </ul>	<ul style="list-style-type: none"> <li>Bolster network firewall and network control to prevent the spread of viruses into experiment areas and office areas</li> <li>Incorporate an advanced threat protection (ATP) system</li> <li>Automate user threat reports</li> <li>Implement MDR threat detection and response system</li> </ul>	<ul style="list-style-type: none"> <li>URL filtering to protect against attachments containing unknown malware and viruses</li> <li>Protect against email spoofing and phishing emails</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate a remote backup system to copy all data to a remote site on a daily basis and generate reports automatically</li> <li>Incorporate a data leak protection system to prevent data leaks and automate the warning function</li> <li>Implementing a data encryption protection system to safeguard important information and prevent potential data leaks</li> </ul>	<ul style="list-style-type: none"> <li>Enhance employees' vigilance against email and social engineering attacks and perform phishing email protection and detection</li> <li>Regularly disseminate information concerning cyber security to increase cyber security awareness</li> <li>New employee information security policy and social engineering attack cybersecurity education training</li> </ul>

### 4. Resources Invested in Cyber Security Management

#### Corporate Cyber Security Measures and Implementation Results in 2024

Policy	Awareness training	System
<ul style="list-style-type: none"> <li>Amendments to code of conduct for cyber security</li> <li>Amendments to video conferencing and remote work rules</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly case sharing and monthly new employee information security general training: 5 case promotions and 41 new employee general trainings have been conducted in 2024</li> <li>Conduct social engineering drills to enhance phishing email awareness: In 2024, two social engineering drills were conducted, and employees who clicked on the emails were provided with education, training, and testing</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening the remote backup system via an upgrade from the tape backup system to the disk duplicate storage system</li> <li>Incorporate an advanced threat protection (ATP) system</li> <li>Implement MDR threat detection and response system</li> <li>Enhance the spam filtering system to implement URL filtering, attachment scanning, and protection against email spoofing and phishing emails</li> </ul>

### (III) Information Security Risks and Response Measures

In order to strengthen information security, the Company identifies information security risk items, proposes response measures, and reviews their effectiveness on a regular basis.

Information Security Risk Identified	Impact Assessment	Response Measures	Effectiveness Management
Password protection for personal computer accounts	Financial and business secrets may be intentionally stolen.	Power-on password for personal computers should be changed periodically.	Password should be changed regularly and in accordance with the complexity requirements.
Computer virus protection	Computer viruses, ransomware, Trojan horses, and mining programs.	Strengthen endpoint protection, import behavior monitoring, and use applications to control protection system.	Strengthen the security of systems and data based on type of endpoint.
Network management security	Network stability, deliberate attacks, and traffic isolation.	Firmware is regularly updated and the Intrusion Prevention	When abnormal network packets or behaviors are detected,

Information Security Risk Identified	Impact Assessment	Response Measures	Effectiveness Management
		System (IPS) and MDR threat detection and response system are introduced.	the system sends an alert notification and takes the necessary measures immediately.
Information security	Unauthorized access to information systems.	The authorization process is established in response to job requirements.	The application is submitted electronically and access opened after securing approval from the supervisor and the responsible unit.
Internet behavior security	Malware, phishing, command and control servers for zombie computers, and other inappropriate transmission behaviors.	Incorporate an advanced threat protection system Conduct annual email social engineering drills.	Proactively block zero-day vulnerability attacks and issue warnings of inappropriate transmission behaviors.
Information system service operation	Hackers may attempt to interfere with the operations of the Company by releasing computer viruses, destructive software, or ransomware into the Company's network systems.	Establish recovery time objective (RTO) and recovery point objective (RPO) for core businesses.	Establish appropriate backup mechanisms and redundancy plans, and regularly test the correctness of the recovered data.

(IV) Material Information Security Incidents: There were no material information security incidents resulting in business impairment in the most recent fiscal year and during the current fiscal year up to the publication date of the annual report.

## VII. Important Contracts

Nature of Contract	Parties	Period	Major Content	Restrictive Covenants
Lease contract	Kang Hsuan Educational Publish Corp.	2023/06/01-2024/05/31 2024/06/01-2025/05/31	Lease of Taipei office (including parking spaces)	None
Lease contract	Hsinchu Science Park Administration	2024/01/01-2043/12/31	Lease of land for self-built offices in Hsinchu Science Park	None
Comprehensive financing contract	Land Bank of Taiwan	2024/08/14~2025/08/14	Short-term comprehensive line of credit	None
Comprehensive financing contract	Taiwan Cooperative Bank	2024/02/21~2025/01/31	Short-term comprehensive line of credit	None
Comprehensive financing contract	Mega International Commercial Bank	2024/01/14~2025/01/13	Short-term comprehensive line of credit	None
Comprehensive financing contract	E.SUN Commercial Bank	2024/09/12~2025/09/12	Short-term comprehensive line of credit	None

## Chapter 5 Review and Analysis of the Company's Financial Position, Financial Performance, and Risks

### I. Financial Position

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	4,558,717	4,397,363	161,354	3.67
Property, plant and equipment	763,829	745,315	18,514	2.48
Intangible assets	44,818	39,197	5,621	14.34
Other assets	698,460	815,690	(117,230)	(14.37)
Total assets	6,065,824	5,997,565	68,259	1.14
Current liabilities	1,336,346	1,455,183	(118,837)	(8.17)
Non-current liabilities	205,005	486,322	(281,317)	(57.85)
Total liabilities	1,541,351	1,941,505	(400,154)	(20.61)
Equity attributable to shareholders of the parent company	3,590,691	3,206,222	384,469	11.99
Capital stock	751,485	746,415	5,070	0.68
Capital surplus	902,302	795,222	107,080	13.47
Retained earnings	2,060,553	1,779,018	281,535	15.83
Other equity interest	(65,975)	(56,659)	(9,316)	16.44
Treasury stock	(57,674)	(57,774)	100	(0.17)
Non-controlling interests	933,782	849,838	83,944	9.88
Total shareholders' equity	4,524,473	4,056,060	468,413	11.55

(I) Explanation and analysis of changes with an increase or decrease exceeding 20%:

1. Decrease in non-current liabilities and total liabilities: Primarily due to the repayment of long-term borrowings and the return of customer deposits by subsidiaries.

(II) Impact: No significant impact.

(III) Future response plans: Not applicable.

## II. Financial Performance

### (I) Comparison and Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Increase (Decrease)	Percentage (%)
Operating revenue	6,089,504	5,416,250	673,254	12.43
Gross profit	2,164,270	1,749,173	415,097	23.73
Operating Loss	902,327	670,496	231,831	34.58
Non-operating income and expenses	139,224	48,200	91,024	188.85
Pre-tax income from continuing operations	1,041,551	718,696	322,855	44.92
Net Profit for the Year	846,467	591,080	255,387	43.21
Other comprehensive loss and gain (net, after tax)	7,642	171	7,471	4,369.01
Total comprehensive income	854,109	591,251	262,858	44.46
Net income attributable to shareholders of the parent company	720,093	510,788	209,305	40.98
Net income attributable to non-controlling interests	126,374	80,292	46,082	57.39
Comprehensive income attributable to shareholders of the parent company	727,735	510,959	216,776	42.43
Comprehensive income attributable to non-controlling interest	126,374	80,292	46,082	57.39
Earnings per share	9.89	7.00	2.89	41.29

### (II) Explanation and analysis of changes with an increase or decrease exceeding 20%:

- Gross profit/Operating income (loss)/Pre-tax income from continuing operations/Net profit for the year/Total comprehensive income/Net income attributable to shareholders of the parent company/Net income attributable to non controlling interests/Comprehensive income attributable to shareholders of the parent company/Comprehensive income attributable to non-controlling interest/Earnings per share and other indicators declined compared to the same period, mainly due to a decline in operating revenue and gross profit.

2. The increase in non-operating income and expenses compared to the same period is mainly due to an increase in foreign exchange gains compared to the same period.
  3. Other comprehensive income (net of tax) for the current period increased compared to the same period last year, primarily due to the increase in the remeasurement of defined benefit plans and the exchange differences arising from the translation of financial statements of foreign operations.
- (III) Expected sales quantity and its basis, the possible impact on the Company's future financial operations, and response plan: The Company's sales forecast is based on industry trends and market demand and is set to achieve stable and optimal sales figures. Furthermore, the Company remains committed to technological innovation, quality improvement, and reducing production costs, with the aim of maximizing profits. In terms of the Company's finances, long-term funds are mainly used to support capital expenditures and business activities. Hence, there is no major impact in relation to insufficient funds.

### III. Cash flow

#### (I) Analysis for Changes in Cash Flow in the Most Recent Fiscal Year:

Item \ Year	2024	2023	Percentage of Increase (Decrease) (%)
Cash flow ratio (%)	96.13	65.42	46.94
Cash flow adequacy ratio (%)	115.91	91.48	26.71
Cash reinvestment ratio (%)	17.53	5.58	214.16
Note on percentage of increase or decrease Increase in cash flow ratio/cash flow adequacy ratio/cash reinvestment ratio: This is mainly due to the increase in net cash inflow from operating activities in 2024.			

#### (II) Analysis of Cash Flow Changes for the Upcoming Year:

Unit: NT\$ thousands

Cash balance, beginning of year A	Estimated annual net cash flow from operating activities B	Estimated annual net cash outflow from investing and financing activities C	Estimated cash surplus (deficit) amount A+B-C	Remedial measures for estimated cash deficit	
				Investment plan	Financial plan
2,075,388	1,378,517	913,830	2,540,075	—	—

1. Analysis of cash flow changes for the upcoming year
  - (1) Operating activities: Mainly due to estimated cash inflows from operating profits in 2025 and cash outflows related to raw material procurement.

- (2) Investment activities: Mainly cash outflows for the purchase of equipment and masks.
- (3) Financing activities: Mainly due to cash outflows from the payment of cash dividends to shareholders.
2. Remedial measures for estimated cash deficit and liquidity analysis: Not applicable.
- IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year
- (I) Use of major capital expenditures and sources of funds: Not applicable.
- (II) Expected benefits from the major capital expenditures: Not applicable.
- V. The Company's Investment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Investment Profitability, and Investment Plans for the Coming Year
- The Company primarily engages in long-term strategic investments in areas related to its main businesses in line with its business strategies. The Company's investments accounted for using the equity method are consolidated entities reported in its financial statements, with only a small proportion of its investments involving consolidated entities that are not reported in its financial statements. In the future, the Company will continue to prudently evaluate its investment plans based on the principle of long-term strategic investment. In the future, the Company will continue to prudently evaluate its investment plans based on the principle of long-term strategic investment.
- VI. Risk Analysis and Assessment for the Most Recent Fiscal Year and During the Current Fiscal Year up to the Date of Publication of the Annual Report
- (I) Effects of interest and exchange rate fluctuations and changes in the inflation rate on the Company's profit or loss and response measures to be taken in the future
1. Effects on the Company's profits or losses

Item	2024 (NT\$ thousand;%)
Net interest income (expenses)	38,176
Net exchange gain (loss)	106,121
Ratio of net interest income (expenses) to net operating income	0.63
Ratio of net interest income and expenses to pre-tax income	3.67
Ratio of net exchange gain (loss) to net operating income	1.74
Ratio of net exchange gain (loss) to pre-tax income	10.19

(1) Interest rate fluctuations

Interest rate risk is mainly caused by fluctuations in market interest rates. The Group's interest rate risk mainly comes from financial investments and liabilities, which are primarily affected by interest rate fluctuations (such as interest rate hikes or cuts). Interest rate fluctuations will affect the Company's interest income from time deposits and bonds with repurchase agreements, income from the fair value of money market funds, and interest expenses that must be paid for long and short-term borrowings.

The Group's financial assets and liabilities with interest rate risk as of December 31, 2024 were mainly time deposits denominated in New Taiwan dollar and foreign currencies, and money market fund investments. Since the Group still possesses sufficient funds, interest rate fluctuations had no significant impact on the Group's profits.

(2) Exchange rate fluctuations

The Group primarily focuses on exports, and its foreign exchange risk is mainly related to operating activities. To mitigate the impact of exchange rate fluctuations, the Group carefully considers exchange rate movements during procurement and order-taking processes. Additionally, the Group continuously monitors gains and losses from foreign currency exposure to avoid negatively affecting profitability. In addition to adopting natural hedging through accounts receivable and payable, the Group also engages in spot foreign exchange transactions and forward foreign exchange operations to hedge against potential exchange rate risks. As of December 31, 2024, the Group recognized a total amount of NT\$12,961 thousand in unrealized exchange gains from monetary items significantly affected by exchange rate fluctuations.

(3) Inflation

The annual growth rate of Taiwan's CPI has been above the inflation threshold for three consecutive years, starting from a 16-year high of 2.95% in 2022, followed by 2.5% in 2023, and 2.18% in 2024, which is the third-highest. Although the CPI remained above 2% in 2024, the growth rate has slowed for two consecutive years. Compared to major global economies, whose inflation rates last year ranged from 2% to 3%, Taiwan's CPI index is not particularly high, with the most significant increase observed in services, rising by 2.45%, while goods increased by 1.89%. According to estimates from the Directorate General of Budget, Accounting and Statistics and the Chung-Hua Institution for Economic Research, the CPI growth rate for 2025 is expected to be around 1.93%, potentially falling below 2%.

Due to geopolitical instability and the measures implemented during President Trump's administration, such as increased tariffs, there is a possibility that international prices of bulk commodities and raw materials may rise, which could contribute to inflationary pressures. The Group will continue to monitor the situation closely and remain vigilant regarding any potential impact of inflation on production costs. We will adjust our overall sales strategies accordingly to mitigate such effects. Inflation had no significant impact on the Group's profits. The management of the Group keeps abreast of market developments at all times. If the Company experiences rising raw material and processing costs due to inflation in the future, the Company will adjust its business policy in a timely manner, such as increasing product prices to minimize the impact of inflation. Therefore, the impact of inflation risk on the Group's revenue and profit should not be significant.

2. Response measures to be taken in the future

(1) Response measures against interest rate fluctuations

The Group's main capital allocation comprises time deposits, bonds with repurchase agreements and money market funds, which are safe and stable. Thanks to its good relationship with correspondent banks, coupled with its robust financial position and good credit record, the Group has also been able to obtain better interest rates. Therefore, interest rate fluctuations are not expected to have a significant impact on the Group's overall operations in the future.

(2) Response measures against exchange rate fluctuations

As the Group's sales primarily comprise export sales that are mainly quoted in U.S. dollars, the Group adopts a natural hedging method by offsetting income and expenses in its foreign currency position, which is also supplemented by hedging measures that include spot and forward foreign exchange transactions. Therefore, the Group has reduced exchange rate risk to a relatively low level. Furthermore, the Group regularly assesses its hedge position in net foreign currency assets on a weekly basis and report it to the management for the purpose of making timely adjustments to its foreign currency position. In the future, the Finance Department will continue to keep in close contact with the foreign exchange department at various financial institutions to obtain information on exchange rate forecasts at all times and keep close tabs on trends and changes in international exchange rates, with a view to not only actively responding to the negative effects of exchange rate fluctuations, but also reducing the adverse impact of exchange rate fluctuations on the Group's profit and loss.

(3) Response measures against inflation

The Group not only keeps abreast of fluctuations in market commodity prices, but also maintains good interaction with suppliers. In the future, the Group will continue to keep a watchful eye on inflation when engaging in cost control and price quotation so as to minimize the impact of inflation on the Group.

(II) The Company's Policy Regarding High-Risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements, Guarantees, and Derivatives Transactions in the Most Recent Year, the Main Reasons for the Profits/Losses Generated Therefrom, and Response Measures to Be Taken in the Future

1. With a longstanding commitment to the principle of conservative and prudent financial management, the Group does not engage in high-risk and highly leveraged investments and does not provide loans and endorsements/guarantees to others. The Group has instituted comprehensive policies and internal control procedures for providing loans and endorsements/guarantees to others and engaging in derivatives trading.
2. In an effort to avoid risks arising from exchange rate fluctuations in the future, one of the Group's hedging strategies is to carry out spot foreign exchange transactions and presale of forward exchange contracts when engaging in derivatives trading, in which all gains and losses arising therefrom will be offset against exchange gains and losses denominated in foreign currencies. This strategy will not cause significant gains or losses due to its hedging nature. In the future, the Finance Department will continue to keep in close contact with the foreign exchange department at various financial institutions to collect information on exchange rate forecasts at all times and keep close tabs on trends and changes in international exchange rates, with a view to addressing the impact of exchange rate fluctuations in a proactive manner.

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

Item	R&D Project	Main Applications	Estimated Time for Mass Production
1	Highly integrated power management units	Computer-related and handheld products	2025 (Ongoing development of new product series)
2	Development of system-on-chip related high-power power management solutions	Computers and servers	
3	Complete solutions for battery charging management	Computer-related and handheld products	
4	High power density power conversion ICs	Computers	
5	High-power and high-efficiency Class D digital audio amplifier ICs	Computers, TVs, and audio equipment	
6	Development of full digital power solutions	Computers and servers	

Item	R&D Project	Main Applications	Estimated Time for Mass Production
7	MCU-based/MCU-like-based servomotor control ICs	Motor control	
8	Three-phase DC fan motor driver ICs	Computers, servers, and cooling fans for communication equipment	
9	Programmable fan motor driver ICs	Computers, servers, and cooling fans for industrial or communication equipment	
10	Automotive fan control ICs	Automotive applications	
11	New product development plan for automotive specifications-compliant power MOSFETs	Automotive electronics power-related applications	
12	New product development plan for the third-generation high-performance split-gate power MOSFETs and specification refinement and product expansion of integrated driver ICs and components.	Computers, laptops, servers, and related applications	
13	Product development plan for miniaturized wafer-level assembly CSP power MOSFETs	Lithium battery protection for consumer products and related applications	
14	Product development plan for second-generation high-voltage super junction power MOSFETs	Power supplies, charging devices, and LED lighting-related applications	
15	Development plan for components of wide-band-gap semiconductors (e.g., SiC and GaN)	Charging piles, fast-charging power supplies, and high-power power supplies	
16	Product development plan for high-current IGBTs	Motors and home major appliances applications	
17	Product development of power MOSFETs for integrated driver ICs	Computer-related servers	
18	LCD TV backlight control ICs	LCD TVs	
19	High efficiency VCSEL drivers and receivers	Handheld devices, laptops, and home security devices	
20	PMIC for DDR5	Laptops, desktops, and servers	
21	Micromotor speaker driver ICs	Small applications such as in-ear headphones	

The Company is projected to spend approximately 13.3% of its overall revenue in 2025 on its R&D projects in 2025.

(IV) Effects of Changes in Local and Overseas Policies and Regulations Relating to the Company's Financial Operations in the Most Recent Year and Corresponding Response Measures

The Company not only keeps track of policy development trends and changes in laws and regulations both in Taiwan and abroad, but also keeps close tabs on changes in the market environment and take the necessary measures to comply with the current requirements of relevant laws and regulations and meet its operational needs.

(V) Effects of Technological Changes (Including Cyber Security Risks) and Industry Changes on the Company's Financial and Sales Operations in the Most Recent Year and Corresponding Response Measures

With industrial technology rapidly moving towards energy-saving and high-efficiency applications in response to demand for green energy over the years, not only has the Company's product development plans moved in the same direction, but the Company's development of various product lines will also be aimed at this goal in the future while investments in new products and collaboration in supply chains are also oriented towards this direction. Having set the principle of prioritizing the development and sale of high-margin product lines, the Company will actively develop products and expand into different markets. Therefore, the Company is expected to be in a more robust financial position both at present and in the future.

For more details on the impact of cyber security risks on the Company's financial operations and the corresponding response measures, please refer to IV. Cyber Security Management (Page 140 to 143) in Chapter 4 Operational Highlights in this annual report.

(VI) Effects of Changes in Corporate Image on the Company's Crisis Management in the Most Recent Year and Corresponding Response Measures

The Company has been providing customers with a diverse range of products and complete after-sales service based on its business philosophy comprising five core values, namely "Authentic," "Novel," "Passion," "Execution," and "Customer," since its incorporation. While the Company's corporate image emphasizes the principle of integrity and not seeking illegal gains, the Company's corporate culture revolves around this important principle. Therefore, integrity has become the essence of corporate governance at the Company. Following the Company's endeavor to build a fresh image with its high-tech R&D team based on the principle of integrity, the Company have always been committed to promoting social economy, improving environmental prosperity, reducing unemployment, and protecting employee welfare while strictly observing various laws and regulations promulgated by competent authorities. Should the Company experience changes in corporate image or encounter corporate crises in the future, the Company will immediately set up an emergency response team to draw up comprehensive countermeasures. The Company has so far maintained a good corporate image. No significant changes that lead to crisis management have been reported at the Company in the most recent year.

(VII) Expected Benefits and Potential Risks from Mergers and Acquisitions, and Corresponding Response Measures: None.

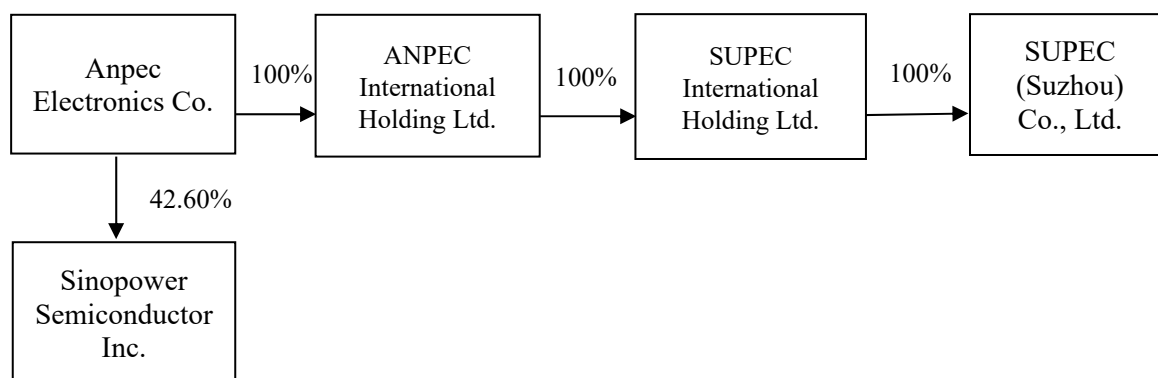
- (VIII) Expected Benefits and Potential Risks from Factory Expansions, and Corresponding Response Measures: None.
- (IX) Risks Associated with Concentration of Purchases or Sales of Goods, and Corresponding Response Measures:
1. In terms of sales strategies, the Company operates in a wide range of markets and avoids selling its products to a single customer or selling only a single product. Therefore, there is no risk of concentration of sales in a single customer or a single market, resulting in an excessively high proportion of sales.
  2. In order to avoid wafer capacity risks, the Company has diversified its sources of wafer procurement. As the Company has extended its procurement of process wafers from local manufacturers to overseas ones, the quality and sources of materials supplied to the Company are relatively stable and reliable.
  3. In order to diversify backend packaging and testing risks, the Company has maintained long-term collaboration with a host of local and foreign packaging and testing vendors to ensure the quality of materials and the availability of production capacity.
- (X) Effects of Substantial Transfers or Changes in Shareholdings among Directors, Supervisors or Major Shareholders with a Shareholding Ratio of 10% or above on the Company, as well as Corresponding Risks and Response Measures: None.
- (XI) Effects of Changes in Management Rights on the Company, as well as Corresponding Risks and Response Measures: None.
- (XII) Disclosure of issues in dispute, the monetary amount of claims, filing date, counterparties, and status of any litigation or non-contentious cases in the most recent fiscal year and during the current fiscal year up to the publication date of the annual report where the Company and/or any of its directors, supervisors, president, de facto person in charge, major shareholders with a shareholding ratio of 10% or above, or affiliates are involved in pending litigation, legal proceedings or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the shareholders' equity or price of securities:
1. Significant litigation, non-contentious cases or administrative proceedings currently pending against the Company: None.
  2. The Company and/or any of its directors, president, de facto person in charge, major shareholders with a shareholding ratio of 10% or above, or affiliated companies involving in pending litigation, non-contentious cases or administrative proceedings, or a final judgment or ruling: None.
- (XIII) Other Important Risks and Corresponding Response Measures: None.
- VII. Other Important Matters
- None.

## Chapter 6 Special Disclosures

### I. Information on the Company's Affiliates

#### (I) Consolidated Business Report (December 31, 2024):

##### 1. Organization Chart of the Affiliates



##### 2. Basic Information on Affiliates

Unit: NT\$

Name of Affiliate	Date of Incorporation	Address	Paid-in capital	Principal Business or Products Manufactured
ANPEC International Holding Ltd.	2002/04/03	BVI	USD3,000,500	Investment business
SUPEC International Holding Ltd.	2002/10/14	Mauritius	USD3,000,500.1	Investment business
SUPEC (Suzhou) Co., Ltd.	2002/12/09	Mainland China Suzhou	USD3,000,000	International trade in parts and components for keyboards, mice, computers, color monitors, color projectors, toys, and musical instruments, and consulting services
Sinopower Semiconductor Inc.	2008/08/14	Taiwan	NT374,763,000	Research, design, manufacture and sale of power ICs, high-voltage integrated circuits and their modules

3. Existence of controlling and subordinate relations in accordance with Article 369-3 of the Company Act: None.
4. Industries covered by the overall businesses of affiliates: Please refer to Item 2.

## 5. Information on Directors, Supervisors, and Presidents at Affiliates

Unit: Shares

Name of Affiliate	Title	Name or Representative	Shares Held	
			Shares	Shareholding ratio
ANPEC International Holding Ltd.	Chairman	Anpec Electronics Co. Representative: Wang, Chih-Hsin	3,000,500	100%
SUPEC International Holding Ltd.	Chairman	ANPEC International Holding Ltd. Representative: Huang, Kui-Yi	10,001,667	100%
SUPEC (Suzhou) Co., Ltd.	Chairman Director Director	SUPEC International Holding Ltd. Representative: KANG SHENG Representative: Wang, Chih-Hsin Representative: Hung, Hao-Tsung	Note	100%
Sinopower Semiconductor Inc.	Chairman Director Director Director	Anpec Electronics Co. Representative: Shiue Tian-Fure	15,965,615	42.60%
		Representative: Wang, Chih-Hsin	737,536	1.97%
		Representative: Lin Chun-Liang	5,500	0.01%
			0	0%
	Independent Directors	Weng, Sheng-Hsien	0	0%
	Independent Directors	Yang Kai-Charn	0	0%
Independent Directors	CHIANG, CHUN-YEN	0	0%	
Independent Directors	Wang, CHAO Jen	0	0%	

Note: SUPEC (Suzhou) Co., Ltd. is a limited company.

## 6. Overview of the Operations of Affiliates

Unit: NT\$ thousands

Name of Affiliate	Paid-in Capital	Total Assets	Total liabilities	Net Worth	Operating revenue	Operating (Loss) Profit	Net Profit (Loss) After Tax	Earnings (Loss) Per Share After Tax (NT\$)
ANPEC International Holding Ltd.	98,998	45,090	17	45,073	-	-	(710)	(0.24)
SUPEC International Holding Ltd.	98,998	45,096	17	45,079	-	-	(710)	(0.71)
SUPEC (Suzhou) Co., Ltd.	98,993	45,543	2,085	43,458	30,328	(1,833)	(732)	-
Sinopower Semiconductor Inc.	374,763	2,370,942	581,777	1,789,165	2,716,085	230,554	225,914	6.09

Note: The U.S. dollar to New Taiwan dollar exchange rate was US\$1 to NT\$32.78 for the asset and liability account and US\$1 to NT\$32.10 for the profit and loss account.

(II) Consolidated financial statements of affiliated companies: Please refer to the financial reports on the Market Observation Post System

([https://mops.twse.com.tw/mops/#/web/t57sb01\\_q1](https://mops.twse.com.tw/mops/#/web/t57sb01_q1)).

(III) Affiliation Report: Not applicable

- II. Private Placement of Securities During the Most Recent Fiscal Year and During the Current Fiscal Year up to the Date of Publication of the Annual Report  
None.
- III. Other Supplementary Information  
None.

**Chapter 7      Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report Shall Be Specified: None.**

# **ANPEC Electronics Corporation**

**Representative: WANG, CHIH HSIN**