

ELAN MICROELECTRONICS CORP.

Annual Report 2024

Taiwan Stock Exchange Market Observation
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I. Letter to Shareholders

Dear Shareholders,

1. 2024 Operating Results

In 2024, the global economy is projected to remain resilient despite significant challenges. Growth is steady and inflation continues to slow - "almost as quickly as it rose". The pressure in the labor market was reduced, and we are experiencing a significant increase in shipments of AI-related products, including semiconductor advanced processes and AI servers etc. and the global economic growth rate, according to data from the International Monetary Fund (IMF), still reached 3.2% compared to last year's growth rate of 3.3%, which represents a slight slowdown.

The overall consumer spending or personal consumption expenditures in 2024 were affected by the global economic slowdown, resulting in a more moderate performance in the consumer electronics industry. However, the laptop (notebook) markets were still experienced slight growth and performed relatively well. It is currently estimated that the total shipment volume for the year will grow by approximately 2.5% year-over-year, reaching about 183 million units. A major portion of the Company's revenue comes from laptop chips and module products. Although shipment volumes continued to be influenced by the global economy and grew slowly, the increasing demand for AI and high computing power has driven the development of edge computing. The AI chips and features developed by the Company have been widely adopted by major laptop brands and marketed globally. As a result, the annual revenue was increased by 5.29%.

Following the inventory reduction efforts across the laptop supply chain in 2023, the market demand returned to normal levels in 2024. However, due to high inventory levels, brand manufacturers faced significant operational challenges and thus planned to reduce inventory to relatively low levels. In response to this situation, the Company also made corresponding adjustments to accept customers' short-term orders and to meet the market demand. In 2024 the Company's product inventory levels returned to pre-pandemic levels. Most laptop-related product lines saw notable year-over-year growth, driven by factors such as increased market share and customers replenishing their inventories.

The Company is endeavoring to focus on its development of more optimized products to provide brand manufacturers with greater market competitiveness. In 2024 the Company has completed product developments include: pressure-sensing and haptic feedback driver chips for notebook (NB) touch pads; AI touch pads for best palm rejection with waterproof solutions; AI touch screen solution with active stylus tracking, simultaneous displays, palm rejection, and waterproof protection; fingerprint recognition devices for AI PCs; integrated display driver and touch screen controller chips for automotive displays; local dimming controller IC chips for automotive displays; and embedded fire-alarm control networking chips etc..

In 2024, the Company's various product lines benefited from its long-standing, stable technologies and continuous development of AI applications, achieving steady growth in the laptop market while also expanding into broader application areas. For touchpad modules, in addition to increased demand for larger modules to support multi-finger operations and the long-term trend toward integrating haptic feedback, the Company also developed several AI-related applications, such as combining pen functionality with the touchpad for writing and drawing, which hold significant potential to contribute to future product performance. There has been significant growth for touch screen chip products in 2024, mainly driven by increased market share of Single-Layer On-Cell (SLOC) touch panels, greater adoption of capacitive technology in e-readers, and rising shipments of touch screen chips for high-end laptops.

These developments are expected to further accelerate the Company's expansion into new technologies and applications. There has been significant growth for pointing devices in 2024 with over 50% year-over-year increase, supported by rising customer demand and the recovery of the Company's market share. The Company's consistently strong technology and robust research and development capabilities further support its development toward thinner and lighter designs. While the fingerprint recognition products faced multiple challenges in 2024, the active push by customers to develop AI-related applications is expected to lead to the integration of more functionalities and an increase in market penetration.

In 2024, the consolidated revenue reached NT\$12.696 billion, the consolidated gross profit margin was 48.9%,

and the consolidated net operating profit margin was 24.1%. The after-tax profit attributable to the parent company was NT\$ 2.736 billion.

2. 2025 Business Plans

After experiencing the impact of various economic events, including geopolitical conflicts and the conclusion of the U.S. General Managerial election, the global macroeconomic outlook for early 2025 remains stable, though uncertainties persist. Ongoing tariff issues continue to sway industries and international relations, adding variables to overall market performance. In the laptop markets, the Company continues to expand the application of AI chips and actively collaborates with customers to develop the AI PC market. Starting from the fourth season in 2025, Microsoft will no longer provide free software updates from Windows Update, technical assistance, or security fixes for Windows 10. Under consideration for Cyber security risk, it is expected to trigger a wave of commercial laptop replacements, likely bringing about a new wave of growth in the laptop market.

According to Omdia's market estimates and forecast, laptop shipments in 2025 are expected to grow in the mid-to-high single digits percentage year-over-year, with total shipments projected to reach 196 million units. Short lead-time orders are still expected in 2025, primarily due to brand manufacturers advancing procurement in anticipation of further tariff impositions. As AI technology continues to develop, cyber security environments also face increasing challenges. With Microsoft ending support for Windows 10, affected devices may become exposed to cyber security risks, which are expected to encourage users to upgrade their devices, further driving the replacement cycle. While the overall economic outlook remains uncertain, the Company continues to enhance its R&D capabilities, develop new technologies and applications, and maintain strong relationships with customers, aiming to steadily improve overall operational performance amid the uncertain global political and economic landscape.

In 2025, the Company plans to complete the development of several products, including: a touchpad solution supporting AI and enhanced finger/palm recognition functions; a pressure-sensitive haptic feedback touchpad solution for notebooks; a Single-Layer On-Cell (SLOC) touch screen solution for Chromebooks (supporting waterproofing, glove operation, and active stylus input); a smart cockpit display solution with high-resolution local dimming control; a high-resolution, high dynamic range image processing solution for advanced driver-assistance systems (ADAS); an integrated touch driver solution for automotive displays (supporting waterproofing and glove operation); a fingerprint recognition solution for smart cards; and a GaN charger driver chip etc. In addition, the continued integration and expansion of technologies such as haptic feedback, fingerprint recognition, and SLOC, along with long-term improvements in design layering and function optimization to enhance both pricing and technological capability, are expected to drive average selling price growth. These developments are all favorable for improving the operational performance of the Company's laptop-related product lines.

The Company is endeavoring to expand its services and promote non-laptop products and applications. It began shipping ADAS for vehicles in 2024 and simultaneously developed smart cockpits, hoping to extend the technology to areas beyond electric buses. In addition, the Company has also launched automotive electronically controlled glass chips that can adjust the glass light transmittance and color. By expanding more technologies and application areas, we hope to improve our operational performance.

The Company is focused on improving core technologies, providing customers with efficient and innovative products and services, and developing diversified products and applications to create diverse revenue sources, ensure operational resilience, implement corporate social responsibilities, and practice sustainable business philosophy. The Company is committed to promoting its influence in the three major aspects: economy, environment and society, and developing long-term and stable business strategies, and is committed to improving the Company's operations and profitability to create higher value and welfare and provide feedback to stakeholders.

Sincerely yours,

Yeh, I-Hau
Chairman

II. Corporate Governance Report

1. Directors, Supervisors and Management Team

(1) Board Members and Super Visors

1.1 Information Regarding Board Members and Supervisors

March 30, 2025

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	YEH, I- Hao	M 69	5.30.2024	3	5.5.1994	6,288,895	2.06%	6,288,895	2.07%	None	None	None	None	Institute of Electronics / National Chiao Tung University Engineer, ITRI; Manager/Hua Chang Semi-Conductor Co., Ltd.; Department Head/Hualon Microelectronics Co., Ltd.	<u>Corporate Representatives of the following venture capital companies:</u> TOP TAIWAN VII;; TOP TAIWAN VI;; TOP TAIWAN IX; TOP TAIWAN X; TOP TAIWAN XI; ELAN(HK); POWER ASIA; NORTH STAR VENTURE CAPITAL; <u>Corporate Representatives & Chairman of the following companies:</u> AVISONIC TECHNOLOGY CORP., METANOIA COMMUNICATION, INC.; & PIXORD CORP. Chimei Motor Electronics; <u>Director of Huaju Foundation</u>	Director	YEH, Tung-Ying	Father-Son	(Note 1)
Director	R.O.C.	Yulong Investment Co Ltd	N/A	5.30.2024	3	6.26.2002	7,083,059	2.33%	7,083,059	2.33%	None	None	None	None	None	None	None	None	None	

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
	R.O.C.	YEH, Tung-Ying	M 37	5.30.2024	3	7.2.2021	None	None	None	None	None	None	None	None	Department of Electrical Engineering and Department of Economics, University of California, San Diego	<u>Corporate Representative:</u> MACROBLOCK EMINENT ELECTRONIC TECHNOLOGY CO LTD	None	YEH, I-Hau	Father-Son	
Director	R.O.C	YEN, Kuo-Lung	M 66	5.30.2024	3	6.14.1997	1,282,555	0.42%	1,282,555	0.42%	None	None	None	None	Institute of Electronics / National Chiao Tung University Engineer, ITRI Manager/Hualon Microelectronics Co., Ltd.	<u>Corporate Representatives & Chairman of the following companies:</u> EMINENT ELECTRONIC TECHNOLOGY CO LTD; AVISONIC TECHNOLOGY CORP., METANOIA COMMUNICATION, INC. UNIBAND ELECTRONICS CORP. Etc.,	EMI	None	None	

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C	CHIU, Te-Chen	M 59	5.30.2024	3	2000.3.30	None	None	None	None	25,000	0.008%	None	None	Institute of Business Management /National Chengchi University	Chairman & General Manager of the following venture capital companies: TOP TAIWAN XI; TOP TAIWAN XIII; TOP TAIWAN VII; TOP TAIWAN IX; TOP TAIWAN X; TOP TAIWAN XI; TOP TAIWAN XII; TOP TAIWAN XIII; TOP TAIWAN XIV; TOP TAIWAN VENTURE CAPITAL CONSULTATION CO., LTD.; Chairman of the following companies: TOP TAIWAN XV CO., LTD.; TOP TAIWAN XV VENTURE CAPITAL; Corporate Representatives of the following companies: DEBAO INDUSTRIAL CO., LTD. SHENGKE ELECTRONICS CO., LTD., Director of AVATACK CO., LTD.	None	None	None	

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
Director	R.O.C	Tsung Lung Investment Co., Ltd.	N/A	5.30.2024	3	6.26.2002	3,078,903	1.01%	3,078,903	1.01%	None	None	None	None	None	None	None	None	None	
	R.O.C	WEI, Chi-Lin	M 77	5.30.2024	3	6.12.2006	None	None	None	None	None	None	None	None	Doctor of Philosophy, Université de Paris ; Master of Business, Administration, Imperial College London ; Chairman, Land Bank of Taiwan Secretary-General, Executive Yuan Director, Institute of International Business/National Taiwan University	Professor of the Institute of Business Studies of National Taiwan University; Director of Kangshu Technology; Chairman of Qiding and Yuanding Venture Capital; Independent Director of SINBON, Formosa Plastics and Inventec	None	None	None	
Independent Director	R.O.C	LIN, Hsien-Ming	M 72	5.30.2024	3	6.2.2015	None	None	None	None	None	None	None	None	Bachelor of Electronics Engineering / National Chiao Tung University ; General Manager of Acer Computer Co., Ltd.	Chairman & Chief Strategy Officer of Wistron Corp.; Director of Gamania Digital; Chairman of Wistron Green Energy Holding Company	None	None	None	
Independent Director	R.O.C	TSAL, Chuang-chuang	F 75	5.30.2024	3	5.30.2024	None	None	None	None	None	None	None	None	Bachelor of Science in Physics, National Taiwan University PhD in Physics, University of Chicago	Director, AU Corporation	None	None	None	

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
Independent Director	R.O.C	TSAI, Cherng-Ru	M 38	113.5.30	3	113.5.30	None	None	None	None	None	None	None	None	University of Pennsylvania Bachelor of Commerce, Wharton School	Vice Chairman, Fubon Life Insurance Director of Fubon Financial Holdings Vice Chairman of Fubon Entertainment Director of Fubon Securities Investment Trust Director of Eternal Hope Limited (BVI) Director of Emmanuel Investments Ltd. Director of Zhichu Venture Capital Management Consultant Director of Taiwan Professional Basketball Development Co., Ltd. Director of Rema International Limited	None	None	None	
Independent Director	R.O.C	LU, Fang-Cheng	M 54	5.30.2024	3	5.30.2024	None	None	None	None	4,000	0.001%	None	None	Ph.D., in Information Engineering, Tsinghua University; Broadweb Overseas Business Associate	Chairman of the following companies: Huaciguan Company, Wangci Company, and Zhencheng Investment Company	None	None	None	

Note 1: The same person as the General Manager in order to promote the Company's operating efficiency and reduce the management level. Responding measure: More than half of the directors on the Board of Directors are not concurrently serving as employees or managers and one seat of independent director is increased during the re-election of directors on July 2, 2021 and May 30, 2024, making total 4 independent directors..

1.2 Main Shareholders of Corporate Shareholders

March 30, 2025

Name of Corporate Shareholders	Major Shareholders
Yulong Investment Co., Ltd.	YEH, I-Hau (100%)
Zonglong Investment Co., Ltd.	YEH, I-Hau (100%)

1.3 Directors' and Supervisors' Professional Qualification and Independent Director's' Independence Status

March 30, 2025

Criteria Name	Professional Qualification and Experiences (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
YEH, I-Hao	M.Sc. in Electronics Engineering, Ciao Tung University, has served as the chairman and General Manager of Elan Microelectronics Corp. for more than 20 years, and is good at leadership, making operational decisions, and management and is currently not in or under any circumstances stated in Article 30 of the Company Law	Not Applicable	0
YEN, Kuo-Lung	M.Sc. in Electrical Engineering, National Taiwan University, Vice General Manager of EMC for more than 20 years and has rich experience in the IC industry and is currently not in or under any circumstances stated in Article 30 of the Company Law	Not Applicable	0
CHIU, Te-Chen	MBA in Business Administration, National Chengchi University, chairman of venture capital companies and has rich industry experience and is currently not in or under any circumstances stated in Article 30 of the Company Law	Not Applicable	0
Zonglong Investment Representative WEI, Chi-Lin	Government officials and university professors, chairman of Bills Finance Companies, with rich experience in industry, government and academia and is currently not in or under any circumstances stated in Article 30 of the Company Law	Not Applicable	4
Yulong Investment Representative YEH, Tsung-Ying	M.Sc. and MBA in Electronic Engineering and Business Administration from the University of California, San Diego, Company's career development manager. He has been in contact with foreign electronics manufacturers all year round and has foreign business experience.	Not Applicable	0

(Continued)

Criteria Name	Professional Qualification and Experiences (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
LIN, Hsien-Ming	Chairman of Wistron Corporation, a well-known electronics manufacturer in Taiwan, with rich industrial and commercial experience and is currently not in or under any circumstances stated in Article 30 of The Company Law	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
TSAI, Cherng-Ru	Bachelor of Commerce degree from the renowned Wharton School in the United States, and has held a number of management positions in well-known domestic financial holding companies. He is currently the vice chairman of the life insurance company under the financial holding company and has extensive experience in business and finance and is currently not in or under any circumstances stated in Article 30 of The Company Law	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0

(Continued)

Criteria Name	Professional Qualification and Experiences (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
TSAI, Chuang-Chuang	She was a university professor and general manager of an e-paper company. She is currently a director of a major screen panel manufacturer and has both industrial and academic experience and is currently not in or under any circumstances stated in Article 30 of The Company Law	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
LU, Fang-Cheng	Ph.D., in Information Engineering, Tsinghua University; Chairman of Win Star Investments Limited and is currently not in or under any circumstances stated in Article 30 of the Company Law	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0

(Concluded)

1.4 Board Diversity and Independence:

(1) Board Diversity and Independence:

On November 08, 2018, the third meeting of the ninth session of the Board of Directors of the Company adopted the "Corporate Governance Code", and in Chapter 3 "Strengthening the Functions of the Board of Directors", it stipulates the diversity policy and regulates that directors should generally have the necessary skills to perform their duties, knowledge, skills and literacy. The nomination and selection of members of the Board of Directors of the Company follows the provisions of the Company's Articles of Incorporation and adopts the nomination system for candidates, and follows the "Procedures for Election of Directors" and "Corporate Governance Guidelines" to ensure the diversity and independence of directors. The Company adds additional one director and one independent director to achieve the goal of board diversity during re-election of directors at the meeting of board of directors on July 2, 2021, a female director has been elected in accordance with regulations during re-election of directors at the meeting of board of directors on May 30, 2024. The goal for the next board re-election is for female directors to account for 1/3 of the board seats to enrich the diversity of the board.

(2) Board Independence:

After the directors have been reelected at the Company's meeting of board of directors on May 30, 2024, there are four (4) Independent Directors, accounting for 44% of the nine (9) directors, 22% of the directors with employee status, Mr. YEH, I-Hau (chairman) and Mr. YEH, Tsung-Ying (director) are second-degree relatives.

(2) Information Regarding Management Team

March 30, 2025

Title (Note 1)	Nation- ality	Name	Sex	Date Elected	Shares Held when Elected		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman and General Manager	R.O.C	YEH, I- Hao	M	09.01.1994	6,288,895	2.06%	None	None	None	None	Institute of Electronics / National Chiao Tung University Engineer, ITRI; Manager/Hua Chang Semi-Conductor Co., Ltd.; Department Head/Hualon Microelectronics Co., Ltd.	<u>Corporate Representatives of the following venture capital companies:</u> TOP TAIWAN VII; TOP TAIWAN IX; TOP TAIWAN VIII; TOP TAIWAN XI; TOP TAIWAN XIV; ELAN(HK); POWER ASIA; NORTH STAR VENTURE CAPITAL; NORTH STAR VENTURE CAPITAL II; METANOIA COMMUNICATION, INC.; <u>Corporate Representatives & Chairman of the following companies:</u> AVISONIC TECHNOLOGY CORP., PIXORD CORP. Chimei Motor Electronics; <u>Director of Huaju Foundation</u>	None	None	None	(Note 3)
Vice General Manager	ROC	YEN, KUO- LUNG	M	11.10.2000	1,282,555	0.42%	None	None	None	None	Institute of Electricity Engineering / National Taiwan University; Engineer, ITRI Manager/Hualon Microelectronics Co., Ltd.	<u>Corporate Representatives & Chairman of the following companies:</u> EMINENT ELECTRONIC TECHNOLOGY CO LTD; AVISONIC TECHNOLOGY CORP., METANOIA COMMUNICATION, INC.; UNIBAND ELECTRONICS CORP.	None	None	None	
Chief Account- ing Officer	ROC	CHEN, YI-LIN	M	06.28. 2013	0	0	None	None	None	None	Institute of Accounting/National Chung Cheng University Department of Public Finance, National Chengchi University Assistant Manager of KPMG Manager of Elantech Co., Ltd. Deputy Director of Elan Microelectronics Co., Ltd.	None	None	None	None	

Note 1: All job positions, regardless of the job title, equivalent to General Manager, Vice General Manager or Director shall be disclosed.

Note 2: If the experiences related to the current position involves serving in the firm of the auditing Certified Public Accountant or its affiliate during the prior period thereof, the job title and job descriptions therein shall be specified.

Note 3: The same person as the Chairman in order to promote the Company's operating efficiency and reduce the management level. Responding measure: More than half of the directors on the Board of Directors are not concurrently serving as employees or managers and one seat of independent director is increased during the re-election of directors on July 2, 2021 and May 30, 2024, making total 4 independent directors..

(3) Remuneration Paid to Directors, Supervisors, General Manager and Vice General Manager during the last fiscal year

3.1 Remuneration of Directors

December 31, 2024

Unit: NT\$ thousand / Thousand shares

Title	Name	Remuneration								(A+B+C+D) as a % of Net Income (Note 10)		Relevant Remuneration Received by Directors Who are Also Employees								(A+B+C+D) as a % of Net Income (Note 10)		Remuneration Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 11)
		Base Remuneration (A) (Note 2)		Severance Pay (B) 【Note 1】		Remuneration of Directors (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F) (Note 1)		Remuneration of Employees (G) (Note 6)						
		From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC		From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 8)		
																Cash	Shares				Cash	
Chairman	YEH, I-Hau	0	0	0	0	51,000	51,000	400	400	51,400 1.88%	51,400 1.88%	25,330	35,969	267	267	24,318	0	24,318	0	101,315 3.70%	111,954 4.09%	270
Director	Yulong Investment																					
Director	YEH, Tsung-Ying																					
Director	YEN, Kuo-Lung																					
Director	Zonglong Investment																					
Director	WEI, Chi-Lin																					
Director	CHIU, Te-Chen	2,650	2,650	0	0	0	0	740	740	3,390 0.12%	3,390 0.12%	0	0	0	0	0	0	0	0	3,390 0.12%	3,390 0.12%	0
Independent Director	LIN, Hsien-Ming																					
Independent Director	TSAI, Cherng-Ru																					
Independent Director	TSAI, Chuang- Chuang																					
Independent Director	LU, Fang-Cheng																					
Independent Director	SHAW, Ming-Fu (Note 2)																					
Independent Director	TANG, Chuan-Yi (Note 2)																					

1. Please state the policy, system, standards and structure for the payment of independent director's remuneration, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors:
According to the Company's "Directors' Remuneration Management Procedures", the monthly remuneration of an independent director of the Company is set as NT\$50,000, which shall be paid regardless of the Company's profit or loss, provided that the independent director does not take part in the directors' remuneration from annual profit distribution. Any director who leaves the Company due to re-election or resignation during the term of office shall be paid thereof according to the proportion of their actual term to the entire year.

2. The remuneration received by the Company's Directors for service

(Note 1): Pension refers to the pension amount contributed in 2024

(Note 2): Term expired after the re-election of directors at the meeting of board of directors dated May 30, 2024.

Schedule of Remuneration

Remuneration range paid to each Director of the Company	Name of Directors			
	Total remuneration amount (A+B+C+D)		Total remuneration amount (A+B+C+D+E+F+G)	
	The Company (Note 8)	From All Consolidated Entities (Note 9)	The Company (Note 8)	From Parent Company and all reinvested companies (Note 9)
Less than NT\$1,000,000	SHAW, Ming-Fu; TANG, Chuan-Yi; LIN, Hsien-Ming; TSAI, Cherng-Ru; TSAI, Chuang-Chuang; LU, Fang-Cheng;	SHAW, Ming-Fu; TANG, Chuan-Yi; LIN, Hsien-Ming; TSAI, Cherng-Ru; TSAI, Chuang-Chuang; LU, Fang-Cheng;	SHAW, Ming-Fu; TANG, Chuan-Yi; LIN, Hsien-Ming; TSAI, Cherng-Ru; TSAI, Chuang-Chuang; LU, Fang-Cheng;	SHAW, Ming-Fu; TANG, Chuan-Yi; LIN, Hsien-Ming; TSAI, Cherng-Ru; TSAI, Chuang-Chuang; LU, Fang-Cheng;
NT\$1,000,000 (including)~ NT\$2,000,000(excluding)				
NT\$2,000,000 (including) ~ NT\$3,500,000(excluding)				
NT\$3,500,000 (including) ~ NT\$5,000,000(excluding)				
NT\$5,000,000 (including) ~ NT\$10,000,000(excluding)	YEH, I-Hau WEI, Chi-Lin; CHIU, Te-Chen; YEN, Kuo-Lung; Yulong Investment; Zonglong Investment;	YEH, I-Hau WEI, Chi-Lin; CHIU, Te-Chen; YEN, Kuo-Lung; Yulong Investment; Zonglong Investment;	WEI, Chi-Lin; CHIU, Te-Chen; Yulong Investment; Zonglong Investment;	WEI, Chi-Lin; CHIU, Te-Chen; Yulong Investment; Zonglong Investment; YEH, Tsung-Ying
NT\$10,000,000 (including)~ NT\$15,000,000(excluding)				
NT\$15,000,000 (including) ~ NT\$30,000,000(excluding)			YEN, Kuo-Lung	YEN, Kuo-Lung
NT\$30,000,000 (including)~ NT\$50,000,000(excluding)			YEH, I-Hau	YEH, I-Hau
NT\$50,000,000 (including) ~ NT\$100,000,000(excluding)				
NT\$100,000,000 or above				
Total	12 seats	12 seats	12 seats	13 seats

Note 1: The names of the Directors shall be separately presented (a corporate shareholder shall list the name of the corporate shareholder and its representative separately) as general director or independent director respectively, and disclose the amount of each payment in a consolidated manner. If a Director is serving concurrently as a General Manager or Vice General Manager, this form and form (3-1) or (3-2-1) and (3-2-2) herein under shall be filled in.

Note 2: Referred to the Directors' remuneration in the last fiscal year (including Directors' salary, supervisory differential pay, termination pay, various bonuses, incentives, etc.).

Note 3: Fill in Directors' remuneration amount of the last fiscal year authorized by the Board of Directors to be distributed.

Note 4: Referred to the relevant business execution costs (including transportation allowances, special Distributions, various allowances, living quarters, assigned Company cars, etc.) of the Directors incurred during the last fiscal year. If house, car and other transportation or personal expenditures are provided, the nature and costs of the assets so provided, actual rent or rent at fair market value, gasoline allowances and other payments shall be disclosed. In addition, if driver(s) is provided, please specify relevant Remuneration of the driver(s) paid by the Company, of which shall not be included in the remuneration.

- Note 5: Referred to the salary, supervisory differential pay, termination pay, various bonus, incentives, transportation allowances, special Distributions, various allowances, living quarters and assigned Company cars of the Directors for serving concurrently as employee (including serving concurrently as General Manager, Vice General Manager, other manager and employee) incurred during the last fiscal year. If house, car and other transportation or personal expenditures are provided, the nature and costs of the assets so provided, actual rent or rent at fair market value, gasoline allowances and other payments shall be disclosed. In addition, if driver(s) is provided, please specify relevant Remuneration of the driver(s) paid by the Company, of which shall not be included in the remuneration. Furthermore, salary expenses, including employee stock option certificate(s), restricted stock award(s) and participation in stock options at cash capital increase, recognized pursuant to IFRS 2 “Share-based Payment” shall also be included in the remuneration.
- Note 6: The employee bonus (including shares and cash) of the Directors serving concurrently as employee (including serving concurrently as General Manager, Vice General Manager, other manager and employee) during the last fiscal year shall be disclosed upon the Board of Directors’ authorization to distribute. If the amount cannot be estimated, the proposed amount to be distributed shall be based on the proportional actual distributed amount of the previous year and fill out the attached form 1 – 3.
- Note 7: The total amount of various remunerations paid to the Company’s Directors by the companies (including the Company) listed in the consolidated financial statements shall all be disclosed.
- Note 8: The total amount of various remunerations paid to each Director by the Company shall be disclosed in the Schedule of Remuneration along with name of the Directors.
- Note 9: The total amount of various remunerations paid to each Director by the companies listed in the consolidated financial statements shall be disclosed in the Schedule of Remuneration along with name of the Directors.
- Note 10: Net Income After Taxes referred to Net Income After Taxes of the last fiscal year; for those who have adopted the International Financial Reporting Standards, Net Income After Taxes shall be Net Income After Taxes presented on the Parent Company Financial Statements of last fiscal year.
- Note 11: a) The remuneration amount received by the Company’s Directors from the related no subsidiary joint venture business(es) or parent Company shall be clearly stated in this field if applicable, Otherwise, fill in as “N/A”.
- b) If the Company’s Directors received remuneration from related no subsidiary joint venture business(es) or parent Company, the remuneration received by the Company’s Directors from no subsidiary joint venture business(es) or parent Company shall be consolidated in field-I of the Schedule of Remuneration and amend the field name to be “parent Company and all joint venture businesses”.
- c) The remuneration referred to the remunerations (including employee bonus and Directors and Supervisors’ remuneration) and business execution costs related Remuneration received by the Company’s Directors for serving as Directors, Supervisors or managers in the no subsidiary joint venture business(es) or parent Company.

(2) **Remuneration of Supervisors**

The Company has appointed three Independent Directors in 2015 to establish the Audit Committee in lieu of Supervisors; therefore, there was no remuneration of supervisors in 2024.

(3) **Remuneration of the General Manager and Vice General Manager**

December 31, 2024

Unit: NT\$1000 /1000 shares

Unit: NT\$1,000/1,000 shares

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonus and Allowances (C) (Note 3)		Employee Bonus amount (D) (Note 4)				Percentage of A+B+C+D to Net Income After Taxes (Note 8)		Remuneration paid to the General Manager and Vice General Manager from an Invested Company Other Than the Company's Subsidiary (Note 9)
		From EMC	From All Consolidated Entities (Note 5)	From EMC	From All Consolidated Entities (Note 5)	From EMC	From All Consolidated Entities (Note 5)	From EMC		From All Consolidated Entities (Note 5)		From EMC	From All Consolidated Entities (Note 5)	
								Cash amount	Amount in shares	Cash amount	Amount in shares			
General Manager	YEH, I-Hau	18,527	21,029	267	267	6,803	7,220	24,318	0	24,318	0	49,915 1.82%	52,834 1.93%	120
Execute Vice General Manager	YEN, Kuo-Lung													

[Note] "Severance Pay" referred to the pension amount contributed in 2024.

Schedule of Remuneration

Range of Remuneration paid to each General Manager and Vice General Manager of the Company	Name of the General Manager and Vice General Manager	
	The Company (Note 6)	Parent Company and all joint venture businesses (Note 7)
Less than NT\$1,000,000		
NT\$1,000,000 (including) ~ NT\$2,000,000(excluding)		
NT\$2,000,000 (including) ~ NT\$3,500,000(excluding)		
NT\$3,500,000 (including) ~ NT\$5,000,000(excluding)		
NT\$5,000,000 (including) ~ NT\$10,000,000(excluding)		
NT\$10,000,000 (including) ~ NT\$15,000,000(excluding)		
NT\$15,000,000 (including) ~ NT\$30,000,000(excluding)	YEN, Kuo-Lung	YEN, Kuo-Lung
NT\$30,000,000 (including) ~ NT\$50,000,000(excluding)	YEH, I-Hau	YEH, I-Hau
NT\$50,000,000 (including) ~ NT\$100,000,000(excluding)		
NT\$100,000,000 or above		
Less than NT\$1,000,000	2 persons	2 persons

Note 1: The names of the General Manager and Vice General Manager shall be separately presented and disclose the amount of each payment in a consolidated manner. If a Director is serving concurrently as a General Manager or Vice General Manager, this form and form (1-1) or (1-2) herein under shall be filled in.

Note 2: Referred to the General Manager and Vice General Manager's remuneration in the last fiscal year (including Directors' salary, supervisory differential pay, termination pay, various bonuses, incentives, etc.).

Note 3: Fill in various bonuses, incentives, transportation allowances, special Distributions, various allowances, living quarters, assigned Company cars and other remuneration amount of the General Manager and Vice General Manager incurred during the last fiscal year. If house, car and other transportation or personal expenditures are provided, the nature and costs of the assets so provided, actual rent or rent at fair market value, gasoline allowances and other payments shall be disclosed. In addition, if driver(s) is provided, please specify relevant Remuneration of the driver(s) paid by the Company, of which shall not be included in the remuneration. Furthermore, salary expenses, including employee stock option certificate(s), restricted stock award(s) and participation in stock options at cash capital increase, recognized pursuant to IFRS 2 "Share-based Payment" shall also be included in the remuneration.

Note 4: The employee bonus (including shares and cash) of the General Manager and Vice General Manager during the last fiscal year authorized to be distributed by the Board of Directors. If the amount cannot be estimated, the proposed amount to be distributed shall be based on the proportional actual distributed amount of the previous year and fill out the attached form 1 – 3. Net Income After Taxes referred to Net Income After Taxes of the last fiscal year; for those who have adopted the International Financial Reporting Standards, Net Income After Taxes shall be Net Income After Taxes presented on the Parent Company Financial Statements of last fiscal year.

Note 5: The total amount of various remunerations paid to the Company's General Manager and Vice General Manager by the companies (including the Company) listed in the consolidated financial statements shall all be disclosed.

Note 6: The total amount of various remunerations paid to each General Manager and Vice General Manager by the Company shall be disclosed in the Schedule of Remuneration along with name of the General Manager and Vice General Manager.

Note 7: The total amount of various remunerations paid to each General Manager and Vice General Manager by the companies listed in the consolidated financial statements (including the Company) shall be disclosed in the Schedule of Remuneration along with name of the General Manager and Vice General Manager.

Note 8: Net Income After Taxes referred to Net Income After Taxes of the last fiscal year; for those who have adopted the International Financial Reporting Standards, Net Income After Taxes shall be Net Income After Taxes presented on the Parent Company Financial Statements of last fiscal year.

Note 9: a) The remuneration amount received by the Company's Directors from the related no subsidiary joint venture business(es) or parent Company shall be clearly stated in this field if applicable, Otherwise, fill in as "N/A".

b) If the Company's Directors received remuneration from related no subsidiary joint venture business(es) or parent Company, the remuneration received by the Company's Directors from no subsidiary joint venture business(es) or parent Company shall be consolidated in field-I of the Schedule of Remuneration and amend the field name to be "parent Company and all joint venture businesses".

c) The remunerations (including employee bonus and Directors and Supervisors' remuneration) and business execution costs related Remuneration received by the Company's Directors for serving as Directors, Supervisors or managers in the no subsidiary joint venture business(es) or parent Company.

(4) Remuneration Paid to Manager(s)

December 31, 2024
Unit: NT\$1000 /Share

	Title (Note 1)	Name (Note 1)	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income After Tax (%)
Managers	General Manager	YEH, I-Hau	0	25,279	25,279	0.92%
	Executive Vice General Manager	YEN, Kuo-Lung				
	Chief Finance and Accounting Officer	CHEN, Yi-Lin				

Note 1: The names and job title(s) of the manager(s) shall be presented and disclose the amount of profit distribution in a consolidated manner.

Note 2: The employee bonus (including shares and cash) of the manager(s) during the last fiscal year authorized to be distributed by the Board of Directors. If the amount cannot be estimated, the proposed amount to be distributed shall be based on the proportional actual distributed amount of the previous year. Net Income After Taxes referred to Net Income After Taxes of the last fiscal year; for those who have adopted the International Financial Reporting Standards, Net Income After Taxes shall be Net Income After Taxes presented on the Parent Company Financial Statements of last fiscal year.

Note 3: "Manager" shall, pursuant to the provisions prescribed in document number Tai-Cai-Zheng-San- Zi-0902001301 issued by the Chamber on 27 March 2003, include the following:

- (1) General Manager and those assuming equivalent position;
- (2) Vice General Manager and those assuming equivalent position;
- (3) Director and those assuming equivalent position;
- (4) Chief Financial Officer
- (5) Chief Accounting Officer
- (6) Other managing personnel and signatory of the Company.

Note 4: The Director, General Manager and Vice General Manager who received employee bonus (including shares and cash) shall, in addition to filling out the attached for 1- 2, also fill out this form.

(5) Analysis on the percentage of total remuneration amount paid to the Company's Directors, Supervisors, General Manager and Vice General Manager by the Company and all companies listed in the consolidated financial statements to Net Income After Taxes in the Last Two Years and explain the policies, standards and mix of remuneration, the procedures of setting the remuneration, and the correlation with operating performance:

Unit: NT\$ thousands

Job title	2024				2023			
	The Company		All companies listed in the consolidated financial statements		The Company		All companies listed in the consolidated financial statements	
	Total remuneration amount	Percentage to Net Income After Taxes	Total remuneration amount	Percentage to Net Income After Taxes	Total remuneration amount	Percentage to Net Income After Taxes	Total remuneration amount	Percentage to Net Income After Taxes
Director	54,790	2.00%	54,790	2.00%	42,940	2.00%	42,940	2.00%
Supervisor	0	0%	0	0%	0	0%	0	0%
General Manager and Vice General Manager	49,915	1.82%	52,834	1.93%	44,406	2.07%	48,757	2.27%

Explanation:

(1) The Independent Directors of the Company do not receive other remuneration except for the fixed remuneration and attendance fee. The remuneration of directors and managers shall be handled in accordance with the Company's Articles of Incorporation : Article 29 of the Company's Articles of Incorporation stipulates that if the Company makes a profit in the year, it shall

distribute no less than 10% for employee bonus and no more than 2% for directors' remuneration; the remuneration of directors and managers is reviewed by the remuneration committee to review the degree of participation, contribution value and financial indicators (revenue and net profit after tax) of each director and manager in the Company's operations, and submit to the Board of Directors for approval after considering the level of payment in the industry.

- (2) The employee and director remuneration distributed for 2024 was the proposed amount of remuneration, while the actual amount of remuneration distributed for 2023 was the actual amount of remuneration distributed.
- (3) The increase in directors' remuneration in 2024 was mainly due to the increase in pre-tax net profit in 2023 compared to 2023, which resulted in an increase in directors' remuneration provided based on profit. The increase rate of directors' remuneration in 2024 was greater than the increase rate of net profit after tax. The reason was that the net profit after tax in 2024 includes higher income tax expenses than the net profit after tax in 2023, and the directors' remuneration is provided based on the net profit before tax before deducting employees' and directors' remuneration. Therefore, when comparing the increase rate of directors' remuneration in 2024 with the increase rate of net profit before tax before deducting employees' and directors' remuneration in 2024, the two are not much different.
- (4) Policy on linking ESG performance with senior managers' remuneration: With respect to senior managers' remuneration, the Company has established salary and compensation management methods for managers and incorporated ESG sustainable development into the performance management methods. The ESG performance of senior managers is directly linked to employee bonuses and total employee remuneration based on the linkage factor coefficient set for the current year. The linkage factor coefficient is increased year by year to strengthen the linkage between ESG performance and variable remuneration.

The ESG Indexes for senior managers are as follows:

Type	ESG Indexes	Proportion of Linkage with Variable Salary		
		2024	2025	2026
Annual performance indicators	(1) Reducing carbon emissions, (2) Green product development, (3) Regulatory compliance, and (4) Health and well-being	15%	25%	30%

3. Implementation of Corporate Governance

(1) Board of Directors Meeting Status

(1) Board of Directors Meeting Status

Elan Microelectronics Corporation (EMC)'s Chairman of the Board of Directors convened the eighth (8th) (A) meetings in 2024. The directors' attendance status was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Chairman	YEH, I-Hau	7	0	100%	Renewal of Office
Director	Yulong Investment Co., Ltd. Representative: YEH, Tsung-Ying	7	0	100%	Renewal of Office
Director	YEN, Kuo-Lung	7	0	100%	Renewal of Office
Director	Zonglong Investment Co., Ltd. Representative: WEI, Chi-Lin	5	2	71.40%	Renewal of Office
Director	CHIU, Te-Chen	6	1	85.71%	Renewal of Office
Independent Director	LIN, Hsien-Ming	6	0	85.71%	Renewal of Office
Independent Director	TSAI, Cherng-Ru	4	1	75%	Re-elected on 5.30.2024, New Office Assumed
Independent Director	TSAI, Chuang-Chuang	4	4	100%	Re-elected on 5.30.2024, New Office Assumed
Independent Director	LU, Fang-Cheng	6	0	85.71%	Renewal of Office
Independent Director	SHAW, Ming-Fu	7	0	100%	Re-elected on 5.30.2024, Term expired
Independent Director	TANG, Chuan-Yi	7	0	100%	Re-elected on 5.30.2024, Term expired

Other mentionable items:

- In the event of any of the following circumstances concerning the operation of the Board of Directors, the date, session number, agenda of the Board Meeting, all Independent Director's opinions and how the Company process the Independent Director's opinions shall be specified:
 - Matters relating to Article 14-3 of the Securities and Exchange Act: N/A (The Company has established an Audit Committee).
 - Other Board resolutions, except the matters mentioned above, opposed or given qualified opinion by Independent Director(s) with record(s) or written statement(s): N/A.
- Where the Director avoided conflict of interests, specify the Director's name, agenda, reason for the avoidance of conflict of interests and participation in voting: N/A.
- The TWSE/GTSM Listed Companies shall disclose the cycle, period, scope, method and contents of the Board's self (or by peer) evaluation and other information, and fill out Schedule 2 "Results of the Implementation of Board of Directors' Evaluation": the Results of the Implementation of Board of Directors' Evaluation for 2024 are shown in the schedule below.
- The goals for strengthening the functions of the Board of Directors in the current year and the most recent year (e.g., establishing an audit committee, improving information transparency, etc.) and implementation status evaluation: In 2021, the shareholders' meeting has added one independent director and one director, bringing the total number of independent directors to four and the total number of directors to nine. In 2024, the shareholders' meeting has elected a female director in accordance with regulations to increase the diversity of the Board of Directors. The Board of Directors and functional committees will also conduct performance evaluations and self-evaluations every year. In 2024, the Company conducted an external evaluation of the performance of the Board of Directors (evaluation period: 2023) to implement corporate governance and improve the performance of the Board of Directors. The target for the next board re-election is for women to account for 1/3 of the board seats.

(2) Board of Directors' Performance Evaluation Implementation Status

Date of Board of Directors	Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Aspect (Note 5)	Evaluation Results
02/27/2025	Annual	From January 1, 2024 to December 31, 2024	The Board of Directors	Self-assessment by each Board member	1. Involvement in the Company's operation 2. Enhancement of the quality of the board's decision-making 3. Makeup and structure of the board 4. Election of board members and continuing knowledge development 5. Internal controls	Good
02/27/2025	Annual	From January 1, 2024 to December 31, 2024	The Audit Committee	Self-assessment by each Audit Committee member	1. Understanding of the Company's goals and mission 2. Awareness of the audit committee's duties 3. Involvement in the Company's operation 4. Internal relationship and communication 5. Director's professionalism and continuing knowledge development 6.. Internal controls.	Good
02/27/2025	Annual	From January 1, 2024 to December 31, 2024	The Remuneration Committee	Self-assessment by each Remuneration Committee member	1. Involvement in the Company's operation 2. Awareness of director's duties 3. Enhancement of the quality of the board's decision-making 4. Makeup and structure of the Committee and Election of committee members	Good
02/27/2025	Annual	From January 1, 2024 to December 31, 2024	The ESG Committee	Self-assessment by each EDG Committee member	1. Involvement in the Company's operation 2. Implementation status of the relevant policies and the Company's sustainable development 3. Expertise and experience 4. Regularly participate in committee meetings 5. True compliance with confidentiality obligations	Good

Date of Board of Directors	Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Aspect (Note 5)	Evaluation Results
02/27/2025	Annual	From January 1, 2024 to December 31, 2024	The Individual Directors	Self-evaluation by the Board member	1. Involvement in the Company's operation 2. Awareness of director's duties 3. Enhancement of the quality of the board's decision-making 4. Election of board members and continuing knowledge development 5. Internal control	Good

Note 1: Fill in the cycle of evaluation executed by the Board of Directors (e.g. annual).

Note 2: Fill in the period of evaluation of the Board of Directors (e.g. evaluate the Board of Directors' performance for the period of January 1, 2024 to December 31, 2024).

Note 3: The scope of the evaluation, which includes performance evaluation on the Board of Directors, Individual Board member and functional committee.

Note 4: The method of evaluation, which includes internal self-evaluation of the Board of Directors, self-evaluation by the Board member, peer evaluation, commissioned performance evaluation by external professional institutions, experts or other appropriate methods.

Note 5: The contents of evaluation, which include at least the following items according to the scope of evaluation:

- (1) Performance evaluation on the Board of Directors: which at least include the level of participation in the Company's operations, quality of decision-making of the Board of Directors, composition and structure of the Board of Directors, election, appointment and continuous training of the directors, and internal control, etc.
- (2) Performance evaluation on the individual member of the Board: which at least include the level of mastering the Company's goals and tasks, understanding of director's duties, the level of participation in the Company's operations, internal relationship management and communication, director's profession and continuous training, and internal control, etc.
- (3) Performance evaluation on the functional committees: the level of participation in the Company's operations, understanding of functional committee's duties, the quality of decision-making of the functional committees, composition and structure of the functional committees, election and appointment of members of the functional committee, and internal control, etc.

In accordance with the Board Performance Evaluation Method, the Company entrusts an external professional independent organization to perform the evaluation work every three years. In March 2024, we commissioned the Chinese Corporate Governance Association, an external independent evaluation organization, to conduct a board performance evaluation of the Company. The evaluation report was issued on April 10, 2024, and was reported to the board of directors on December 24, 2024. The evaluation recommendations have been gradually implemented in the Company's practical operations.

(2) **Audit Committee Performance Evaluation Implementation Status:**

The purpose of the Audit Committee is to assist the Board in its oversight of the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial controls.

The subjects reviewed by the audit committee mainly consist of:

- Financial statements;
- Audit and accounting policies and procedures;
- Internal control system and related policies and procedures;
- Major asset or derivative commodity transactions;
- Major capital loan and endorsement or guarantee;
- Placement or issuing securities;
- Complaint filing;
- Fraud prevention plan and fraud investigation report;
- Information security;
- Corporate risk management;
- Qualification, independence and performance evaluation of Certified Public Accountant;
- Appointment, dismissal or remuneration of CPA;
- Appointment and removal of the head of finance, accounting internal audit;
- Performance of Audit Committee's duties; and
- Self-assessment questionnaire for performance evaluation of Audit Committee.
- Derivative financial products and cash investment;
- Compliance;
- Whether there are related party transactions and possible conflicts of interest between the manager and director;
- Evaluate the effectiveness of the internal control system

The Audit Committee assesses the Company's internal control system policies and procedures (including finance, operation, risk management, information security, outsourcing, compliance and other control Procedures), and reviews the periodic reports of the Company's audit department and Certified Public Accountant.

● Review of financial report

The Board of Directors has prepared the Company's 2024 business report, financial statements, profit distribution proposal, etc., of which the financial statements were commissioned to Klynveld Peat Marwick Goerdeler (KPMG, Taiwan) for audit with an audit report issued upon completion thereby. The Audit Committee had reviewed and believed that there are no discrepancies in the above-mentioned business report, financial statements and profit distribution proposal.

Information Regarding the Audit Committee Members :

Criteria Name/ Title	Professional Qualification and Experiences	Independence Status	Number of Other Public Companies Concurrently Serving as an Audit Committee Member
LU, Fang-Cheng Independent Director (Meeting Convener)	Ph.D. in IT engineering / Tsing Hua University, chairman of a Company, with business experience	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
LIN, Hsien-Ming Independent Director	Chairman of a well-known electronics manufacturer in Taiwan, with rich industrial and commercial experience	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
TSAI, Cherng-Ru Independent Director	Bachelor of Commerce from the renowned Wharton School in the United States, and has held a number of management positions in well-known domestic financial holding companies. He is currently the vice chairman of the life insurance company under the financial holding company and has extensive experience in business and finance.	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
TSAI, Chuang-Chuang Independent Director	She was a university professor and general manager of an e-paper company. She is currently a director of a major screen panel manufacturer and has both industrial and academic experience.	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0

The Audit Committee convened the 7th meetings (A) in 2024. The Independent Directors' attendance status was as follows:

Title	Name	Attendance in Person [B]	By Proxy	Attendance rate (%) [B/A] (Note)	Notes
Independent Director	LIN, Hsien-Ming	7	0	100%	Renewal of Office
Independent Director	Lu, Fang-Cheng	7	0	100%	Renewal of Office
Independent Director	TSAI, Cherng-Ru	3	1	75%	Re-elected on 5.30.2024, New Office Assumed
Independent Director	TSAI, Chuang-Chuang	4	0	100%	Re-elected on 5.30.2024, New Office Assumed
Independent Director	SHAW, Ming-Fu	3	0	100%	Re-elected on 5.30.2024, Term expired
Independent Director	TANG, Chuan-Yi	3	0	100%	Re-elected on 5.30.2024, Term expired

Other mentionable items:

- In the event of any of the following circumstances concerning the operation of the Audit Committee, the date, session number, agenda of the Board Meeting, the Audit Committee resolution and how the Company process the Audit Committee resolution shall be specified.
 - Matters relating to Article 14-5 of the Securities and Exchange Act;
 - Other Board resolutions, except the matters mentioned above, authorized by 2/3 (or above) of the Directors but opposed by the Audit Committee:

Audit Committee Meeting Date	Proposal and Resolutions	Independent directors' objections, reservations or major suggestions	Resolution s related to Securities and Exchange Act §14-5:	Proposals that have not been approved by the Audit Committee but have been approved by more than 2/3 of all directors
The 16 th Meeting of the 3rd Session dated 01.22.2024	Adoption of the proposal to discuss the Company's 13th share repurchase and transfer to employees (non-managerial status) for review	None	V	
The 17th Meeting of the 3rd Session dated 02.22.2024	1. Adoption of the proposal to purchase the Chimei Motor Electronics Co., Ltd.'s equity from CUBTEK INC and its related parties and submitted for approval	None	V	
	2. Adoption of the proposal to discuss the Company's 2023 financial report and business report			
	3. Adoption of the 2023 statement of internal control system on design and implementation effectiveness			
	4. Adoption of the proposal for appointing the KPMG Taiwan to audit and certify the Company's 2024 financial statements and tax reports.	None	V	
	Resolution of the Audit Committee (made on 02.22.2024): The members of the Audit Committee unanimously approved all the resolutions			
	The Company's response to the Audit Committee's Opinion: The Board of Directors approved all such resolutions recommended by the Audit Committee			

The 18th Meeting of the 3rd Session dated 05.02.2024	1. Adoption of the proposal to discuss about the Company's 2024 Q1 self-closing financial statements	None	V	
	Resolution of the Audit Committee (made on 05.02.2024): The members of the Audit Committee unanimously approved all the resolutions			
	The Company's response to the Audit Committee's Opinion: The Board of Directors approved all such resolutions recommended by the Audit Committee			
The 2nd Meeting of the 4th Session dated 08.12.2024	2. Adoption of the proposal to discuss about the Company's 2024 Q2 self-closing financial statements	None	V	
	3. Adoption of the proposal to discuss about the request for ratification of the 10-year renewable energy purchase contract (2024-2033)	None	V	
	Resolution of the Audit Committee (made on 08.12.2024): The members of the Audit Committee unanimously approved all the resolutions			
	The Company's response to the Audit Committee's Opinion: The Board of Directors approved all such resolutions recommended by the Audit Committee			
The 3rd Meeting of the 4th Session dated 11.05.2024	1. Adoption of the proposal to discuss about the Company's 2023 Q3 self-closing consolidated financial statements	None	V	
	2. Adoption of the proposal to subscribe the common shares through cash capital increase in 2024 issued by Cruise10 CO., LTD. and	None	V	
	Resolution of the Audit Committee (made on 11.05.2024): The members of the Audit Committee unanimously approved all the resolutions			
	The Company's response to the Audit Committee's Opinion: The Board of Directors approved all such resolutions recommended by the Audit Committee			
The 4 th Meeting of the 4th Session dated 12.24.2024	1. Adoption of the proposal to establish North Star Top Taiwan II Venture Capital Co., Ltd.,	None	V	
	2. Adoption of the proposal to discuss about the discuss establishment of the Top Taiwan XV Venture Capital Limited Partnership and .	None	V	
	Resolution of the Audit Committee (made on 12.24.2024): The members of the Audit Committee unanimously approved all the resolutions			
	The Company's response to the Audit Committee's Opinion: The Board of Directors approved all such resolutions recommended by the Audit Committee			
2. Where the Independent Director avoided conflict of interests, specify the Independent Director's name, agenda, reason for the avoidance of conflict of interests and participation in voting: N/A				
3. Communication between the Independent Director and chief audit executive and accountant (include major topics, methods and results relating to the Company's financial and business status that shall be communicated):				
Summary of Communications between the Independent Directors and the Internal Auditors				
Meeting Date	Meeting held by	Communications between the Independent Directors and the Internal Auditors		Recommendations and results
02/22/2024	Audit Committee	1. Internal audit business report as of January 2024: Investment cycle and R&D cycle 2. Approved the Company's 2023 Internal Control Design and Implementation Effective Statement to establish corporate governance procedures and audit procedures		no objection
05/02/2024	Audit Committee	1. Internal audit business report as of March 2024: Production cycle and properties, plant and equipment cycle		no objection
08/12/2024	Audit Committee	1. Internal audit business report as of June 2024: Inventory management, budget management,		no objection

		information management	
11/05/2024	Audit Committee	1. Internal audit business report ending September 2024: Financing cycle, financial statement preparation related operations and salary cycle	no objection
12/24/2024	Audit Committee	1. Internal audit business report ending November 2024: Purchase and payment cycle, sales and collection cycle	no objection

Summary of Communications between Independent Directors and the CPA

Date	Communications between the Independent Directors and the CPA	Recommendations and results
22/02/2024	<p>Communication meeting with the corporate governance unit:</p> <ol style="list-style-type: none"> 1. Independence status; 2. Responsibilities of auditors for auditing financial statements; 3. Scope of Audit of the 2023 Annual Financial Report 4. The audit of the findings of 2023 financial report <p>Attachments::</p> <ol style="list-style-type: none"> (1) Major internal control deficiencies and reminders of the TWSE/GTSM listed companies recently inspected by the competent authorities (2) Summary of recent updates on auditing standards (3) The main impact of the expected revision of Auditing Standard No. 600 "Special Considerations in Auditing Group Financial Statements" (4) Important accounting standards or interpretation letters, securities regulatory laws and tax law updates 	No objection

Note:

- * If an Independent Director left his/her position before the end of the year, the date he/she left the position shall be specified in the "Note" field and the actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings and his/her actual number of times of attendance during his/her term.
- * If there is an independent director re-election before the end of the year, the information of both previous and new Independent Directors shall be filled in the "Note" field specifying who is the previous Independent Director, who is the new or re-elected Independent Director and the re-election date; and the actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings and his/her actual number of times of attendance during his/her term.

(3) Supervisors' participation in the operation of the Board of Directors: N/A.

(Note: The Company has established the Audit Committee in lieu of Supervisors in 2015).

(4) Corporate Governance Implementation Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on November 8, 2018. The information has been disclosed on the Company’s website and the Market Observation Post System (MOPS)..	None
2. Shareholding structure & shareholders’ rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has established the spokesperson system and legal department to process relevant issues.	None
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company has established the personnel dedicated to stocks/shares related matters and entrusted agent Masterlink Securities to process stocks/shares related affairs.	None
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		The Company has formulated the “Regulations on the Operating Management of Subsidiary” as the basis for control.	None
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		The Company has formulated the “Major Internal Information Processing Procedures” and “Ethical Code of Ethics and Business Conduct” specifications.	None
3. Composition and responsibilities of the Board of Directors				
(1) Does the Board of Directors formulate and implement a diversified approach for the member composition?	V		<p>1. The Company adopted the “Code of Corporate Governance” on the Ninth Session No. 3 Board Meeting on November 8, 2018, of which diversified policy was set out in Chapter 3 “Strengthening the Board Functions”. The nomination and selection of the Board members of the Company adopts the nomination system for candidates as prescribed in the Articles of Incorporation and abides by the “Guidelines Governing the Election of Directors” and “Code of Corporate Governance” to ensure the diversity and independence of the Board members. The Company pays attention to the diversity of the composition of the Board of Directors, and added one director and one independent director during the re-election of the shareholders' meeting on July 2, 2021 to increase the diversity of directors.</p> <p>On May 30, 2024, the shareholders' meeting will elect a female director in accordance with regulations to increase the diversity of the board of directors. The target for the next board re-election is for women to account for 1/3 of the board seats, in order to enrich the diversity of the board.</p> <p>2. The Company’s current Board of Directors consists of 5 directors and 4 Independent Directors. Among the directors, there are those specialized in leadership, operational judgment, management, crisis management, industrial and international market knowledge such as YEH, I-Hau, YEN,</p>	None

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
(2) Does the Company, in addition to the establishment of the Remuneration Committee and Audit Committee by laws, voluntarily establish other types of functional committees?	V		<p>Kuo-Lung, CHIU, Te-Chen, WEI, Chi-Lin; CHIU, Te-Chen has many years experiences in venture capital management and rich experiences in the industry; WEI, Chi-Lin has served as a professor in government unit and university and is currently chairman of a bills finance Company with rich industrial, government, and academic experiences; YEH, Tsung-Ying has been in contact with foreign electronics manufacturers all the year round, and has good interaction with foreign merchants, which is helpful for the Company to expand foreign business; independent director LIN, Hsien-Ming is the chairman of well-known domestic electronics manufacturers. Often provide valuable practical operation advice; Independent Directors Tsai Cherng-Ru holds a bachelor's degree from the famous Wharton School of Business in the United States. He also holds a number of management positions under a well-known domestic financial holding company and is currently the vice chairman of a life insurance company under the financial holding company and has extensive experience in business and finance; Independent director Tsai Chuang-Chuang was a university professor and the general manager of an electronic paper company. She is currently a director of a major screen panel manufacturer and has both industry and academic experiences; another independent director LU, Fang-Cheng, in addition to having a Ph.D. background, he also has relevant Company management experience.</p> <p>3. 22% of the Company's directors are also active as employee, while 44% of Independent Directors are also active as employee. 2 Independent Directors have a term of office of less than 1 year, 1 independent director has a term of office of 3 years, 1 independent director has a term of office of 9 years, and the seniority of Independent Directors is between 37- 74 years old; 1 director is over 70 years old, 2 directors are between 60 and 69 years old, 1 director is between 50 and 60 years old, and 1 director is under 40 years old.</p> <p>4. The Board and Management pay attention to tolerance and diversity in supporting The Company's system of values: "Diversity Management Goal": The Board supports and oversees management's actions to increase the number of female senior executives.</p>	None
			The Company currently has a Sustainable Development Committee. The third Sustainable Development Committee was re-elected in May 2024 and has five members, including General Manager YEH, I-Hau (Chairman), Executive Vice General Manager YEN, Kuo-Lung, Independent Director LIN, Hsien-Ming, Independent Director TSAI, Chuang-Chuang, and Independent Director TSAI, Cherng-Ru. All five members have expertise in finance or corporate business and are responsible for overseeing the Company's ESG promotion. With an independent director as the convener, and 2 independent directors, the General Manager and vice-General Manager as members responsible for supervising the Company's ESG promotion.	None
				None

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
(3) Does the Company set methods of evaluating the performances of the Board of Directors perform the evaluation regularly on a yearly basis and report the performance evaluation results to the Board of Directors as references for individual director's remuneration and nomination?	V		<p>The Company's Board of Directors has formulated the "Methods of evaluating the performances of the Board of Directors" on December 21, 2018, which stipulated that the Board of Directors shall perform an internal Board performance evaluation once a year. The internal evaluation period of the Board of Directors shall be at the end of each year, which shall conduct annual performance evaluations on the entire Board of Directors, individual Board members and the functional committees. The results of the Board's internal performance evaluation shall be completed prior to the earliest Board Meeting of the following year.</p> <p>Performance evaluation of the Board of Directors (functional committee):</p> <ol style="list-style-type: none"> 1. The level of participation in the Company's operations. 2. Improve the quality of decision-making of the Board of Directors. 3. Composition and structure of the Board of Directors. 4. Election, appointment and continuous training of the directors. 5. Internal control. <p>Performance evaluation of the Board members (self or peers) shall at least cover the following six aspects:</p> <ol style="list-style-type: none"> 1. The level of mastering the Company's goals and tasks. 2. Understanding of director's duties. 3. The level of participation in the Company's operations. 4. Internal relationship management and communication. 5. Director's profession and continuous training. 6. Internal control. <p>At the end of each year, each implementation unit shall collect relevant information concerning activities of the Board of Directors and distribute relevant self-assessment questionnaires to fill out. Then, the organizing implementation unit shall collect the data, record the evaluation results report and sends it to the Board of Directors for report.</p> <p>The Company has completed the performance evaluation of the Board of Directors, the Remuneration Committee, the ESG Development Committee, Audit Committee and the directors in January 2024 and reported at the Board Meeting on February 27, 2025. The Results of the performance evaluation of the Company's Board member and of the members of the various functional committees are all good.</p>	None

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)												
	Yes	No	Summary													
(4) Does the Company regularly evaluate the independence of the Certified Public Accountant (CPA)?	V		In accordance with the Board Performance Evaluation Method, the Company entrusts an external professional independent organization to perform the evaluation work every three years. In March 2024, we commissioned the Chinese Corporate Governance Association, an external independent evaluation organization, to conduct a board performance evaluation of the Company. The evaluation report was issued on April 10, 2024, and was reported to the board of directors on December 24, 2024. The evaluation recommendations have been gradually implemented in the Company’s practical operations.													
			The Company evaluates the independence and suitability of the accountant before appointing the CPA every year. The Company bases on the Company's Criteria for Assessing the Independence of Accountants (Note 1) and the independence statement issued by the accounting firm and the 13 indicators of the "Audit Quality Indicators (AQIs)" Information to assess the independence and competence of accountants. It is confirmed that the accountants LEE, Fang-Yi and Accountant LU, Chien-Hui of KPMG Taiwan meet the independence requirements. In addition, the accountants and the firm are superior to the average level in the industry in indicators such as audit experience, training hours, turnover rate, professional support, accountant load, and case quality control review. Accounting firms continue to invest in digital audit platforms to improve audit efficiency. The latest assessment results were submitted for review and approval by the Audit Committee and the Board of Directors on February 27, 2025. Note 1: Criteria for assessing the independence of accountants													
			<table><tr><th>Assessment Item</th><th>Assessment Results</th><th>Independence</th></tr><tr><td>1. Does the Accountant have direct or major indirect financial interests with the Company?</td><td>No</td><td>Yes</td></tr><tr><td>2. Does the Accountant have financing or guarantee behaviors with the Company or the Company’s Directors?</td><td>No</td><td>Yes</td></tr><tr><td>3. Does the Accountant have close business</td><td>No</td><td>Yes</td></tr></table>	Assessment Item	Assessment Results	Independence	1. Does the Accountant have direct or major indirect financial interests with the Company?	No	Yes	2. Does the Accountant have financing or guarantee behaviors with the Company or the Company’s Directors?	No	Yes	3. Does the Accountant have close business	No	Yes	
Assessment Item	Assessment Results	Independence														
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2. Does the Accountant have financing or guarantee behaviors with the Company or the Company’s Directors?	No	Yes														
3. Does the Accountant have close business	No	Yes														

Assessment Item	Implementation Status (Note)					Non-Implementation and its Reason(s)
	Yes	No	Summary			
			relationship and potential employment relationship with the Company?			
			4. Does the Accountant and its audit team member currently or use to serve in the Company as a director, manager or other position having major influence on the audit work in the Last Two Years?			
			5. Does the Accountant provide the Company with non-audit service item that may directly affect audit the work?			
			6. Does the accountant intermediate the stocks or other securities issued by the Company?			
			7. Does the Accountant ever serve as the Company’s defender or represent the Company in coordinating conflicts with other third parties?			
			8. Is the Accountant related in kinship or marriage with the Company’s Director, manager or other person having major influence on the audit work?			

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)																				
	Yes	No	Summary																					
4. Does the TWSE/TPEX listed companies arrange adequate Corporate Governance personnel and assign Corporate Governance supervisor to be responsible for corporate governance related affairs (including but not limited to providing information required by the Directors and/or Supervisors to execute the business, assist directors and supervisors to comply with laws and regulations, processing the Board Meeting and shareholders’ meeting related matters pursuant to laws and regulation, generating minutes of the Board Meetings and shareholders’ meetings, etc.)?	V		<p>On April 28, 2021 the Board of Directors of the Company has appointed the finance and accounting chief officer to be acting as the Corporate Governance Officer to handle matters related to the meetings of the Board of Directors and the shareholders' meetings, prepare the minutes of the Board of Directors and the shareholders' meetings, provide directors with necessary information for business execution, assist directors in continuing education and assist directors to follow the laws, etc.</p> <p>The continuing education training of the Corporate Governance Officer in 2024 is summarized as follows: Total 12 hours</p> <table><tr><th>Date</th><th>Host By</th><th>Training/Speech Title</th><th>Duration</th></tr><tr><td>08/29/2024-08/29/2024</td><td>Accounting Research and Development Foundation</td><td>International Net Zero and Sustainability Reveal New Trends - From the EU Taxonomy Regulation (TR) to our country's Sustainable Economic Activity Certification</td><td>3 hours</td></tr><tr><td>08/29/2024-08/29/2024</td><td>Accounting Research and Development Foundation</td><td>Common deficiencies in financial report review and common problems in asset acquisition/disposal</td><td>3 hours</td></tr><tr><td>08/30/2024-08/30-2024</td><td>Accounting Research and Development Foundation</td><td>Latest "Annual Report Preparation" Related ESG Sustainability Policy Laws and Regulations Practice Analysis</td><td>3 hours</td></tr><tr><td>08/30/2024-08/30-2024</td><td>Accounting Research and Development Foundation</td><td>Company "Business Rights Competition" Related Legal Liabilities and Case Analysis</td><td>3 hours</td></tr></table>	Date	Host By	Training/Speech Title	Duration	08/29/2024-08/29/2024	Accounting Research and Development Foundation	International Net Zero and Sustainability Reveal New Trends - From the EU Taxonomy Regulation (TR) to our country's Sustainable Economic Activity Certification	3 hours	08/29/2024-08/29/2024	Accounting Research and Development Foundation	Common deficiencies in financial report review and common problems in asset acquisition/disposal	3 hours	08/30/2024-08/30-2024	Accounting Research and Development Foundation	Latest "Annual Report Preparation" Related ESG Sustainability Policy Laws and Regulations Practice Analysis	3 hours	08/30/2024-08/30-2024	Accounting Research and Development Foundation	Company "Business Rights Competition" Related Legal Liabilities and Case Analysis	3 hours	None
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08/30/2024-08/30-2024	Accounting Research and Development Foundation	Company "Business Rights Competition" Related Legal Liabilities and Case Analysis	3 hours																					
5. Does the Company establish communication channel with interested parties (including but not limited to shareholders, employees, customers and suppliers), set up an Interested Parties Zone on the Company’s website, and duly respond to important corporate social	V		<p>The Company’s website has established an Interested Parties Zone and public e-mail to safeguard the communication channel of the interested parties.</p>	None																				

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
responsibility issues concerned by the interested parties?				
6. Does the Company appoint professional service agency to process affairs of the shareholders' meeting?	V		The Company has entrusted the professional stock agent Masterlink Securities to handle the shareholders' meeting related affairs.	None
7. Information disclosure				
(1) Does the Company set up a website to disclose information concerning financial operations and corporate governance?	V		The Company has established an external website (URL http://www.emc.com.tw) to disclose financial operations information and corporate governance information.	None
(2) Does the Company adopt other means of disclosing information (such as setting up an English website, assigning someone to take charge of the collection and disclosure of the Company's information, implementing the Spokesperson system, posting Corporate Conference process on the Company's website)?	V		Currently, the Company has a dedicated website and dedicated Spokesperson. The video/audio files and newsletter of Corporate Conference will also be posted on the Company's website for public references.	None
(3) Does the Company declare and file annual financial report within two months after the end of the fiscal year, and declare and file the financial reports and monthly Implementation Status for the first, second, and third quarter within the required deadline?	V		The Company will disclose and file its annual financial report within two months after the end of each fiscal year 2024; and the financial reports and monthly business operation status for the first, second, and third quarters are all declared and filed before the required deadline.	None

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)																																										
	Yes	No	Summary																																											
8. Does the Company possess other important information (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of the interested parties, trainings of the Directors and Supervisors, execution status of risks manage policies and risks measurement standards, execution status of customer policies, liability insurance purchased by the Company for the Directors and Supervisors, etc.) that can help in understanding the corporate governance operating status?	V		<div><p>In addition to common benefit such as health insurance, social security, group insurance and pension, employees of the Company provided by the Company such as bonuses for the year, employee bonus , regular health checkups, established medical room to employee travel allowances and club activities.</p><p>2.The Company has established a Spokesperson, Acting Spokesperson, Investment contact person and public e-mail as communication between the Company and the investors. The Company’s external website (URL http://www.emc.com.tw) also has established Zone to present various aspects concerned by the interested parties and related means of communication and response.</p><p>3.Education Training of Directors and Supervisors in 2024:</p><table><thead><tr><th>Title</th><th>Name</th><th>Month</th><th>Host By</th><th>Training/Speech Title</th><th>Duration (Hours)</th></tr></thead><tbody><tr><td rowspan="2">Chairman</td><td rowspan="2">YEH, I-Hau</td><td>09/2024</td><td>Securities and Futures Institute</td><td>2024 Annual Insider Trading Prevention Promotion Conference</td><td>3</td></tr><tr><td>11/2024</td><td>Securities and Futures Institute</td><td>2024 Insider Equity Trading Legal Compliance Seminar</td><td>3</td></tr><tr><td rowspan="2">Director</td><td rowspan="2">YEN, Kuo-Lung</td><td>09/2024</td><td>Securities and Futures Institute</td><td>2024 Annual Insider Trading Prevention Promotion Conference</td><td>3</td></tr><tr><td>11/2024</td><td>Securities and Futures Institute</td><td>2024 Insider Equity Trading Legal Compliance Seminar</td><td>3</td></tr><tr><td rowspan="2">Director</td><td rowspan="2">CHIU, Te-Chen</td><td>10/2024</td><td>Taiwan Corporate Governance Association</td><td>Labor Disputes and Corporate Governance</td><td>3</td></tr><tr><td>10/2024</td><td>Taiwan Corporate Governance Association</td><td>New impetus for sustainable corporate governance: How the capital market examines the long-term value of companies</td><td>3</td></tr><tr><td>Corporate director</td><td>WEL, Chi-Lin</td><td>05/2025</td><td>Taiwan Corporate Governance Association</td><td>New Trends and Challenges of Generative AI in 2024</td><td>1.5</td></tr></tbody></table></div>	Title	Name	Month	Host By	Training/Speech Title	Duration (Hours)	Chairman	YEH, I-Hau	09/2024	Securities and Futures Institute	2024 Annual Insider Trading Prevention Promotion Conference	3	11/2024	Securities and Futures Institute	2024 Insider Equity Trading Legal Compliance Seminar	3	Director	YEN, Kuo-Lung	09/2024	Securities and Futures Institute	2024 Annual Insider Trading Prevention Promotion Conference	3	11/2024	Securities and Futures Institute	2024 Insider Equity Trading Legal Compliance Seminar	3	Director	CHIU, Te-Chen	10/2024	Taiwan Corporate Governance Association	Labor Disputes and Corporate Governance	3	10/2024	Taiwan Corporate Governance Association	New impetus for sustainable corporate governance: How the capital market examines the long-term value of companies	3	Corporate director	WEL, Chi-Lin	05/2025	Taiwan Corporate Governance Association	New Trends and Challenges of Generative AI in 2024	1.5	Not applicable
Title	Name	Month	Host By	Training/Speech Title	Duration (Hours)																																									
Chairman	YEH, I-Hau	09/2024	Securities and Futures Institute	2024 Annual Insider Trading Prevention Promotion Conference	3																																									
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Corporate director	WEL, Chi-Lin	05/2025	Taiwan Corporate Governance Association	New Trends and Challenges of Generative AI in 2024	1.5																																									

Assessment Item	Implementation Status (Note)								Non-Implementation and its Reason(s)	
	Yes	No	Summary							
					07/2024	Securities and Futures Institute	Accurately master the sustainable formula	3		
					08/2024	Taiwan Corporate Governance Association	Tax Governance	1.5		
					10/2024	Taiwan Corporate Governance Association	New impetus for sustainable corporate governance: How the capital market examines the long-term value of companies	3		
					11/2024	Taiwan Corporate Governance Association	Global Compliance Management Development Trends	1.5		
					11/2024	Securities and Futures Institute	Lecture on Money Laundering Prevention and Integrity Management (also on Sexual Harassment Prevention)	3		
			Corporate director	YEH, Tsung-Ying	09/2024	Securities and Futures Institute	2024 Annual Insider Trading Prevention Promotion Conference	3		
					11/2024	Securities and Futures Institute	2024 Insider Equity Trading Legal Compliance Seminar	3		
			Independent Director	LIN, Hsien-Ming	05/2024	Securities and Futures Institute	Introduction to the latest tax laws and tax savings for major shareholders	3		
					09/2024	Taiwan Corporate Governance Association	DEI culture builds sustainable competitiveness of enterprises	2		

Assessment Item	Implementation Status (Note)							Non-Implementation and its Reason(s)				
	Yes	No	Summary									
			Independent Director	TSAL, Cheng-Ru	09/2024	Taiwan Corporate Governance Association	AI and the open source era - analysis of corporate legal risks	3				
					03/2024	Insurance Business Development Center	Fair customer service and money laundering prevention training course	1.5				
					08/2024	Insurance Business Development Center	Key trends in organizational resilience: Digital trust (security) x sustainable development	1.5				
					08/2024	Taiwan Corporate Governance Association	IFRS17 COMPLIANCE FOCUS, INTERNATIONAL PEER ACCOUNTING STRATEGY AND BUSINESS STRATEGY	3				
			Independent Director	TSAL, Chuang-Chuang	08/2024	Independent Director Association Taiwan	Legal planning and risk management for multinational mergers and acquisitions	3				
					08/2024	Independent Director Association Taiwan	How do foreign institutional investors view ESG sustainable governance and investment responsibilities?	3				
			Independent Director	LU, Fang-Cheng	04/2024	Taiwan Academy of Banking and Finance	The 64th Corporate Governance Forum	3				
					09/2024	Taiwan Academy of Banking and Finance	The 81st Corporate Governance Forum	3				
			4.If the Board Meeting convened by the Company involves personal interests of the Director(s) which are potentially damaging to the Company’s interests, the Director(s) shall uphold									

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
			<p>self-discipline to avoid the participation in voting or represent other Director(s) in exercising voting power.</p> <p>5.The Company has purchased NT\$160,000,000 liability insurance for the Directors and managers, of which the related underwriting period and premiums has been reported in the Board Meeting on August 12,2024.</p>	
<p>9. Please state the status of improvement for issues identified in the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the last fiscal year and propose priority enhancements and Procedures for those that have not yet improved. (This is N/A for the companies not listed as a rated Company):</p> <p>The issues identified in the Company's 2024 corporate governance evaluation results that have been improved:</p> <p>(1) In March 2014, the Company commissioned the Chinese Corporate Governance Association, an external independent evaluation agency, to conduct an evaluation of the performance of our Board of Directors. The evaluation report was issued on April 10, 2024.</p> <p>(2) On May 30, 2014, the Company's Board of Directors were re-elected and a female director was elected.</p> <p>Priority items for future enhancement: The Company will formulate specific measures to enhance corporate value, submit them to the board of directors, and disclose relevant information in the "Corporate Value Enhancement Plan Zone" of the open-source Market Observation Post System of the TWSE (https://mops.twse.com.tw).</p>				

Note: Explanations shall be specified in the "Summary" field regardless whether "Yes" or "No" was selected for the operating status.

(5) Information Regarding Remuneration Committee Members

Criteria Name/ Title	Professional Qualification and Experiences	Independence Status	Number of Other Public Companies Concurrently Serving as an Audit Committee Member
LIN, Hsien-Ming Independent Director (Meeting Convener)	Chairman of a well-known electronics manufacturer in Taiwan, with rich industrial and commercial experience	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
TSAI, Chuang-Chuang Independent Director	She was a university professor and general manager of an e-paper company. She is currently a director of a major screen panel manufacturer and has both industrial and academic experience and is currently not in or under any circumstances stated in Article 30 of The Company Law	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself/herself and his/her relatives within the second degree relative to the Company.	0
LU, Fang-Chen Independent Director	Ph.D. in IT engineering / Tsing Hua University, chairman of a Company, with business experience	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0

(6) **Remuneration Committee Meeting Status**

1. The Company has a total of three (3) Remuneration Committee members
2. The fifth term of office of the Remuneration Committee members: LIN, Hsien-Ming and LU, Fang-Chen, tenures from July 02, 2021 to May 29, 2024; TANG, Chuan-Yi, tenures from August 3, 2021 to May 29, 2024. The sixth term of office of the Remuneration Committee members: LIN, Hsien-Ming, LU, Fang-Chen and TSAI, Chuang-Chuang tenures from May 30, 2024 to May 29, 2027. The Chairman of the Remuneration Committee convened 6 meetings (A) in 2024. The qualifications and attendance of the committee members were as follows:

Title	Name	Attendance in Person [B]	By Proxy	Attendance rate (%) [B/A] (Note)	Remarks
Meeting Convener	LIN, Hsien-Ming	6	0	100%	Renewal of Office
Committee Member	TSAI, Chuang-Chuang	3	0	100%	New Office Assumed after re-election dated May 30, 2024
Committee Member	LU, Fang-Cheng	6	0	100%	Renewal of Office
Committee Member	TANG, Chuan-Yi	3	0	100%	New Office Assumed after re-election dated May 30, 2024

The dates, sessions, motions and resolutions of the Remuneration Committee's meetings in 2024, and the Company's actions taken towards the Remuneration Committee's opinions:

Meeting Date	Proposals	Resolutions	The Company's response to the Remuneration Committee's Opinion
The 12th Meeting Session No. 5 Jan. 15, 2024	1. The Company intends to transfer its shares to employees for the 13th time	The members of the Remuneration Committee unanimously approved all the resolutions	The Board of Directors approved all such resolutions recommended by the Remuneration Committee
The 13th Meeting Session No. 5 Feb. 22, 2024	1. Managers' performance bonus payment for 2023 2. Manager's 2023 employee remuneration payment plan	The members of the Remuneration Committee unanimously approved all the resolutions	The Board of Directors approved all such resolutions recommended by the Remuneration Committee
The 14th Meeting Session No.5 May 2, 2024	1. Directors' remuneration distribution plan for fiscal year 2023 2. Update the schedule for directors and managers' compensation planning	The members of the Remuneration Committee unanimously approved all the resolutions	The Board of Directors approved all such resolutions recommended by the Remuneration Committee
The 1st Meeting Session No. 6 May 30, 2024	1. Election of the convener and chairman of the Remuneration Committee	The members of the Remuneration Committee unanimously approved all the resolutions	The Board of Directors approved all such resolutions recommended by the Remuneration Committee
The 2ns Meeting Session No. 6 Aug. 12, 2024	1. Proposal for adjusting the manager salary	The members of the Remuneration Committee unanimously approved all the resolutions	The Board of Directors approved all such resolutions recommended by the Remuneration Committee
The 3rd Meeting Session No. 6 Dec. 24, 2024	1. Schedule for directors and managers' remuneration plan 2. Retirement Rules for Appointed Managers	The members of the Remuneration Committee unanimously approved all the resolutions	The Board of Directors approved all such resolutions recommended by the Remuneration Committee

Other mentionable items:

1. In the event of where the Board of Directors did not approve or correct the Remuneration Committee's propose, the date, session number, agenda of the Board Meeting, the Board resolution and how the Company

process the Remuneration Committee's resolution shall be specified (if the remuneration authorized by the Board of Directors is better than that of proposed by the Remuneration Committee, please specify the differences and reason therefor): None.

2. In the event of where the Remuneration Committee's resolutions opposed or given qualified opinion by its member(s) with record(s) or written statement(s), the date, session number, agenda of the Remuneration Committee meeting, opinions of all members and how the members' opinions were processed: None.

Note:

- (1) If a Remuneration Committee member left his/her position before the end of the year, the date he/she left the position shall be specified in the "Note" field and the actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings and his/her actual number of times of attendance during his/her term.
- (2) If there is a Remuneration Committee member re-election before the end of the year, the information of both previous and new Remuneration Committee members shall be filled in the "Note" field specifying who is the previous Remuneration Committee member, who is the new or re-elected Remuneration Committee member and the re-election date; and the actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings and his/her actual number of times of attendance during his/her term.

(7) Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status (Note1)			Non-Implement ation and its reason(s)
	Yes	No	Summary	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		<p>1. Following the vision and mission of the Company's ESG policy, the Corporate Social Responsibility Committee (CSR Committee)" was established in 2014, and was renamed as the "ESG Committee (ESG Committee)" in 2021 as the sustainable development decision-making center. Two Independent Directors, the General Manager and the Vice General Manager serve as committee members, and an Independent Director serves as the convener to jointly review the Company's core operating capabilities and establish the medium and long-term sustainable development plans.</p> <p>2. Implementation Status</p> <p>(1) The Industrial Performance Management Office is a part-time unit that promotes sustainable development. It was approved by the ESG Committee on May 5, 2022 to serve as the secretary group, responsible for the cross-departmental communication platform of vertical integration and horizontal connection.</p> <p>(2) There are eight groups under the ESG Committee, including corporate governance, environmental management, health and safety, information security management, human rights and care, sustainable supply chain, green product design, corporate governance and ethics, and the team members are from various departments of the Company. The secretarial group is responsible for integrating relevant sustainability issues and assisting in introducing sustainability strategies into various departments for implementation. The work team shall submit its annual work plan/sustainable goals at the beginning of each year, and the implementation status of the annual work plan/sustainable goals at the end of each year. A total of 25 sustainable development goals were set and all were achieved.</p> <p>(3) In 2024, total 3 ESG Committee meetings (on February 22, May 30 and Dec. 24, 2024 respectively) have been held,</p> <p>3. The Company's board of directors listens to the proposals submitted by the Sustainability Committee every six months (including greenhouse gas inventory planning, ten-year renewable energy purchase contracts, annual corporate governance reports and new corporate governance operating procedures and audit procedures, revisions to the establishment of the Sustainability Committee and</p>	None

			<p>integrity management operating procedures and behavioral guidelines, etc.). Through the board of directors' regular review of the Company's sustainable development efforts, it also urges the Sustainability Committee to make adjustments in a timely manner.</p> <p>The operation status of the "ESG Committee" this year is summarized as follows:</p> <table><tr><th>Meeting Date</th><th>Major Resolutions</th></tr><tr><td>5/30/2024</td><td><p>This committee meeting discussed a proposal:</p><p>1. Election of the convener and chairman of the Sustainable Development Committee</p><p>All the attendees of the committee unanimously agreed to nominate General Manager YEH Yihao as the convener and chairman of the third Sustainable Development Committee</p></td></tr><tr><td>12/24/2024</td><td><p>The three reports of this committee meeting are:</p><p>1. Progress of greenhouse gas inventory plan in 2024 Q3</p><p>2. Sustainable development goals in 2024</p><p>3. Achievement of key tasks of each group in 2014</p><p>The proposal was passed with unanimous consent of all present members of the committee.</p></td></tr><tr><td>2/27/2025</td><td><p>The three reports of this committee meeting are:</p><p>1. Achievement of 2025 Sustainable Development Goals</p><p>2. Key tasks of each group in 2025</p><p>3. Major themes of the 2024 Sustainability Report</p><p>The proposal was passed with unanimous consent of all present members of the committee</p><p>A resolution item:</p><p>1. Request for survey information security insurance matters in order to reduce security risks.</p></td></tr></table>	Meeting Date	Major Resolutions	5/30/2024	<p>This committee meeting discussed a proposal:</p> <p>1. Election of the convener and chairman of the Sustainable Development Committee</p> <p>All the attendees of the committee unanimously agreed to nominate General Manager YEH Yihao as the convener and chairman of the third Sustainable Development Committee</p>	12/24/2024	<p>The three reports of this committee meeting are:</p> <p>1. Progress of greenhouse gas inventory plan in 2024 Q3</p> <p>2. Sustainable development goals in 2024</p> <p>3. Achievement of key tasks of each group in 2014</p> <p>The proposal was passed with unanimous consent of all present members of the committee.</p>	2/27/2025	<p>The three reports of this committee meeting are:</p> <p>1. Achievement of 2025 Sustainable Development Goals</p> <p>2. Key tasks of each group in 2025</p> <p>3. Major themes of the 2024 Sustainability Report</p> <p>The proposal was passed with unanimous consent of all present members of the committee</p> <p>A resolution item:</p> <p>1. Request for survey information security insurance matters in order to reduce security risks.</p>	
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2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to Company operation, and establish risk management related policy or strategy? (Note 2) (The TWSE/GTSM Listed Companies should report the implementation status, not compliance or explanation.)	V		<div>1. The disclosure information covers the Company's sustainable development performance at its main bases from January 2024 to December 2024. The boundary of risk assessment is mainly based on the Company, and the existing bases in Taiwan and mainland China are included in the scope.</div> <div>2. The ESG Committee conducts risk assessments related to important issues in accordance with the materiality principles of the sustainability report, communicates with internal and external stakeholders, and then establish risk management for effective identification, measurement, evaluation, supervision, and control based on the assessed risks strategies and response measures to reduce the impact of related risks. The report was submitted to the Board of Directors for reference on December 24, 2024.</div> <table><tr><th>Major Issue</th><th>Scope of Risk Assessment</th><th>Scope of Risk Assessment</th><th>Risk Management Strategies and Countermeasures</th></tr><tr><td>Environ- ment</td><td>Environment al Risk</td><td>Assess various environmental risk profiles that may result in regulatory revisions, regional power outages, water shortages, greenhouse effects, waste disposal, etc.</td><td><div>✓Establish environmental policies and manage them in accordance with the environmental safety and health management manual, adopted the ISO 14001 certification of the environmental management system, and establish an environmental management system that meets the requirements.</div><div>✓The institutionalized PDCA management cycle can effectively reduce the impact on the environment; at the same time, an energy- saving and carbon-reduction plan is formulated every year, and the progress of various goals is tracked and reviewed regularly to ensure the achievement of the goals.</div><div>✓ In response to climate change, the Company conducts greenhouse gas inventory ISO 14064-1 certification every year, and in 2024, the Company will implement energy management system ISO 50001 certification and start purchasing renewable energy to enhance the benefits of greenhouse gas reduction.</div></td></tr></table>	Major Issue	Scope of Risk Assessment	Scope of Risk Assessment	Risk Management Strategies and Countermeasures	Environ- ment	Environment al Risk	Assess various environmental risk profiles that may result in regulatory revisions, regional power outages, water shortages, greenhouse effects, waste disposal, etc.	<div>✓Establish environmental policies and manage them in accordance with the environmental safety and health management manual, adopted the ISO 14001 certification of the environmental management system, and establish an environmental management system that meets the requirements.</div> <div>✓The institutionalized PDCA management cycle can effectively reduce the impact on the environment; at the same time, an energy- saving and carbon-reduction plan is formulated every year, and the progress of various goals is tracked and reviewed regularly to ensure the achievement of the goals.</div> <div>✓ In response to climate change, the Company conducts greenhouse gas inventory ISO 14064-1 certification every year, and in 2024, the Company will implement energy management system ISO 50001 certification and start purchasing renewable energy to enhance the benefits of greenhouse gas reduction.</div>	None
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			Society	Operational Risk	Assess labor environment and product issues that may affect operational delays or interruptions, etc.	<p>✓ There is an occupational safety and health policy, and the occupational safety and health management system ISO 45001 is adopted, and management is carried out in accordance with the environmental safety and health management manual.</p> <p>✓ Have a quality policy, and have adopted the quality system ISO 9001 certification, and manage according to the quality manual.</p> <p>✓ The management team holds regular monthly management meetings, and also has an occupational safety and health committee, which holds quarterly meetings.</p> <p>✓ ISO9001/ISO45001 system regularly holds management review meetings every year.</p> <p>✓ Supplier evaluation management mechanism: The Company is committed to the mutual development cycle of IC design and supplier manufacturing, and establishes a long-term cooperative relationship with suppliers to become partners and co-prosperity. In addition to taking into account the supplier's delivery date and price, it also jointly produces and manufactures High-quality products that meet customer requirements; also continue to pay attention to suppliers' sustainable development and friendly environmental protection actions.</p> <p>✓ The Company adopts five strategies of system management (ISO), monitoring and auditing (supplier auditing), risk management (system questionnaire</p>	
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						<p>filling and survey), continuous improvement (outsourcing meeting), and two-way communication (supplier conference, stakeholder questionnaire) in order to actively do the feasible study and require suppliers to implement social responsibilities and strive towards sustainable development.</p> <p>✓ Comply with various product and service laws and regulations regulated by the government, comply with the RoHS/REACH regulations on hazardous substances in the European Union, for expanding the restriction of hazardous substances, the EU published an initiative on May 20, 2022 for the restricted substances in the RoHS Directive, including tetrabromobisphenol A (TBBP-A) and medium-chain chlorinated paraffins (MCCPs).</p> <p>✓ To comply with the policy of not using conflict minerals.</p> <p>✓ Regularly conduct customer service satisfaction surveys every year to strengthen the cooperative relationship with customers. Products also comply with the policy of not using conflict minerals.</p>	
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			Corporate Governance	Information Security Risk	Assess the confidentiality, ethical , usability, legal compliance, etc. of the information system that may be affected. The system may suffer accidental or malicious damage and improper use, making the information security system unable to operate.	<ul style="list-style-type: none"> ✓ Establish information security policies and employee computer e-mail and network resource usage management methods, and manage them in accordance with the information security management manual. ✓ Establish an information security management committee to report to the Board of Directors on an overview of information security governance once a year. ✓ Regularly implement information security internal audit, education and training once a year. 	
			Corporate Governance	Financial Risk	Assess the impact of changes in domestic and foreign industrial conditions on the Company's revenue, production costs, exchange rates, etc., and the possible impact on the Company's profit and loss and cash flow.	<ul style="list-style-type: none"> ✓ Comply with the relevant provisions of "International Financial Reporting Standards (IFRS)", "International Accounting Standards (IAS)" and government regulations. ✓ Regularly produce quarterly and annual financial reports. ✓ Important financial issues are implemented by the Board of Directors in accordance with relevant regulations and internal control mechanisms are implemented to ensure that all personnel and operations of the Company truly abide by relevant laws and regulations. 	
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	V		The Company has completed the ISO 14001:2015 verification in 2016, covering the Hsinchu headquarters and the Zhonghe plant. The current certificate is valid up to November 20, 2025. The relevant units are requested to fill in the environmental risk assessment every year, and also every quarter. Environmental protection regulations (international and Taiwan laws) will be reviewed, and an environmental management plan will be established for improvement, and an environmental management review meeting will be held with senior executives to regularly confirm the progress of implementation.				None

(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	V		<div>1. Since 2001, the paperless operation has been implemented successively to reduce the use of paper. From the record in 2011, from 1449 packs to 1062 packs in 2024, a total decrease of 26.71%.</div> <div>2. Review and adjust lighting zones in public areas, reduce lighting usage, manage computer shutdown times, adjust cooling tower motor operating hours, and integrate air compressor systems to improve energy efficiency.</div> <div>3. Recycling of packaging materials: such as trays / tubes / wafer boxes / cartons / buffer materials etc. In the plant , when the warehouse destroys the scrapped products every quarter, the pallets after having been scrapped, the PKG packaging IC will be kept, and the manufacturer will be asked to recycle them from time to time. The percentage of pallets used in recycled products in 2024 was 9.32%. The rest, such as tube strips/wafer boxes/cartons/buffer materials, etc., are kept in the warehouse area/storage area for on-site recycling.</div> <div>4. In order to align with the international trend of carbon reduction and advocate the goal of RE100 (100% use of renewable energy), Elan Microelectronics has completed the renewable energy assessment plan in 2023 and is expected to start purchasing renewable energy in 2024. The Company obtained 277 renewable energy certificates in 2024, and the carbon reduction can reach approximately 136.838 tonsCO2-e (calculated based on the 2023 electricity carbon emission coefficient); the purchase quota is expected to increase by at least 450 certificates in 2025.</div>	None						
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take procedures related to climate related topics?	V		<div>Physical Risks:</div> <table><thead><tr><th>Risk Factors</th><th>Risk Impact</th><th>Response Procedures</th></tr></thead><tbody><tr><td>Increased severity and frequency of extreme weather events</td><td>Taiwan is one of the most typhoon-prone countries in Southeast Asia. Flooding caused by typhoons and sudden heavy rainfall. Due to the high temperature holiday in mainland China, the production line is on vacation, the client's product development and delivery are not smooth, and the production unit coordinates with other suppliers to complete the order.</td><td>✓Activate the emergency handling mechanism: remind colleagues in advance of the daily business response plan; ✓Initiation of the continuous secondary supplier backup plan; ✓Purchase comprehensive commercial fire insurance. ✓Use online conference visits. ✓The manufacturing company receives notification from the foundry in advance and directly moves the day's production needs to foundries in other regions.</td></tr></tbody></table>	Risk Factors	Risk Impact	Response Procedures	Increased severity and frequency of extreme weather events	Taiwan is one of the most typhoon-prone countries in Southeast Asia. Flooding caused by typhoons and sudden heavy rainfall. Due to the high temperature holiday in mainland China, the production line is on vacation, the client's product development and delivery are not smooth, and the production unit coordinates with other suppliers to complete the order.	✓Activate the emergency handling mechanism: remind colleagues in advance of the daily business response plan; ✓Initiation of the continuous secondary supplier backup plan; ✓Purchase comprehensive commercial fire insurance. ✓Use online conference visits. ✓The manufacturing company receives notification from the foundry in advance and directly moves the day's production needs to foundries in other regions.	None
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			Changes in rainfall patterns	Changes in long-term rainfall patterns, resulting in concentrated rainfall and water scarcity differences	✓Continue to pay attention to climate change and regularly review response measures	
			Rising mean temperatures	According to the "Taiwan Climate Change Science Report 2024", the long-term temperature change trends of various measuring stations in Taiwan are consistent, with annual warming and low-frequency oscillation signals on an interdecadal scale. The warming trend is more obvious as it approaches modern times. For the centennial stations, the average warming trend increased from about 0.15 °C to 0.27°C per decade, and from 0.15°C to 0.32°C in the summer half of the year. The temperature in winter increased from 0.15°C to 0.29°C (trend in the past 50 years), while the warming trend in winter has slowed down in the past 30 years	<ul style="list-style-type: none"> ✓Adjust the opening time of the air conditioner ✓Outdoor lamps changed to solar lamps ✓Install timer on water dispenser ✓Use inductive lighting ✓Review the power consumption status in each area and adjust the lamps ✓Continue to pay attention to power-saving products 	

			<p>Rising sea levels</p> <p>According to the Taiwan Climate Change Science Report 2024, under a global warming of 2.0 °C, the coastal flooding caused by sea level rise in Taiwan will extend deeper inland and be deeper than under a global warming of 1.5 °C. At 1.5°C, the percentage of flooded area in each county and city ranges from 0.08% to 2.71%; at 2.0°C, the percentage of flooded area in each county and city increases to 0.30% to 4.30%. In both scenarios, Yunlin County has the highest percentage of flooded area. Under the global warming scenario of 1.5°C, the coastal cities and counties with coastal flooding depth exceeding 1.5 meters include New Taipei City, Changhua County, Yunlin County, Chiayi County and Taitung County; under the global warming scenario of 2.0 °C, in addition to the above-mentioned cities and counties, the coastal cities and counties with coastal flooding depth exceeding 1.5 meters will also include Taoyuan City, Hsinchu County and City, Tainan City, Kaohsiung City and Hualien County.</p>	<p>✓For locations that may face the risk of rising sea levels, adjust the storage location of inventory based on the risk level assessment and raise it during construction to avoid the possibility of being flooded.</p> <p>✓ In case of extreme rainstorms, additional floodgates or pumping equipment may be needed.</p> <p>✓ Launch a continuous second supplier backup plan.</p>	
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			Transition Risks:			
			Risk Factors	Risk Impact	Response Procedures	
			Enhanced emissions-reporting obligations	<p>The Financial Supervisory Commission requires the consolidated financial reporting subsidiaries of listed companies with paid-in capital of less than NT\$5 billion to complete the disclosure of inventory information starting from 2027 and complete the disclosure of confirmed information starting from 2029.</p> <p>Starting from 2023, the Stock Exchange requires that the previous year's sustainability report be prepared with reference to the GRI General Standards and SASB Standards, and the report should indicate whether each disclosure item has obtained third-party confirmation or assurance.</p> <p>According to the Sustainability Disclosure Indicator - Semiconductor Industry Disclosure, a special chapter is used to disclose climate-related information.</p> <p>The Financial Supervisory Commission requires listed companies to disclose climate-related information in their annual reports. Elan Microelectronics prepares its annual report every year in</p>	<p>✓ Conduct ISO14064-1 greenhouse gas inventory every year and entrust a third party to verify it.</p> <p>✓ Prepare a sustainability report every year in accordance with regulations and have it verified by a third party.</p> <p>✓ The Audit Office shall formulate the corporate governance operating procedures and audit procedures, and submit them to the Board Meeting for approval on February 22, 2024, and will be implemented regularly every year thereafter.</p>	

				<p>accordance with the above regulations.</p> <p>In April 2023, the Financial Supervisory Commission issued the "Guidelines for the Establishment of Internal Control Systems for TWSE/ GTSM Listed Companies", requiring listed companies to incorporate sustainability information management into their internal control systems and list it as an annual necessary audit item. The relevant regulations will take effect from 2025.</p> <p>Since 2024, TWSE and GTSM have expanded the breadth and depth of the review of perpetual reports. Listed companies will be selected as audited companies at least once every five years. If the audit finds that there are major disclosure omissions in the perpetual information, the two units will impose a penalty and send a letter to the company requesting it to make corrections. The report may also be used as a reference for deduction of points in the corporate governance evaluation.</p>		
			Carbon Pricing Schemes	<p>The government intends to officially start collecting carbon fees in 2026. According to the resolution of the Carbon Fee</p>	<p>Elan is not one of the first companies to be asked, but it still needs to continue to pay attention to the overall policy</p>	

				Review Committee of the Ministry of Environment, the general rate of carbon fee is set at NT\$300 / per metric ton, and will be gradually increased in stages in the future. The first wave of tax collection targets the power, gas supply and manufacturing industries with annual emissions exceeding 25,000 metric tons, affecting approximately 281 companies and 500 factories.	development trend and formulate corresponding measures.	
			Mandates on and regulation of existing products and services	ELAN Microelectronics currently complies with the existing product service and regulatory requirements (RoHS/Reach...)	<ul style="list-style-type: none"> ✓ Participate in international/ customer regulatory communication to make regulatory projects reasonable and feasible ✓ Keep an eye on regulatory updates 	
			Substitution of existing products and services with low emissions options	Currently, Elan has three products that rank first in market share. It continues to pay attention to the market and customers' low-power consumption needs and conducts early technical development to avoid the dilemma of failing to successfully develop low-carbon services.	<ul style="list-style-type: none"> ✓ In response to market trends and market demands, develop key components with lower power consumption 	
			Changing in customer behavior	Customers are required to participate in the CDP questionnaire, fill in the product carbon footprint questionnaire, obtain warm gas inventory certification/energy management system, commit to	<ul style="list-style-type: none"> ✓ The marketing planning/business units regularly participate in customer and supplier ESG meetings to understand new customer needs, communicate 	

				a net zero target year, use a green electricity ratio... If the Company does not comply with these regulations, it will affect customer perception and may affect orders in the future	internally, and meet customer requirements on schedule ✓The ISO 50001 energy management system verification has been completed by the end of 2024. ✓ It is expected that the Elan Group GHG Protocol inventory will be promoted in 2025 for reaching the goal to submit it to the SBTi for validation	
			Increased costs of raw materials	Electricity prices are rising year by year, and the cost of obtaining energy is increasing The cost of outsourced wafer manufacturing/testing/ packaging will decline in 2024. In 2024, the raw material market will reduce production and the overall market order demand will drop sharply. After bargaining with suppliers, the cost has not increased.	✓ Improve energy efficiency ✓ Seeking renewable energy suppliers from multiple sources ✓ Start the evaluation of purchasing green electricity ✓ Design needs to find alternative solutions ✓ Suppliers process alternative materials ✓ Continue to pay attention to the cost trend of the market/ suppliers	
			Mandatory requirement to use renewable energy	Large electricity consumers (5000KW) must have 10% renewable energy by 2025. ELAN Microelectronics is currently not a large electricity consumer, therefore, is not subject to mandatory requirements.	✓In 2024, approximately 280,000 kWh of renewable energy has been purchased, and the proportion of renewable energy use will be increased year by year.	
			Poor performance in the International Advocacy Evaluation	ELAN Microelectronic's ESG evaluations have not experienced any unfavorable situations. If such situations	✓Assign dedicated personnel to handle relevant evaluation operations	

				occur, it may affect customer perception, resulting a long-term impact on orders	✓Communicate the results of implementation with stakeholders through the Company website, annual reports, and sustainability reports	
			Opportunities:			
			Opportunity Factors	Description of Opportunities	Response Procedures	
			Utilize more efficient buildings	The new plant in Zhubei city is expected to be completed in 2026 and adopts green building silver level/smart building platinum level/elevator power supply recycling/solar energy, which will contribute to the organization's greenhouse gas reduction and increase the value of the fixed assets.	The new plant is expected to obtain green building/smart building certification /energy-saving glass, be friendly to the environment and reduce carbon emissions, and enhance corporate image.	
			Reduced water usage and consumption	The factory treats mostly domestic sewage, no process water, and will not introduce new equipment	✓Set a target of reducing water consumption by 1% per person per year ✓Install sensor faucets in toilets	
			Developing and/or expansion of low emission goods and services	Customers continue to require key component products to have low power consumption, high interference, waterproof, high/low temperature resistance, industrial specifications, etc. Elan must first check the carbon footprint of the product before starting to reduce carbon emissions, introduce green design thinking, reduce energy consumption in product	✓The marketing planning/business unit holds regular meetings with customers to understand their new needs. ✓Feedback new customer needs to the R&D department, initiate evaluation, and find solutions that meet market trends and customer needs.	

				manufacturing and use, and then increase revenue through the demand for low-carbon products and services.		
			Use of low-emission source of energy	Actively promote energy conservation and carbon reduction solutions to improve energy efficiency; Strengthen energy management measures and improve energy resource performance to achieve the 2050 RE100 target.	✓ About 280,000 kWh of renewable energy has been purchased in 2024 ✓ Set 2050 RE100 target: 5% renewable energy use in 2024 (reach target); 20% renewable energy use in 2030; 30% renewable energy in 2035;	
			Seek opportunities in new markets	The international carbon rights trading platform has launched the first batch of international carbon rights at the end of 2023. On the first day of listing, 27 companies including TSMC, China Steel, Foxconn, and various financial holding companies participated in the purchase. The domestic carbon trading platform was launched in October 2024. Elan will wait until the reduction cannot be reduced any further (10%) before purchasing.	✓Continue to pay attention to the trading information of the international carbon trading platform, and then evaluate the purchase of carbon rights based on demand.	
			Take advantage of public sector incentives	Participate in the brand factory's "big lead small" plan to complete the carbon footprint of specific products.	✓Provide data evidence and discuss with the guide team to finally obtain the carbon footprint of a specific product.	
			Access to new markets	Apply new technologies (ex: third-generation	✓Market planning/business units continue to collect	

			<p>semiconductors) to develop new products, and successfully enter new markets with high efficiency and low power consumption (ex: gaming laptop power supply market)</p> <p>market trends, customer requirements, and competitor roadmaps</p> <p>✓Regularly hold technical development meetings and communicate with senior management/RD units about the development sequence of new products</p> <p>✓3. Actively looking for suitable suppliers (chip/package)</p>	
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?	V		<p>The Company started to compile the CSR report independently in 2014, and adopted the third-party verification, which includes the self-disclosure of greenhouse gas emissions, and the coverage is divided into the scope of the ESG report.</p> <p>(1) Greenhouse gases:</p> <p>(1) Greenhouse gases: (Since some data are not yet available, the data is estimated and will be based on the ESG report)</p> <p>The total greenhouse gas emissions (Scope 1 and Scope 2) in 2024 are 2851.9265tCO₂-e, a decrease of 3.25% from the total greenhouse gas emissions of 2,947.967tCO₂-e in 2023.</p> <p>Category 1 mainly includes emissions from gasoline and diesel used in official vehicles, diesel used in forklifts, diesel used in emergency generators, barreled gas in kitchens, refrigerants and septic tanks. The total direct greenhouse gas emissions in 2024 are 392.5595tCO₂-e, up 1.97% from 384.9588tCO₂-e in 2023, mainly due to the improvement of the disclosure of related companies in Category 1.</p> <p>Category 2 is mainly generated by electricity emissions. The total indirect greenhouse gas emissions in 2024 are 2,459.367 tonsCO₂-e, a decrease of 4.04% from 2,563.008 tonsCO₂-e in 2023. The main measures are to review and adjust the lighting areas in public areas, reduce the use of lamps, manage computer shutdown time, adjust the operating time of cooling tower heat dissipation motors and integrate air compressor systems to improve energy efficiency and purchase renewable energy from 2024 to reduce carbon emissions.</p>	None

		<p>Category 3 mainly discloses the emissions from waste treatment and transportation and raw material generation. The statistical emissions in 2024 are 494.3422 tCO2-e, which is 18.414 tCO2-e lower than the emissions of 512.7562 tCO2-e in 2023.</p> <p>Elan Group's GHG emissions intensity is calculated as the ratio of the Company's total headcount to the total combined direct (Scope 1) and energy indirect (Scope 2) GHG emissions, with the amount of GHG generated per employee per year being calculated. In 2024, it will be 2.663tCO2-e/person-year, a decrease of 3.26% from 2.753 tCO2-e/person-year in 2023.</p> <p>(2) Water consumption: The Company is an IC design company and mainly uses water for domestic purposes. Only our Hsinchu headquarters is our own building, while the rest of our locations are rented office buildings. They do not have independent electricity meters, and the water charges are directly included in the management fees. Therefore, we only disclose the portion for our Hsinchu headquarters.</p> <p>The total water consumption in Hsinchu in 2024 was 17,956 kWh, a decrease of 2.43% from 18,405 kWh in 2023. The annual water consumption per person in 2024 is 28.92 kWh, a decrease of 3.33% from 29.92 kWh in 2023. The water consumption is roughly the same as in 2023.</p> <p>(3) Waste: The waste of Elan Group is mainly general waste and a small amount of hazardous waste generated during laboratory testing. The waste is divided into general waste (Class D), resource recovery (Class R), and a small amount of hazardous waste (E-0222, E-0217). For more confidential files, we will arrange for destruction once a year. Regarding waste disposal, general waste and confidential documents are disposed of by incineration; electronic components (codes E-0222, E-0217) are physically shredded.</p> <table><tr><td></td><td></td><td>2023</td><td>2024</td></tr><tr><td>General Waste</td><td>Category D</td><td>38.204 ton</td><td>38.13 ton</td></tr><tr><td>Resource Recovery</td><td>Category R</td><td>8.971 ton</td><td>9.968 ton</td></tr><tr><td>Hazardous Industrial Waste</td><td>Category E</td><td>6.901 ton</td><td>5.612 ton</td></tr><tr><td></td><td></td><td></td><td></td></tr></table> <p>The above-mentioned data are in plant-based statistics as of February 2025 and the ESG report has not yet been reviewed. It is expected to be verified by a third party in 2025 Q2. The actual information shall be based on the ESG Report.</p>			2023	2024	General Waste	Category D	38.204 ton	38.13 ton	Resource Recovery	Category R	8.971 ton	9.968 ton	Hazardous Industrial Waste	Category E	6.901 ton	5.612 ton					
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4. Social Topic (1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?			In addition to formulating work rules that comply with relevant laws and regulations, and approved by the Board of Directors, the Company has formulated a "human rights policy" to safeguard the basic human rights of employees, create an environment for adequate protection of human rights, and recognize and support the UN Universal Declaration of Human Rights (UDHR), and are committed to treating all workers with dignity and respect as understood by international human rights standards, including The International Bill of Human Rights, The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, The UN Guiding Principles on Business and Human Rights (UNGPs), and The Ten Principles of The United Nations Global Compact (UNGC). We also align our actions with the Responsible Business Alliance (RBA) Code of Ethics and Business Conduct and other internationally recognized basic human rights, and requires all of our suppliers to follow the same standards to eliminate any violations and violations of human rights, treat and respect the Company's internal and external members with dignity, and abide by the labor-related laws and regulations where the Company is located.	None
(2) Has the Company established appropriately managed employee welfare Procedures (include salary and Remuneration, leave and others), and link operational performance or achievements with employee salary and Remuneration?			The Company has established work rules and related personnel management regulations, which cover the basic wages, working hours, vacations, pension benefits, labor health insurance benefits, and occupational accident Remuneration of the employees employed by the Company. Set up an employee welfare committee to handle various welfare matters: the Company's remuneration policy is based on personal ability, contribution to the Company, performance, and the correlation between business performance and business performance is positively correlated.	None
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?			<p>1.The Company completed the ISO 45001:2018 certification in 2019, covering the Hsinchu headquarters and the Zhonghe plant. The current certification validity date is April 29, 2025.</p> <p>2. The Company has established a first-level unit of occupational safety and health management, which conducts a risk assessment in the work area once a year, formulates a management plan, and holds a quarterly occupational safety and health meeting with senior managers and labor representatives for regular review and adjustment.</p> <p>3. Implementation results in 2024:</p> <p>3-1 Complete occupational safety and health education and training for 28 specific operators in 2024.</p> <p>3-2 The test results of the working environment in the plant are all in line with Taiwan's laws and regulations.</p> <p>3-3 Provide colleagues with free health checks every year, and the check items are more than those stipulated by laws and regulations.</p> <p>3-4 In 2024, a total of 172 new employees have completed the safety and health education and training.</p> <p>3-5 Completed the emergency rescue process for 11 emergency personnel in 2024.</p> <p>3-6 The occurrence rate of occupational disasters in the plant in the current year is 0.</p> <p>3-7 A total of 379 persons attended the Health Promotion Lectures.</p>	None

			<p>3-8 The number of participants in physicians' on-site service was 123.</p> <p>3-9 A total of 82 persons participated in the blood donation activities held in 2021.</p> <p>3-10 In the 2024 weight loss campaign, the average weight loss per person was increased from 2.35 kg in 2023 to 2.5 kg in 2024.</p> <p>3-11 The Company provides a good pregnancy project for female labors, providing breastfeeding rooms, parking spaces for pregnant women, books and maternity chairs.</p> <p>3-12 In 2024 Zhubei AI Park Headquarters Building New Construction Project won the Excellent Friendly Construction Site Award.</p> <p>3-13 Hsinchu Plant postpones the National Health Administration's "Healthy Workplace Promotion" certification until 2024.</p> <p>3-14 In 2024, the Hsinchu plant obtained the "Sports Enterprise Certification" accreditation award from the Sports Administration, Ministry of Education.</p> <p>4. The Company had no fire incidents in 2024.</p> <p>Regarding the fire protection planning and equipment management within the factory, the Company is required by law to implement fire inspection and maintenance declaration once a year and building public safety inspection and maintenance declaration once every two years.</p> <p>Regarding personnel management, in order to strengthen our colleagues' ability to respond to fires, in addition to fire escape and fire extinguishing training for new employees, we also conduct fire escape drills in the factory area (including accommodation for foreign colleagues) every six months.</p> <p>In addition, the Hsinchu headquarters will participate in the Innovation Road section civil defense training and joint drills with other companies every year; the Zhonghe plant will participate in the joint fire drills organized by the Management Committee and the New Taipei City Zhonghe District typhoon flood and earthquake complex disaster prevention and rescue drills every year.</p>	
4) Has the Company established effective career development training plans?			The Company creates a good environment for employees' career development and establishes an effective career ability development training program.	None
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labeling and set policies to protect consumers' or customers' rights and consumer appeal procedures?			<p>1. The marketing and labeling of the Company's products and services follows the international standards of "ISO 9001 Quality Management System" and "ISO 14001 Environmental Management System", and green products meet the requirements of international regulations such as RoHS/Reach/RMI.</p> <p>2. The Company formulates the relevant processes of the "Customer Service Procedures " and the "Customer Complaint Handling Management Procedures", and builds a customer service website, with business colleagues, communicates with customers from time to time, actively contacts and visits, and grasps needs; accepts customers appeal to protect the rights and interests of customers.</p> <p>3. The Company has established a personal data protection management system and policy, and has set up a personal data protection task force to manage and protect customer privacy. Through the</p>	None

			internal audit of personal information, external verification, crisis prevention and education and training, we can check the customer's information.									
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?			<p>The Company has established the "Corporate Social Responsibility Management System and Promotion Plan" and "Supplier Management Procedures" to establish the screening conditions for suppliers to protect the environment, human rights, safety, health and sustainable development, and to provide suppliers with environmental protection. Requirements and expectations for safety and health risks, prohibition of child labor, labor management, non-hazardous labor fundamental rights, ethical standards, and ethical management.</p> <p>The Company has established a supplier training project. Through the selection of suppliers, audit training, performance evaluation, training and supplier conferences, based on cooperation, the requirements of sustainability are implemented in the daily management of the supply chain. The Company has cooperated with its supply chain in 2024 and 100% meet the following conditions.</p> <table><tr><td>Supplier Evaluation</td><td>All suppliers must pass supplier assessment and comply with the Supplier Code of Ethics and Business Conduct. Suppliers of process-related raw materials must pass ISO9001 quality management system certification, suppliers must obtain valid factory registration certificates and ISO14001 environmental management certification issued by the government according to their business categories, and all factory and related work contractors must obtain ISO45001 occupational safety and health management system certification.</td></tr><tr><td>Supplier Audit</td><td>The Company has established an audit team and guided improvement mechanism to trace and improve suppliers' deficiencies, and jointly improve product quality and technical capabilities, strengthen environmental protection, safety and hygiene performance, and introduce automation to increase production capacity, as well as to require to commit reduce wastes together.</td></tr><tr><td>Supplier Trainings</td><td>The Company will hold trainings from time to time. Through different forms of guidance and communication, the performance of environmental protection, safety and health can be effectively improved and in line with international norms. The courses include workplace hygiene, employee health, fire protection maintenance, carbon inventory, climate change, regulatory risks and business ethics etc. .</td></tr><tr><td>Suppliers' Meeting</td><td>The Company holds a supplier meeting every year to effectively improve environmental protection and safety and health performance and comply with international standards through guidance and communication. The courses include workplace hygiene, employee health, fire maintenance, carbon management, climate change, regulatory risks, professional ethics and conflict minerals etc..</td></tr></table>	Supplier Evaluation	All suppliers must pass supplier assessment and comply with the Supplier Code of Ethics and Business Conduct. Suppliers of process-related raw materials must pass ISO9001 quality management system certification, suppliers must obtain valid factory registration certificates and ISO14001 environmental management certification issued by the government according to their business categories, and all factory and related work contractors must obtain ISO45001 occupational safety and health management system certification.	Supplier Audit	The Company has established an audit team and guided improvement mechanism to trace and improve suppliers' deficiencies, and jointly improve product quality and technical capabilities, strengthen environmental protection, safety and hygiene performance, and introduce automation to increase production capacity, as well as to require to commit reduce wastes together.	Supplier Trainings	The Company will hold trainings from time to time. Through different forms of guidance and communication, the performance of environmental protection, safety and health can be effectively improved and in line with international norms. The courses include workplace hygiene, employee health, fire protection maintenance, carbon inventory, climate change, regulatory risks and business ethics etc. .	Suppliers' Meeting	The Company holds a supplier meeting every year to effectively improve environmental protection and safety and health performance and comply with international standards through guidance and communication. The courses include workplace hygiene, employee health, fire maintenance, carbon management, climate change, regulatory risks, professional ethics and conflict minerals etc..	None
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<p>5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquired third party verification or statement of assurance?</p>			<p>The Company's sustainability report has been prepared in accordance with the GRI General Standards 2021 published by the Global Sustainability Reporting Association, and is disclosed in accordance with the "Operational Guidelines for the Preparation and Submission of Sustainability Reports by Listed Companies", "Code of Practice for Sustainability Development of TWSE/GTSM Listed Companies", "Sustainability Development Roadmap for TWSE/GTSM Listed Companies", "Sustainability Accounting Standards Board (SASB)" standards and "Task Force on Climate-related Financial Disclosures (TCFD)" framework.</p> <p>This report was independently assured by SGS Taiwan Inspection Technology Co., Ltd. on 2024/05/06 based on AA1000 v3 Type 2 Medium Assurance Level, "TCFD for Climate-related Financial Disclosures".</p>	
<p>6. If the Company has established its sustainable development code of practice according to “Listed Companies Sustainable Development Code of Practice,” please describe the operational status and differences: None</p>				
<p>7. Other important information to facilitate better understanding of the Company’s implementation of sustainable development:</p> <p>Collaborating with Suppliers to Promote Public Welfare: Illuminating 30 Schools in Hsinchu County and City</p> <p>In 2024, Elan Microelectronics, in partnership with 26 suppliers, donated educational supplies to 30 schools across Hsinchu County and City. The total value of the donated supplies and cash reached NT\$3 million. This initiative benefited approximately 1,500 students in remote areas and underscored Elan and its partners’ commitment to social responsibility. It also aligns with the United Nations Sustainable Development Goal 4 (SDG 4) — Quality Education.</p> <p>Supporting Talent and Intern Programs – College Students</p> <p>Elan is a professional IC design Company; cultivating talents is the most direct and effective way to give back to the society. Up to the end of 2024, 174 job vacancies have been provided for internships for university students.</p> <p>Industry-Academia Collaboration and Talent Development – Graduate and Undergraduate Students</p> <p>Elan Microelectronics evaluates its internal needs and selects suitable universities and academic research institutions to collaborate with professors on technology development projects. Since 2022 up to the end of 2024, Elan has engaged in 41 industry-academia collaboration projects with research institutions and universities. Additionally, the Company has awarded scholarships to a total of 99 students, including PhD, Master's, and Bachelor's degree candidates.</p> <p>Implementation of Ecological Conservation</p> <p>EMC agrees with the Lovely Taiwan Foundation's philosophy of focusing on organic diet, land education, and hometown identity. Since 2020, EMC has participated in the so-called "Agriculture Plan", donating a total of NTD 1 million for consecutive 4 years, mainly to assist Zhongxing Elementary School in Miaoli and Zhonghe Elementary School in developing distinctive and cross-disciplinary teaching application courses.</p>				

Sponsoring the 2024 "e-Reading for a Brighter Future" Public Welfare Donation – Elementary School Students

Elan Microelectronics sponsored in the public welfare project "e-Reading for a Brighter Future" initiated by the E. Ink Holdings, Inc., partnering with 22 companies to donate 1,024 color e-readers preloaded with nearly 110,000 e-books. The total value of the donation was close to NT\$30 million, benefiting over 15,000 elementary school students across 40 schools in Yunlin County.

Caring for Vulnerable Groups – Elderly Living Alone

As the pandemic eased, Elan Microelectronics once again partnered with the Catholic Social Service Center—an organization it has worked with for over a decade—to co-host a charity fair ahead of the Mid-Autumn Festival. Proceeds from the charity sales, after deducting costs, were fully donated to support facility maintenance and improvements. By the end of 2024, the initiative had raised nearly NT\$1.67 million and attracted participation from nearly 1,000 people.

Volunteer Leave Program – Encouraging Employees to Invest in Public Welfare

Since 2022, Elan has implemented a "Volunteer Leave" program, encouraging employees to engage in social service activities with external organizations during their leisure time. By the end of 2024, a total of 408 employees had participated in various causes, including community cleanups, environmental conservation, animal protection, library volunteering, and blood donation events.

Protecting the Environment – Starting with Coastal Cleanups

Since 2023, Elan has adopted the Nanhai Guanyin Pavilion beach in Nanliao for long-term environmental protection efforts. Over two consecutive years, company volunteers and 403 family members joined forces in beach cleanups, collecting a total of 1,749.12 kilograms of waste. These actions directly contributed to reducing marine pollution and supported the United Nations Sustainable Development Goal 14 (SDG 14): Life Below Water.

Spreading Warmth at Christmas – Donations to Huiming School for the Blind

In 2024, Elan employees participated in a year-end Christmas donation drive for the Huei-Ming School for Blind Children, raising nearly NT\$280,000. The funds were used to produce warm winter jackets for students, offering a heartfelt gesture to help children stay warm through the winter season.

- Note 1 : If you check "Yes" for the implementation situation, please specify the important policies, strategies, Procedures and implementation situations adopted; if you check "No" for the implementation situation, please specify the "Non-Implementation and its reason(s)" column and explain the circumstances and reasons for discrepancies, and describe plans to adopt relevant policies, strategies and Procedures in the future.
However, regarding promotion projects 1 and 2, the TWSE/GTSM listed companies should describe the governance and supervision structure of sustainable development, including but not limited to management guidelines, strategy and goal formulation, review measures, etc. It also describes the Company's risk management policies or strategies for environmental, social and corporate governance issues related to operations, and its assessment status.
- Note 2: The materiality principle refers to those environmental, social and corporate governance issues that have significant impact on the Company's investors and other stakeholders.
- Note 3: For the method of disclosure, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

TCFD Report
(Climate-Related Information to be released by TWSE/GTSM Listed Companies)

Description	Implementation Status
<p>1. Disclose the Board's oversight and the organization's governance around climate-related risks and opportunities.</p> <p>2. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning identified over the short, medium, and long term.</p> <p>3. Describe the financial impact of climate-related risks and transition risks</p>	<p>The Board of Directors serves as the highest supervisory unit for climate change management in the Company. Its responsibilities include reviewing the annual corporate governance report to ensure the effective implementation of climate-related risk management systems. The Sustainable Development Committee (SDC) is the highest-level internal ESG promotion organization in ELAN Microelectronics. SDC is responsible for promoting and executing climate management-related initiatives and regularly reporting on climate-related operational performance to the Board of Directors. In 2024, the SDC provided quarterly reports on the progress of greenhouse gas inventory and verification (including a TCFD Report).</p> <p>The Environmental Management Team (EMT) follows the TCFD framework annually to identify climate-related risks and opportunities. For risks/opportunities identified as significant financial impacts, the EMT develops goals and promotes ongoing initiatives. The overall risk management outcomes are reviewed annually by the ISO 14001 Management Review Committee (MRC).</p> <p>Short-term risks include two factors: Enhanced emission reporting obligations and increased costs of raw materials. Regarding the enhanced emission reporting obligations, the publication of sustainability reports annually is required, along with the verification costs of greenhouse gas inventory reports, leading to increased operational costs. Regarding the increasing costs of raw materials, compared to the costs in 2022, prices have gradually decreased since 2023, and there have been no increased costs of raw materials.</p> <p>Mid-term risks include three factors: carbon pricing schemes, changing customer behavior, and poor performance in the international advocacy evaluation. In response to continued demands from governments and customers, the Company has initiated carbon fee assessments and introduced relevant greenhouse gas inventory and energy management systems. This will incur verification costs. As of now, there have been no instances of poor performance in international advocacy evaluation.</p> <p>Long-term risks include four factors: Increased severity and frequency of extreme weather events (typhoons, heavy rainfall, etc.), changing rainfall patterns and extreme weather events, rising mean temperatures, substitution of existing products and services with low emissions options, as well as mandates on and regulation of existing products and services.</p> <p>In the event of extreme weather events e.g. typhoons or sudden heavy rainfall, product transportation may be impacted, leading to operational disruptions at various locations or suppliers and affecting production. The Company mitigates this risk by annually purchasing comprehensive commercial fire insurance to cope with such situations.</p>

<p>4. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p> <p>5. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including parameters, assumptions, analysis factors, and major financial impacts</p>	<p>The Company is endeavoring to take the transformation actions to mitigate and adapt to climate change create climate opportunities for the organization in the following two ways:</p> <ol style="list-style-type: none"> 1. The new plant in Zhubei, scheduled to be completed in 2026, will be a high-efficiency building that meets the standards of Green Building Silver Level and Intelligent Building Gold Level. In addition to making a certain contribution to the reduction of greenhouse gas emissions for the organization, it can also increase the value of fixed assets. 2. Approximately 280,000 kWh of renewable energy has been purchased in 2024, and the goal of using 5% renewable energy in 2024 has been achieved in stages. After that, green electricity will continue to be purchased based on actual conditions to achieve the goal of net zero electricity emissions in 2050. 3. Research and Development (RD) needs to continue investing in research and development, as low-carbon demand brings opportunities that increase revenue. <p>The Company's existing ISO 14001 environmental management system has incorporated climate change issues into risk management. The Environmental Management Team follows the TCFD disclosure framework every year to identify, assess climate-related risks/opportunities, and develop goals and action plans to implement them. The results of overall risk management are reviewed annually by the Management Review Committee.</p> <p>The above data was factory statistics as of February 2025. The ESG report has not yet been reviewed. It is expected to be verified by a third party in 2025 Q2. The actual data shall be mainly based on the ESG report.</p> <table border="1" data-bbox="768 807 2087 1361"> <tr> <th data-bbox="768 807 1189 839">Scenario Analysis</th><th data-bbox="1189 807 2087 839">How do the results of situational analysis affect business objectives and strategies?</th></tr> <tr> <td data-bbox="768 839 1189 1361"> <p>Scenario 1: RE100 (100% renewable energy)</p> </td><td data-bbox="1189 839 2087 1361"> <p>The Company is committed to achieving net zero emission. Every year, the Company evaluates progress in carbon reduction through an annual GHG emission inventory and formulate carbon reduction strategies in accordance with Taiwan's NDCs (Nationally Determined Contributions) goal of "Net Zero Emissions by 2050" .</p> <ol style="list-style-type: none"> 1. According to ISO 14064-1 standards, conduct an annual inventory of greenhouse gas emissions and energy usage to grasp the current situation and verify the effectiveness of the reduction of HGG emissions to enhance reliability. 2. ELAN Microelectronics Renewable Energy Procurement Targets: 5% renewable energy usage by 2024 (the goal is achieved already) 20% renewable energy usage by 2030 30% renewable energy usage by 2035 100% renewable energy usage by 2050 Using the total electricity consumption of the Company in 2022 as a baseline, evaluate the transition from purchasing green energy starting in 2024 for achieving RE100 by 2050. It is estimated that the additional </td></tr> </table>	Scenario Analysis	How do the results of situational analysis affect business objectives and strategies?	<p>Scenario 1: RE100 (100% renewable energy)</p>	<p>The Company is committed to achieving net zero emission. Every year, the Company evaluates progress in carbon reduction through an annual GHG emission inventory and formulate carbon reduction strategies in accordance with Taiwan's NDCs (Nationally Determined Contributions) goal of "Net Zero Emissions by 2050" .</p> <ol style="list-style-type: none"> 1. According to ISO 14064-1 standards, conduct an annual inventory of greenhouse gas emissions and energy usage to grasp the current situation and verify the effectiveness of the reduction of HGG emissions to enhance reliability. 2. ELAN Microelectronics Renewable Energy Procurement Targets: 5% renewable energy usage by 2024 (the goal is achieved already) 20% renewable energy usage by 2030 30% renewable energy usage by 2035 100% renewable energy usage by 2050 Using the total electricity consumption of the Company in 2022 as a baseline, evaluate the transition from purchasing green energy starting in 2024 for achieving RE100 by 2050. It is estimated that the additional
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<p>Scenario 1: RE100 (100% renewable energy)</p>	<p>The Company is committed to achieving net zero emission. Every year, the Company evaluates progress in carbon reduction through an annual GHG emission inventory and formulate carbon reduction strategies in accordance with Taiwan's NDCs (Nationally Determined Contributions) goal of "Net Zero Emissions by 2050" .</p> <ol style="list-style-type: none"> 1. According to ISO 14064-1 standards, conduct an annual inventory of greenhouse gas emissions and energy usage to grasp the current situation and verify the effectiveness of the reduction of HGG emissions to enhance reliability. 2. ELAN Microelectronics Renewable Energy Procurement Targets: 5% renewable energy usage by 2024 (the goal is achieved already) 20% renewable energy usage by 2030 30% renewable energy usage by 2035 100% renewable energy usage by 2050 Using the total electricity consumption of the Company in 2022 as a baseline, evaluate the transition from purchasing green energy starting in 2024 for achieving RE100 by 2050. It is estimated that the additional 				

		<p>cost of green energy will be increased by NT\$103.87 million.</p> <p>3. The ISO 50001 certification was obtained in November 2024, and the system effectiveness will be maintained every year thereafter. The estimated verification fee is 90,000.</p> <p>In 2024, ELAN Group's Scope 2 greenhouse gas emissions accounted for 86.23 % of the total emissions (Scope 1 + Scope 2). The main emission source is electricity. Therefore, the initial plan is to continue energy saving and purchase green energy to reduce greenhouse gas emissions. Subsequently, new technologies will be integrated to further reduce carbon emissions. When it becomes impossible to reduce emissions further, carbon credits will be purchased for offsetting, aiming to achieve the goal of net zero carbon emissions by 2050.</p>	
	<p>Scenario 2: Flood Risks</p> <p>(1) Short-term Based on the daily rainfall data provided by the Central Weather Bureau in 2024, the maximum 24-hour rainfall is used to assess the flood situation in New Taipei , Hsinchu, Tainan, and Kaohsiung areas using the Disaster Potential Map provided by the National Science and Technology Center for Disaster Reduction (NCDR.)</p>	<p>(1) Short-term: A Flood potential assessment (FRA) conducted based on "350mm of rainfall in 24 hours" for the Hsinchu plant shows no significant impact.</p> <p>For the Company's plants located in Zhonghe, Tainan, and Kaohsiung areas, flood potential assessments conducted based on "200mm of rainfall in 24 hours" indicates only minor flooding issues in some road sections near the Kaohsiung plant.</p> <p>The depth of flooding does not exceed 1 meter, and the current assessment Does not affect employees' commutation between their residences and the working places.</p> <p>Other plant areas show no significant impact.</p>	

	<p>(2) Long-term:</p> <p>Simulation is conducted based on the "RCP8.5" scenario in the NCDR Climate Change Disaster Risk Adaptation Platform.</p> <p>This scenario assumes a time frame from 2021 to 2040, with an increase in the annual mean temperature by 1.5°C.</p>	<p>(2) Long-term:</p> <p>Simulation is conducted based on the "RCP8.5" scenario in the NCDR Climate Change Disaster Risk Adaptation Platform. The simulation result shows that with a 1.5°C increase in annual mean temperature, except for the Hsinchu plant area, all other plant areas are classified as high-risk flood zones.</p>
<p>6. Describe the index and targets used by the organization to identify and manage physical risks and transition risks and performance against targets</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated</p> <p>8. If climate-related goals are set, it should explain the activities covered, scopes of greenhouse gas emission, planning schedule, and the progress achieved each year, etc. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, it should explain the source and quantity of carbon offsets or the number of RECs exchanged.</p> <p>9. Describe the greenhouse gas inventory and verification status, along with reduction targets, strategies, and specific action plans (also filled in sections 1-1 and 1-2)</p>	<p>Currently, the plan for the Zhubei AI Park headquarters building is to adopt green and smart building designs. The Company has obtained ISO 50001 Energy Management System certification in November 2024, and will set energy-saving targets in the future to achieve the goal of carbon reduction.</p> <p>At present, the Company has not yet implemented an internal carbon pricing (ICP) policy.</p> <p>The Company's short-term goal is to reduce greenhouse gas emissions by 1% each year compared to the previous year. Indirect greenhouse gas emissions in 2023 will be reduced by 188.7437 tons CO₂-e compared to 2022, which has met the target.</p> <p>The short- and medium-term goals are to achieve a cumulative electricity saving rate of 10% from the base year (2019) to 2025. Currently, the cumulative electricity saving rate as of 2024 is 9.25%, which has achieved the interim goal.</p> <p>In 2024, the Company has achieved the interim goal of using 5% renewable energy, and will continue to increase the purchase of renewable energy according to the target year. The goals are as follows:</p> <ul style="list-style-type: none"> 20% renewable energy usage in 2030 30% renewable energy usage in 2035 100% renewable energy usage by 2050 <p>In 2024, the Company conducted a Greenhouse Gas Inventory in accordance with the International Standard ISO 14064-1 for the year 2023. Other related enterprises are conducting their own Greenhouse Gas Inventory in accordance with the regulations specified by the Financial Supervisory Commission and will prepare their ESG (Environmental, Social, and Governance) reports accordingly. Conduct the Greenhouse Gas Inventory in accordance with the International Standard ISO 14064-1 and the effectiveness of the carbon reduction for the Company in 2024 will be verified in the second quarter of</p>	

	2025. According to the regulations of the Financial Supervisory Commission, each related enterprise should conduct their Greenhouse Gas Inventory in accordance with the International Standard ISO 14064-1 latest by 2027 and verify the effectiveness of the reduction by 2029.
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1-1 Information regarding the greenhouse gas inventory and verification status for the Company over the past two years:

1-1-1 Greenhouse Gas Inventory Information

Describe the Greenhouse Gas Emissions: (metric tons of CO ₂ e), Intensity: (metric tons of CO ₂ e per million dollars of revenue) and the scope of data scope of the greenhouse gases (GHG) in the past two years.

The greenhouse gas inventory results (GHG emissions) for the Company (including the Hsinchu headquarters, Zhonghe Plant 1, Tainan R&D Center, and Kaohsiung R&D Center) for the years 2023 and 2024 are summarized as follows:

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

GHG Emissions:

2023

Green Gas Category:

Scope 1: 378.3724 metric tons of CO₂e; Scope 2: 2,483.0743 metric tons of CO₂e; Total Scope 1 + Scope 2 emissions: 2,861.4467 metric tons of CO₂e

Scope 3: 521.5260 metric tons of CO₂e (including raw materials and waste disposal)

2024:

Green Gas Category:

Scope 1: 383.9682 metric tons of CO₂e; Scope 2: 2,327.6887 metric tons of CO₂e; Total Scope 1 + Scope 2 emissions: 2,711.6569 metric tons of CO₂e

Scope 3: 494.3422 metric tons of CO₂e (including raw materials and waste disposal)

Intensity: (Total Scope 1 + Scope/ per million dollars of revenue)

Intensity in 2023: 0.237 metric tons of CO₂e per million dollars of revenue

Intensity in 2024: 0.214 metric tons of CO₂e per million dollars of revenue

Note 1: Direct emissions (Category 1, that is, directly from emission sources owned or controlled by the Company), indirect emissions (Category 2, that is, indirect greenhouse gas emissions from the input of electricity, heat or steam) and Other indirect emissions (Category 3, i.e. emissions generated by Company activities, are not indirect emissions from energy, but come from emission sources owned or controlled by other companies).

Note 2: The scope of direct emissions and indirect emissions data shall be handled in accordance with the timetable specified in the order specified in Paragraph 2 of Article 10 of these Guidelines. Other indirect emissions information may be disclosed voluntarily.

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

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NT\$ million) should be stated.

1-1-2 Greenhouse Gas Assurance Information

Describe the confidence situation in the last two years as of the publication date of the annual report, including Assurance Scope, Assurance Provider, Assurance Standard and Assurance Opinion:
<p>Assurance Scope: ELAN Microelectronics (including Hsinchu headquarters, Zhonghe Plant 1, Tainan R&D Center, and Kaohsiung R&D Center)</p> <p>Assurance Provider: The British Standards Institution (BSI)</p> <p>Assurance Standard: Scope 1 and Scope 2: Reasonable Assurance Level; Scope 3: Agreed-upon Procedures (AUP)</p> <p>Assurance Opinion: N/A</p> <p>The greenhouse gas emissions inventory for the year 2023 was certified in May 2024.</p> <p>The ISO 14064-1 verification for 2024 will be conducted by an independent organization in March 2025. The assurance scope, provider, and standard for conducting the GHG inventory remain consistent with those conducted in 2023. A complete assurance information will be disclosed in a sustainability report.</p>

Note 1: It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of the Criteria for matters that should be recorded in the annual reports of public listed companies. If the Company fails to obtain a complete greenhouse gas assurance opinion by the publication date of the annual report, it should indicate that "the complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it should indicate that "Complete and confident information will be disclosed in the "Taiwan Stock Exchange Market Observation, Post System" (<https://mops.twse.com.tw>) and disclose complete and confident information in the next annual report.

Note 2: Assurance Provider should comply with the relevant requirements for certified institutions on sustainability reports stipulated by the Taiwan Stock Exchange Corporation and the Securities Over-the-Counter Trading Center of the Republic of China.

Note 3: For disclosure content, please refer to the Best Practice Reference Examples on the website of the Taiwan Stock Exchange's "TWSE Corporate Governance Center".

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

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.
<p>After checking the greenhouse gas emissions at the boundary of the financial report, there is currently no gas emissions. According to the regulations of the Financial Supervisory Committee, the verification should be completed by 2029 at the latest.</p>

Note 1: It should be handled in accordance with the timetable specified in the regulations and rules stipulated in Article 10, Paragraph 2 of the Criteria for matters that should be recorded in the annual reports of public listed companies;

Note 2: The base year should be the year in which the review is completed based on the boundaries of the consolidated financial report. For example, in accordance with the provisions of Article 10, Paragraph 2 of these Criteria, companies with a capital of more than 10 billion NT Dollars should complete the consolidated financial report for 2024 in 2025. For the review of the consolidated financial statements, the base year is 2024. If the Company has completed the inventory of the consolidated financial report in advance, the earlier year can be used as the base year. In addition, the data for the base year can be calculated as the average of a single year or several years.

Note 3: For further details of the disclosure content, please refer to the Best Practice Reference Examples posted on the website of the Taiwan Stock Exchange's (TWSE) Corporate Governance Center.

(8) Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Assessment Item	Implementation Status (Note 1)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
1. Establishment of ethical operation policies and plans (1) Does the Company set ethical operation policies authorized by the Board of Directors and specify the ethical operating policies and practices and the commitment of the Board of Directors and management level to actively implement operating policies practices in Articles of Incorporation and external documents? (2) Does the Company establish assessment mechanism for risk of unethical conducts, regularly analyze and evaluate business activities with high risk of unethical conducts within the scope of business, and formulates an unethical conducts prevention plan to at least covers the preventive Procedures for behaviors identified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”? (3) Does the Company establish appropriate precautions against high-potential unethical conducts, stipulate operating procedures, code of conduct, punishment for violation and complaint filing system in various plans, implement accordingly and regularly review and amend the plan thereof?	V		(1) The Company has established the “Ethical Corporate Management Best Practice Principles” and “Ethical Corporate Management Best Practice Procedures and Code of Ethics and Business Conduct”, which were authorized by the Board of Directors; the management level actively implemented the ethical operating policies based on fair, honest, trustworthy and transparent principles of engaging operating activities. (2) The Company has established the operating procedures, code of conduct, punishment for violation and complaint filing system in various plans in accordance to “Ethical Corporate Management Best Practice Principles”, “Ethical Corporate Management Best Practice Procedures and Code of Ethics and Business Conduct” and “allegation reporting system” and implement accordingly. (3) The Company has established the “Ethical Corporate Management Best Practice Principles” and “Ethical Corporate Management Best Practice Procedures and Code of Ethics and Business Conduct” to prevent operating activities with higher risks of unethical conduct within its scope of business.	None
2. Implementation of ethical operation (1) Does the Company evaluate ethical records of the counterparties, and specify provision of ethical conduct in the contract it entered into with its transaction counterparties?	V		(1) The Company fully understood counterparties’ ethical operating conditions when entering into contract with others, and specified in the contract that the contract may be unconditionally terminated or rescind if the operating activities involve unethical conduct.	None

Assessment Item	Implementation Status (Note 1)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
(2) Does the Company establish dedicated unit under the Board of Directors to promote corporate ethical operation and regularly (at least once a year) report the status of its implementation of ethical operation policies and unethical conducts prevention plan and supervisory to the Board of Directors?	V		(2) The Company designates the General Manager's office as a unit responsible for promoting corporate ethical management. If an incident of dishonest behavior occurs, the General Manager's office will report to the Board of Directors on its handling methods and follow-up review and improvement Procedures, and the annual ethical management implementation status will be reported to the Board of Directors on a regular basis every year. The operation and implementation of the ethical management unit in 2024 were reported to the Board of Directors on December 24, 2024.	
(3) Does the Company formulate, provide and implement policies to prevent conflict of interests and suitable channel to express opinion / statement?	V		(3) In the event when Company's staff member performed the Company's business found that there is a conflict with the interests of his/her own or the juristic person it represents, or may result in the obtaining of improper interests by him/herself or him/herself spouse, parent(s), children or interested parties, he/she shall report the matter to his/her direct superior and the Company's dedicated unit, and the direct superior shall provide adequate guidance.	
(4) Does the Company establish effective accounting system and internal control system and have the internal audit unit formulating relevant audit plan based on the results of assessment on risk of unethical conduct, while examining the compliance with the unethical conduct prevention plan (or commissioning an accountant to perform the examination)?	V		(4) The Company has established effectively accounting system and internal control system; external accounts or secret account(s) are prohibited, and review were conducted to ensure that the design and implementation of the system continues to be effective. The internal audit unit regularly check compliance of the relevant systems according to the audit plan.	
(5) Does the Company regularly hold internal and/or external training on ethical operation?	V		(5) Since 2018, the Company's new employee on-the-job training program has included anti-corruption digital courses, the relevant training and online tests of which are subject to be completed 100% and updated regularly thereafter. In 2024, the Company held internal and external education trainings on ethical operations (including courses on compliance with ethical operations regulations, accounting systems, internal control systems and other relevant courses) with 1,164 man-count and total 735.9 man-hours. The Company's new employee training program includes provisions for preventing insider trading and prohibiting stock trading during the closed period 30 days before the release of the annual financial report and 15 days before the quarterly report announcement. In 2024, the	

Assessment Item	Implementation Status (Note 1)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
			<p>Company arranged for three additional directors to attend a course on preventing insider trading.</p> <p>All newly appointed directors have signed and received director orientation materials, which include the "Director and Supervisor Orientation Manual", "Director's Statement" and "Securities Market Regulatory Matters that Listed Companies, Their Directors, Supervisors and Major Shareholders Should Note".</p> <p>The Company has amended the "Corporate Governance Code" and "Internal Important Information Processing Procedures" in 2022 to add regulations: "Company insiders' stock trading control measures from the day they learn of the Company's financial report or related performance content, including (but not limited to) directors are not allowed to trade their stocks during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report."</p> <p>In May 2024, the Company notified all directors of the expected meeting date of the Board of Directors in the first half year of 2024 and in the second half year of 2025, including the expected approval time of each quarterly and annual financial report, so that all directors can follow the aforementioned regulations.</p> <p>In addition, starting from 2023, the Company will notify directors by email of the stock trading closure period before the announcement of each quarterly financial report to prevent directors from accidentally violating this regulation.</p>	
3. Implementation Status of the Company's allegation reporting system (1) Does the Company set specific reporting allegations and reward system, establish convenient reporting allegations channel, and assign appropriate dedicated personnel to process the allegations? (2) Does the Company set standards operating procedures, post-investigation Procedures and related confidentiality	V		(1)The Company has established the specific reporting allegations and reward system, of which the employee may report to the Supervisors, managers, internal audit unit or other appropriate personnel when violation of laws and regulations or Ethical Code of Ethics and Business Conduct is suspected or found. (2) The Company's website is equipped with a "Complaint Mailbox" and "Employee Complaint Procedures" for employees and outsiders	None

Assessment Item	Implementation Status (Note 1)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
<p>mechanisms to be taken to process allegations?</p> <p>(3) Does the Company adopt Procedures to protect those who reported allegations from improper treatment due to the allegations?</p>	V		<p>Report on anonymously, and the head of the Industry Performance Management Department was appointed as the responsible person therefor. The Company has established the standards operating procedures and related confidentiality mechanisms. The Intellectual Property Rights & Legal Department was established as the dedicated unit for processing business secrets, responsible for formulating and implementing the Company's business secrets management, storage and safeguarding procedures to ensure continued effectiveness of the operating procedures.</p> <p>(3) The Company will do its best to protect safety of who reported allegations from improper treatment due to the allegations.</p>	
<p>4. Strengthen information disclosure</p> <p>Does the Company disclose its set Ethical Corporate Management Best Practice Principles contents and effectiveness in promotion on its website and Market Observation Post System?</p>	V		<p>The Company has disclosed its "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Best Practice Procedures and Code of Ethics and Business Conduct" on its website and the Market Observation Post System, and disclose status of the implementation of ethical operations under "corporate governance" section of the Company's website.</p>	None
<p>5. Where the Company has formulated its own Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please specify the differences between the two: None</p>				
<p>6. Other important information that may facilitate the understanding about the status of the Company's ethical operation: (such as: The Company's review and amend its own Ethical Corporate Management Best Practice Principles)</p> <p>As of the end of 2024, the Company did not incur any case of corruption, violation of business ethics and trust.</p>				

Note 1: Explanations shall be specified in the "Summary" field regardless of whether the assessment item is archived or not.

- (9) Other important information that may facilitate the understanding about the implementation status of the corporate governance operation shall also be disclosed: There are regulation concerning corporate governance under “Code of Corporate Governance” in the Company’s external webpage.
- (10) Disclosure about the implementation of internal control system shall include the following items:
1. Statement on Internal Control: (please refer to the information disclosed on the Market Observation Post System (Select: Quick Search: Input Company Name/Corporate Governance//Company Regulations/Internal Control/ Internal Control Statement).
Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>)
 2. Where there is ad hoc audit on internal control system by outsourced accountant(s), the Accountant’s audit report shall be disclosed: None.
- (11) Where, during the last fiscal year and as of the publishing date of the annual report, the Company and its staff members were sanctioned by law and/or the Company applied punitive Procedures on its staff members who violated provisions of the internal control system, if the result of the punishment may have a significant impact on shareholders’ equity or the price of securities, the content of the punishment, the major deficiencies and improvement thereof shall be specified: None.
- (12) Major resolutions adopted by shareholders’ meeting and the Board Meeting during the last fiscal year and until the publishing date of the annual report are summarized as follows::

Major Resolutions of Shareholders’ Meeting and the Implementation:

Date	Item	Major resolutions	Implementation status
05.30.2024	2024 Annual Meeting of Shareholders	Acknowledgement:	
		Approval of the 2023 business report and financial statements	Actions to be taken according to the resolution
		Election:	
		Election of the Directors (including independent directors) for the 11 th term of office	On June 3, 2024, the Company was approved for registration of the new elected Directors (including independent directors by the Hsinchu Science Park Administration.
		Other proposal:	
		Proposal of Release of Restrictions on Competitive Activities of the Company’s Directors	Actions to be taken according to the resolution

Major Resolutions of Board Meetings

Date	Item	Major Resolutions
01.15.20024	Board Meeting	<ol style="list-style-type: none"> 1. Adoption of the proposal to amend the Company’s 13th Regulations Governing Share Repurchase, . 2. Adoption of the proposal to discuss the transfer of shares repurchased in the Company’s 13th Share Repurchase to employees and the setting of the record date .
22.02.2024		<ol style="list-style-type: none"> 1. Report on the Board of Directors’ performance self-assessment results 2. Report on the Sustainability Development Committee’s performance self-assessment results 3. Report on the Remuneration Committee’s performance self-assessment results 4. Report on the Audit Committee’s performance self-assessment results 5. Report on the completion status of greenhouse gas inventory, verification, and disclosure schedule 6. Report on the execution status of treasury stock repurchase 7. Adoption of the proposal raised by the Other Adoption Remuneration

Date	Item	Major Resolutions
		<p>Committee for Distribution of 2023 performance bonuses to managers</p> <p>8. Adoption of the proposal raised by the Other Adoption Remuneration Committee: Distribution of 2023 employee remuneration to managers</p> <p>9. Adoption of the proposal to purchase shares of Chimei Motor Electronics Co., Ltd. from Cubtek Inc. and its affiliates</p> <p>10. Adoption of the proposal for the Company's 2023 declared unaudited consolidated financial statements and business report, submitted for review</p> <p>11. Adoption of the proposal to discuss the distribution of earnings for the second half of 2023</p> <p>12. Adoption of the proposal to discuss the record date and payment date for the cash dividend distribution for the second half of 2023 earnings</p> <p>13. Adoption of the proposal for the distribution of employee compensation and directors' remuneration</p> <p>14. Adoption of the proposal for the re-election of the Company's 11th term Board of Directors</p> <p>15. Adoption of the proposal to discuss the nomination period, number of seats for election, and place of submission for candidates for directors (including independent directors)</p> <p>16. Adoption of the proposal to discuss the date and place of the 2024 Annual Meeting of Shareholders</p> <p>17. Adoption of the proposal to set the period and place for accepting shareholders' proposal</p> <p>18. Adoption of the proposal to establish the Company's corporate governance procedures and audit procedures</p> <p>19. Adoption of the proposal to approve the internal control statement, based on the completion of the self-assessment for the 2023 internal control system</p> <p>20. Adoption of the proposal to appoint KPMG Taiwan as the external auditor to audit and attest the Company's 2024 financial statements and tax reports</p>
03.11.2024	Board Meeting	<p>1. Report on the Assessment of Climate-Related Financial Disclosures (TCFD)</p> <p>2. Adoption of the proposal for the nomination and review of candidates for directors (including independent directors) by the Board, submitted for discussion</p> <p>3. Adoption of the proposal of Release of Restrictions on Competitive Activities of the Company's Directors</p> <p>4. Adoption of the proposal to change the payment method for employee subscription under the 13th Share Repurchase to employees</p>
05.02.2024	Board Meeting	<p>1. Report on the Company's greenhouse gas inventory and verification schedule planning</p> <p>2. Adoption of the proposal raised by the Cubit Remuneration Committee: Distribution of 2023 directors' remuneration</p> <p>3. Adoption of the proposal raised by the Cubit Remuneration Committee: Adjustment to the scheduling of directors' and managers' compensation planning</p> <p>4. Adoption of the proposal for the Company's declared unaudited consolidated financial statements for 2024 Q1</p>
05.30.2024	Board Meeting	<p>1. Election of the Chairman of the Board</p> <p>2. Adoption of the proposal of appointment of the General Manager (General Manager)</p> <p>3. Adoption of the proposal of appointment Audit Committee members</p> <p>4. Adoption of the proposal of appointment of Remuneration Committee members, submitted for resolution</p> <p>5. Adoption of the proposal of appointment of Sustainability Development Committee members</p>
08.02.2004	Board Meeting	<p>1. Report on the purchase of Directors' and Officers' liability insurance</p> <p>2. Adoption of the Proposal raised by the appointment Remuneration Committee: Adjustment of managers' salaries</p> <p>3. Adoption of the Proposal for the Company's declared unaudited consolidated financial statements for 2024 Q2</p>

Date	Item	Major Resolutions
		<ol style="list-style-type: none"> Adoption of the Proposal to discuss the earnings distribution plan for the first half of 2024, submitted for discussion Adoption of the Proposal to amend certain provisions of the Company's "Regulations Governing the Establishment of A Sustainability Development Committee" Adoption of the Proposal for ratification of the 10-year renewable energy purchase agreement (2024–2033) Adoption of the Proposal to compile the Sustainability Report 2023 Adoption of the Proposal to apply for accounts receivable factoring and financing credit lines with Far Eastern International Bank, Mega International Commercial Bank, O-Bank, and KGI Bank
11.05.2024	Board Meeting	<ol style="list-style-type: none"> Report on the completion status of the Company's greenhouse gas inventory and verification schedule Adoption of the Proposal for the Company's unaudited consolidated financial statements for the third quarter of 2023, Adoption of the Proposal to subscribe to the cash capital increase of Cruise 10 Co., Ltd.,
12.24.2024	Board Meeting	<ol style="list-style-type: none"> Report on the performance evaluation of the Company's Board of Directors Report on the execution and results of the Corporate Social Responsibility plan Report on the implementation of risk management Report on communication with stakeholders Report on the operation and implementation of the Integrity Management Department Report on the implementation of specific information security management measures Report on the implementation of intellectual property management Adoption of the Proposal raised by the meeting Remuneration Committee: Scheduling of the compensation planning for directors and managers Adoption of the Proposal raised by the meeting Remuneration Committee: Establishment of retirement regulations for appointed managers Adoption of the Proposal to establish the 2025 audit plan Adoption of the Proposal to amend certain provisions of the Company's "Integrity Management Operating Procedures and Conduct Guidelines" Adoption of the Proposal to ratify the Company's participation in the founding of North Star Top Taiwan II Venture Capital Co., Ltd., Adoption of the Proposal to discuss the Company's participation in the founding of Top Taiwan XV Venture Capital Limited Partnership
02.27.2025	Board Meeting	<ol style="list-style-type: none"> Report on the Board of Directors' performance self-assessment results Report on the Sustainability Development Committee's performance self-assessment results Report on the Remuneration Committee's performance self-assessment results Report on the Audit Committee's performance self-assessment results Report on the completion status of the greenhouse gas inventory, verification, and disclosure schedule Report on the execution status of treasury stock repurchase Adoption of the Proposal raised by the meeting Remuneration Committee: Distribution of 2024 performance bonuses to managers Adoption of the Proposal raised by the meeting Remuneration Committee: Distribution of 2024 employee remuneration to managers Adoption of the Proposal for the Company's 2024 declared unaudited and consolidated financial statements and business report Adoption of the Proposal to discuss the earnings distribution plan for the second half of 2024 Adoption of the Proposal to discuss the record date and distribution date for cash dividends related to the second half of 2024 earnings Adoption of the Proposal for the distribution of employee and director remuneration, Discussion on the definition and scope of grassroots employees in the Company

Date	Item	Major Resolutions
		14. Adoption of the Proposal to amend the Company's Articles of Incorporation, 15. Adoption of the Proposal of Release of Restrictions on Competitive Activities of the Company's Directors 16. Adoption of the Proposal to amend the internal control system 17. Adoption of the Proposal to discuss the date and place for the 2025 Annual Meeting of Shareholders 18. Adoption of the Proposal to set the period and location for accepting shareholders' Proposals 19. Adoption of the Proposal to approve the internal control declaration, based on the completion of the self-assessment for the 2024 internal control system 20. Adoption of the Proposal to subscribe to the 2025 cash capital increase of Pixord Corp. Co., Ltd. 21. Adoption of the Proposal to appoint KPMG Taiwan as the external auditor to audit and attest the Company's 2025 financial statements and tax reports
05.06.2025	Board Meeting	1. Adoption of the proposal raised by the Remuneration Committee: the distribution of directors' remuneration for the fiscal year 2024 2. Adoption of the Company's Declared consolidated financial report for 2025 Q1 3. Adoption of the proposed for establishing the general principles of the Company's pre-approved non-confirmation service policy

(13) Where there are recorded or written statements during the last fiscal year and until the publishing date of the annual report regarding the Directors or Supervisors' opposing on important Board resolution(s), its main contents are: None.

4. Audit Fee Information:

Range of Audit fee (please check-mark the corresponding range or fill in the amount)

(Unit: NT\$ thousands)

Accounting Firm	Name of CPA	Audit period	Audit Fee	Non-audit Fees	Total	Note
KPMG Taiwan	LU, Chien-Hui	01.01. 2024~12.31. 2024	4,460	1,458	5,918	
	LEE, Fang-Yi	01.01. 2024~12.31. 2024				

Please indicate the Nature of the non-auditing fees: i.e. the offshore investment Company maintenance fees, tax consultation service charges and traveling expenses.

Note: If the Company changes its accountant or accounting firm in the current year, please list their audit periods separately and explain the reasons for replacement in the "remark" field, and disclose the information on audit and non-audit public fees paid in sequence. on-audit public fees should be annotated to explain its service content.

- (1) Whether the non-auditing fees paid to the CPA, the CPA firm and its affiliates amount to 25% of the total auditing fees: No
- (2) The Nature of the non-auditing fees: i.e. the offshore investment Company maintenance fees, tax consultation service charges and traveling expenses.
- (3) If there is a change in accounting firm and the auditing fees in the year of such change is less than the auditing fees in the previous year: No change.
- (4) If the auditing fees was decrease by more than 10% comparing to that of in the previous year: None

5. Information Regarding Change of Certified Public Accountant (CPA)

(1) Regarding the former CPA

Replacement Date	November 03, 2022		
Replacements reasons and explanation	Due to the internal organizational adjustment of the accounting firm appointed by the Company, starting from the first quarter of 2023, the Company's certified public accountants have been changed from accountants HOU, Pao-Lian and TSENG, Mei-Yu to accountants LEE, Fang-Yi and LU, Chien-Hui.		
Describe whether the Company terminated or the CPA die not accept the appointment	<div>Parties</div> <div>Status</div>		CPA
	Termination of Appointment		The Company
	No longer accepted (continued) appointment		
Other issue (except for unqualified issue) in the audit reports within the last two years	N/A		
Difference with the Company	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope and steps
		-	Others
	None	V	
	Remarks/specify details:		
Other revealed Matters (Items 1-4 to 1-7 of Paragraph 6 of Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies should be disclosed)	None		

(2) Regarding the successor CPA

Name of accounting firm	KPMG Taiwan
Name of CPA	LEE, Fang-Yi and LU, Chien-Hui
Date of appointment	November 03, 2022 (approved by the Board of Directors)
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(3) Reply from the former CPA on matters Items 1 and 2-3 of paragraph 6 of Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: Not applicable

6. The Company's Chairman, General Manager, Chief Financial Officer or Chief Accounting Officer who hold any positions in the Company's independent auditing firm or its affiliates during the last fiscal year: None

7. Any transfer of shareholdings and changes in equity pledge from the directors, managers and shareholder(s) holding more than 10% of the shares during the last fiscal year and until the publishing date of the annual report:

(1) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Please refer to the Taiwan Stock Exchange Market Observation Post System:

Equity transfer: Public Information Observatory > Single Company > Equity Change/Securities Issuance > Equity Transfer Information Query > Post-declaration Form for Insider Shareholding Changes, Equity Pledge Changes: Public Information Observatory > Single Company > Equity Change/Securities Issuance > Internal Person Pledge Dissolution > Internal Person Pledge Dissolution Announcement ;

website : Equity transfer : https://mops.twse.com.tw/mops/#/web/query6_1, Pledge Changes:

https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(2) The counterparty of equity transfer or equity pledge that is also a related party shall disclose name of the counterparty, the relationship with the Company, Director, Supervisor, and/or shareholder holding more than 10% of the shares and number of shares obtained or pledged:

2.1 Equity transfer information: N/A, because it is traded freely in the exchange market.

2.2. Equity pledge information: N/A.

8. Relationship among the Top Ten Shareholders:

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Hua Nan Commercial Bank is entrusted with the custody of Yuanta Taiwan Value High Interest E	14,123,000	4.64%	N/A	N/A	N/A	N/A	-	-	
ELAN Investment Corp., Representative: YEH, I-Ming	12,438,199	4.09%	N/A	N/A	N/A	N/A	-	A subsidiary of the EMC	
	6,288,895	2.06%	N/A	N/A	N/A	N/A	Yulong Investment	Major Shareholder	
New Labor Pension Fund	11,253,918	3.70%	N/A	N/A	N/A	N/A	-	-	
Yulong Investment Co., Ltd. Representative: CHEN, Hsio-Chu	7,083,059	2.33%	N/A	N/A	N/A	N/A	YEH, I-Hau	Major shareholders of EMC	
	0	0%	N/A	N/A	N/A	N/A	YEH, I-Hau	A second-degree relative (SDR)	
YEH, I-Hau	6,288,895	2.06%	N/A	N/A	N/A	N/A	Yulong Investment Co., Ltd.	Major shareholder	
Shanghai Commercial and Savings Bank Co., Ltd. Representative: LEE, Ching-Yen	5,203,000	1.71%	N/A	N/A	N/A	N/A	-	-	
	0	0%	N/A	N/A	N/A	N/A	-	-	
Citi-Bank Taiwan Ltd. in custody for Norges Bank	4,604,303	1.51%	N/A	N/A	N/A	N/A	-	-	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	3,578,344	1.17%	N/A	N/A	N/A	N/A	-	-	
Chang Gung Medical Foundation	3,404,000	1.12%	N/A	N/A	N/A	N/A	-	-	
Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	3,255,870	1.07%	N/A	N/A	N/A	N/A	-	-	

Note 1: The top ten shareholders shall be listed in full; corporate shareholder shall list its name and the names of its representative separately;

Note 2: The calculation of the shareholding percentage referred to the percentage of shares held in his/her/its own name, or under the name of his/her/its spouse, children under 20 years of age, or others;

Note 3: The relationship between above-listed juristic person shareholders and natural person shareholders shall be disclosed pursuant to the regulations governing the preparation of financial statements of the issuer.

9. Ownership of Shares in Affiliated Enterprises

Unit: Thousand shares/ %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares		Shares	%
Elan (HK)	29,328	100.00%			29,328	100.00%
Elan Investment Corporation	50,000	100.00%			50,000	100.00%
Elan Information	65	100.00%			65	100.00%
Jupu Electronic Co., Ltd.	784	49.00%			784	49.00%
Metanoia Communications Inc.	47,363	39.14%	831	0.69%	48,194	39.83%
Avisonic Technology Corporation	20,569	83.40%	1,575	6.39%	22,144	89.79%
Tongfu Investment Co., Ltd.	3,000	46.73%			3,000	46.73%
Lighting Device Technologies Corp.	1,805	45.07%			1,805	45.07%
PiXORD Corporation Co., Ltd.	14,647	92.27%	987	6.22%	15,634	98.49%
Eminent Electronic Technology Co., Ltd.	4,113	18.01%	2,138	9.36%	6,251	27.37%
Top Taiwan X Venture Capital Co., Ltd.	19,950	30.00%			19,950	30.00%
Uniband Electronic Corporation	2,500	24.69%			2,500	24.69%
Finger Pro. Incorporation	600	23.08%			600	23.08%
Chimei Motor Electronics Co., Ltd.	14,050	46.83%			14,050	46.83%

Note: Long-term equity investments of the Company using equity method.

III. Capital Overview

1. Capital and Shares: (1) Source of Capital

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-up Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Source of Capital	Capital Increased by Assets Other than Cash	Other
May 1994	10	100,000	1,000,000	100,000	1,000,000	Established	N/A	N/A
Aug. 1997	10	110,600	1,106,000	110,600	1,106,000	Retained Earnings Transferred to Capital 100,000 Employee bonus 6,000	N/A	Document No. (86)Tai-Cai-Zheng(1)-52750 issued on July 5, 1997
Jul. 1998	10	147,140	1,471,400	147,140	1,471,400	Retained Earnings Transferred to Capital 331,800 Employee bonus 33,600	N/A	Document No. (87)Tai-Cai-Zheng(1)-52941 issued on June 18, 1998
Sep. 1999	10	164,854	1,648,540	164,854	1,648,540	Retained Earnings Transferred to Capital 147,140 Employee bonus 30,000	N/A	Document No. (88)Tai-Cai-Zheng-63446 issued on July 12, 1999
Jun. 2000	10	220,810	2,208,102	220,810	2,208,102	Retained Earnings Transferred to Capital 494,562 Employee bonus 65,000	N/A	Document No. (89)Tai-Cai-Zheng-35156 issued on May 2, 2000
Jul. 2001	10	450,000	4,500,000	295,038	2,950,383	Retained Earnings Transferred to Capital 662,431 Employee bonus 79,850	N/A	Document No. (90)Tai-Cai-Zheng(1)-43780 issued on May 2, 2001
Jul. 2002	10	450,000	4,500,000	329,239	3,292,391	Retained Earnings Transferred to Capital 295,038 Employee bonus 46,970	N/A	Document No. (91)Tai-Cai-Zheng-Yi-Zi-0910137334 issued on July 8, 2002
Jul. 2003	10	450,000	4,500,000	330,792	3,307,923	Convert corporate bonds to shares 15,532	N/A	Document No. Yuan-Shang-Zi-0920020871 issued on July 30, 2003
Oct. 2003	10	450,000	4,500,000	335,307	3,353,071	Convert corporate bonds to shares 45,148	N/A	Document No. Yuan-Shang-Zi-0920029312 issued on October 21, 2003
Jan. 2004	10	450,000	4,500,000	338,311	3,383,114	Convert corporate bonds to shares 30,043	N/A	Document No. Yuan-Shang-Zi-0930001801 issued on January 29, 2004
Apr. 2004	10	450,000	4,500,000	338,903	3,389,028	Convert corporate bonds to shares 5,914	N/A	Document No. Yuan-Shang-Zi-0930010383 issued on April 21, 2004
Jul. 2004	10	450,000	4,500,000	343,235	3,432,348	Convert corporate bonds to shares 43,319	N/A	Document No. Yuan-Shang-Zi-09300199753 issued on July 27, 2004
Sep. 2004	10	450,000	4,500,000	355,684	3,556,841	Retained Earnings Transferred to Capital 101,493 Employee bonus 23,000	N/A	Document No. Yuan-Shang-Zi-0930025813 issued on September 21, 2004
Jan. 2005	10	450,000	4,500,000	364,625	3,646,253	Convert corporate bonds to shares 89,412	N/A	Document No. Yuan-Shang-Zi-0940001655 issued on January 20, 2005
Apr. 2005	10	450,000	4,500,000	359,625	3,596,253	Capital reduction by Treasury Stock Retired (50,000)	N/A	Document No. Yuan-Shang-Zi-0940011303 issued on April 28, 2005
Oct. 2005	10	450,000	4,500,000	367,876	3,678,760	Retained Earnings Transferred to Capital 67,507 Employee bonus 15,000	N/A	Document No. Yuan-Shang-Zi-0940026465 issued on October 5, 2005

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-up Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Source of Capital	Capital Increased by Assets Other than Cash	Other
Aug. 2006	10	450,000	4,500,000	366,876	3,668,760	Capital reduction by Treasury Stock Retired (10,000)	N/A	Document No. Yuan-Shang-Zi-0950022 570 issued on August 23, 2006
Oct. 2006	10	450,000	4,500,000	371,755	3,717,548	Retained Earnings Transferred to Capital 36,788 Employee bonus 12,000	N/A	Document No. Yuan-Shang-Zi-0950025 887 issued on October 2, 2006
Nov. 2006	10	450,000	4,500,000	361,785	3,617,848	Capital reduction by Treasury Stock Retired (99,700)	N/A	Document No. Yuan-Shang-Zi-0950029 921 issued on November 15, 2006
Oct. 2008	10	480,000	4,800,000	410,670	4,106,698	Capital addition from merger 488,850	N/A	Document No. Yuan-Shang-Zi-0970029 807 issued on October 21, 2008
Aug. 2009	10	480,000	4,800,000	415,936	4,159,360	Employee stock option executed 11,480 Retained Earnings Transferred to Capital 41,182	N/A	Document No. Yuan-Shang-Zi-0980023 343 issued on August 26, 2009
Jul. 2010	10	480,000	4,800,000	416,094	4,160,936	Employee stock option executed 1,576	N/A	Document No. Yuan-Shang-Zi-0990020 694 issued on July 19, 2010
Jul. 2011	10	480,000	4,800,000	416,343	4,163,428	Employee stock option executed 2,492	N/A	Document No. Yuan-Shang-Zi-21017 issued on July 21, 2011
Oct. 2012	10	480,000	4,800,000	418,245	4,182,445	Employee stock option executed 19,017	N/A	Document No. Yuan-Shang-Zi-32156 issued on October 17, 2012
Jan. 2013	10	480,000	4,800,000	418,938	4,189,381	Employee stock option executed 6,936	N/A	Document No. Yuan-Shang-Zi-1954 issued on January 17, 2013
Apr. 2013	10	480,000	4,800,000	428,228	4,282,277	Employee stock option executed 92,896	N/A	Document No. Yuan-Shang-Zi-1020010 764 issued on April 16, 2013
Jul. 2013	10	480,000	4,800,000	432,599	4,325,985	Employee stock option executed 43,708	N/A	Document No. Yuan-Shang-Zi-1020020 794 issued on July 15, 2013
Oct. 2013	10	480,000	4,800,000	433,215	4,332,125	Employee stock option executed 6,140	N/A	Document No. Yuan-Shang-Zi-1020031 608 issued on October 18, 2013
Apr. 2014	10	480,000	4,800,000	435,121	4,351,214	Employee stock option executed 19,089	N/A	Document No. Zhu-Shang-Zi-10300109 97 issued on April 18, 2014

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-up Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Source of Capital	Capital Increased by Assets Other than Cash	Other
May 2014	10	480,000	4,800,000	438,598	4,385,978	Employee stock option executed 34,764	N/A	Document No. Zhu-Shang-Zi-10300140 30 issued on May 19, 2014
Oct. 2014	10	480,000	4,800,000	439,335	4,393,348	Capital addition by employee stock option 7,370	N/A	Document No. Zhu-Shang-Zi-10300305 08 issued on October 20, 2014
Dec. 2014	10	480,000	4,800,000	441,145	4,411,448	Employee stock option executed 18,100	N/A	Document No. Zhu-Shang-Zi-10300383 14 issued on December 26, 2014
Aug. 2016	10	480,000	4,800,000	434,115	4,341,148	Capital reduction by Treasury Stock Retired (70,300)	N/A	Document No. Zhu-Shang-Zi-10500232 50 issued on August 16, 2016
Aug. 2018	10	480,000	4,800,000	303,880	3,038,804	Capital reduction 1,302,344	N/A	Document No. Zhu-Shang-Zi-10700253 45 issued on August 29, 2018

Type of Stock:

Unit: share

Share Type	Authorized Capital			Note
	Issued Shares (TWSE stocks)	Un-issued Shares	Total Shares	
Registered common stocks	303,880,392	176,119,608	480,000,000	—

(2) List of Major Shareholders

As of March 30, 2025

Shareholder's Name	Shareholding	
	Shares	Percentage
Name of Major Shareholders		
Hua Nan Commercial Bank is entrusted with the custody of Yuanta Taiwan Value High Interest E	14,123,000	4.64%
ELAN Investment Corp.,	12,438,199	4.09%
New Labor Pension Fund	11,253,918	3.70%
Yulong Investment Co., Ltd.	7,083,059	2.33%
YEH, I-Hau	6,288,895	2.06%
Shanghai Commercial and Savings Bank Co., Ltd.	5,203,000	1.71%
Citi-Bank Taiwan Ltd. in custody for Norges Bank	4,604,303	1.51%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	3,578,344	1.17%
Chang Gung Medical Foundation	3,404,000	1.12%
Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	3,255,870	1.07%

(3) Dividend Policy and Implementation Status

(1) Dividend policy

The Company's dividend policy is to consider future capital needs, changes in the overall internal and external environment, and to meet shareholders' needs for cash inflows. If there is a surplus after the annual financial statements, in addition to paying the profit-seeking enterprise income tax and making up

for losses in previous years, 10% of the surplus shall be set aside as a statutory surplus reserve and a special surplus reserve shall be set aside for the amount of shareholders' equity reduction in the current year. If there is still a surplus and no undistributed surplus at the beginning of the same period, the board of directors shall prepare a surplus distribution plan, which shall be distributed in the form of issuing new shares and submitted to the shareholders' meeting for resolution.

In accordance with the provisions of the Company Act, the Company authorizes the Board of Directors to distribute all or part of the dividends and bonuses or the statutory surplus reserves and capital reserves specified in Article 241, Paragraph 1 of the Company Act in cash upon the attendance of more than two-thirds of the directors and the resolution of a majority of the directors present, and report to the shareholders' meeting.

The dividend distribution ratio is as follows:

The amount of profit to be distributed in the current year shall not be less than 50% of the accumulated distributable profit; taking into account future expansion plans and investment capital needs, cash dividends shall not be less than 10% of the total dividends for the current year.

(2) Proposed Distribution of Dividend at the shareholders' meeting

The Company's profit distribution proposal for the first half of 2024 has been approved by the Second Meeting of the Eleventh Board of Directors in 2024, and it is proposed to distribute a shareholder dividend of NT\$1,215,521,568 from the distributable profit, with a cash dividend of NT\$4.06 per share. The profit distribution proposal for the second half of 2024 has been approved by the Fifth Meeting of the Eleventh Board of Directors in 2025, and it is proposed to distribute a share dividend of NT\$1,124,357,451 from the distributable profit, with a cash dividend of NT\$3.76 per share. The Chairman is authorized to have full authority regarding the dividend base date and dividend payment date. The dividend base date for the first half of 2024 was October 1, 2024, and the dividend payment date was October 18, 2024; the dividend base date for the second half of 2024 was April 3, 2025, and the dividend payment date was April 17, 2025.

(3) Any anticipated material changes in dividend policies shall be explained: N/A.

(4) The impact of stock grants to be proposed at the shareholders' meeting on the Company's business performance and earnings per share: N/A

Because the Company did not disclose 2024 financial forecast information pursuant to document number Tai-Cai-Zheng (1)-OO371 issued on 1 February 2000, provided that the Company is not required to disclose such information.

(5) Employee Bonus and Directors' and Supervisors' Remuneration

1. Information relating to employee bonus and the Directors and Supervisors' remuneration is stipulated in the Articles of Incorporation:

The Company shall, if there surplus of the year, contribute no less than 10% as employee bonus and no more than 2% as Directors' remuneration, provided that, if the Company still has accumulated loss, the amount for making up the previous losses shall be reserved first.

2. The Estimated Basis for Calculating the Employee Bonus and Directors' and Supervisors' Remuneration of the period and if the actual distribution amount is different from the estimated amount: For this period, the Company relied on the Articles of Incorporation and past references of actual Directors and Supervisors' remuneration payment to estimate possible payment amount for the employee bonus and directors' remuneration. Any difference between the actual payment amount and the estimated amount will be treated according to "Changes in Accounting Estimates" and listed as profit or loss of the following year.
3. Profit Distribution for Employee Bonus and Directors' and Supervisors' Remuneration approved in Board of Directors Meeting:

The Company held a meeting of Board of Directors on February 27, 2025 and adopted a resolution to distribute the 2024 employee remuneration and director remuneration as follows in accordance with the Company's Articles of Incorporation:

Recommended Distribution of Employee Bonus and Directors' Remuneration:

Unit: NT\$ thousands; Thousand Shares

Amount Items	Cash Distribut- ion	Share distribution – in Cash/Stock			Remuneration	Any difference with the recognized estimated expenses of the year?
		Amount	Shares	Proportion to the sum of Net Income After Taxes plus employee bonus		
Employee Bonus	506,000	0	0	0	0	None
Directors' Remuneration	0	0	0	0	51,000	

4. Actual distribution of remuneration for employees, directors and supervisors in the previous year:

On February 22, 2024, the board of directors of the Company passed a resolution to distribute employee remuneration and director remuneration for 2023 in the same amount as originally recognized. The actual distribution was as follows:

Unit: NT\$ thousands; Thousand Shares

Amount Items	Cash Distribution	Share distribution- In Cash/Stock			Remuneration	Differences between the expenses recognized with the original amount proposed by the Board of Directors
		Amount	Shares	Proportion to profit transferred		
Employee Bonus	386,000	0	0	0	0	None
Directors and Supervisors' Remuneration	0	0	0	0	39,000	

(6) The Company's Buyback (Repurchase) of Stock:

Repurchase Times	The 13 th time
Purpose of Repurchase	Transfer of shares to Employees
Repurchase Period	08/06/2021~10/05/2021
Price Range of Repurchase	140-200
Type and Quantity of Shares repurchased	Common Stock
Number of shares repurchased	6,857,000股
Ratio of the Repurchased quantity to the scheduled buy-back quantity (%)	68.57%
Ratio of repurchased quantity to the scheduled repurchase quantity and the number of shares that have been cancelled and transferred	1,738,000 shares
Number of shares held at the time of reporting	Common Stock 5,119,000 Shares
Ratio of the cumulative number of shares held by the Company to the total number of issued shares (%)	1.68%

- 2. Corporate Bonds: N/A.**
- 3. Preferred Stock: N/A.**
- 4 Issuance of Global Depositary Receipt: N/A.**
- 5. Employee Stock Options:**
 - (1) The progress of the Company's outstanding Employee Stock Options as of the publishing date of the annual reports and its impact on shareholders' equity shall be disclosed: The Company has no outstanding employee stock option certificate.
 - (2) Name of the managers who acquired Employee Stock Options and top 10 employees who acquired stock option certificates, and the detailed of the Employee Stock Options acquisition as of the publishing date of the annual reports: N/A.
 - (3) Status of restricted stock awards: N/A.
- 6. Status of New Shares Issuance in Connection with Mergers and Acquisitions: N/A.**
- 7. Funding Plans and Implementation: N/A.**

IV. Operational Highlights

1. Business Activities

(1) Business Scope

(1) Main areas of business operations

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

- (a) Touchscreen Controller
- (b) Touchscreen Controller with Pen
- (c) Touchpad Module
- (d) Pointing Stick
- (e) Biometric chip (including fingerprint and face recognition)

(2) 2024 Main Products, Revenue and Weightage

Scope of Business	Revenue (thousand dollars)	Weightage (%)
Consumer touch IC	3,218,851	23.16
Notebook input device module	9,112,060	71.78
Others	364,951	5.06
Total	12,695,862	100.00

(3) New Products Development

The new products planned to be developed by the Company are summarized as follows:

- High-resolution, high-dynamic-range image processing solutions for Advanced Driver Assistance Systems (ADAS)
- Smart display solution with high-resolution local dimming control
- Touch driver integration solution for automotive display (supports waterproof and gloves)
- Fingerprint recognition solution for smart cards
- Applied to charger (GaN) power ICs
- Single-Layer On-Cell (SLOC) touch screen solution for Chromebook (supports waterproof, gloves, and active pen operation)

(2) Industry Overview

(1) Relevance of the upstream, midstream and downstream of the industry

The semiconductor industry is an important driving force for Taiwan's manufacturing and exports, and has a significant impact on the downstream supply chain, including the rapidly growing technology, automotive, medical, energy and other industries. In recent years, it has been combined with innovative applications such as generative artificial intelligence (Generative AI) to drive the vigorous development of Taiwan's technology industry.

Taiwan's semiconductor industry has completed an upstream and downstream system, a unique professional division of labor model, the world's No. 1 output value in foundry and IC testing, and the world's No. 2 output value in IC design. Its overall development plays an important role in the world, and the most important feature is its division of labor, which is also the most important factor that has driven the development of Taiwan's semiconductor industry for more than 50 years.

Compared to the IC companies in the United States, Japan, South Korea and other countries that operate in an integrated manner from upstream to downstream, Taiwan adopts a highly professional division of labor, from IC design, mask production, wafer manufacturing, cutting, packaging and testing can all be

independent single companies. The vertical division of labor system of Taiwan's IC industry has become increasingly complete after years of integration and development, making the semiconductor industry cluster effect gradually fermented.

The Taiwan Semiconductor Industry Association recently announced that Taiwan's IC industry output value is expected to be approximately NT\$4.3 trillion in 2023, a year-on-year decrease of 11.2%, higher than the 10.1% decline in the global semiconductor market. This is mainly due to the US-China trade conflict, geopolitics (the Ukraine-Russia war, cross-strait tensions, and the Israeli-Palestinian conflict) in recent years, and long-term inflationary pressures. However, looking ahead to 2024, our country's semiconductor output value will return to normal, and Taiwan's IC industry output value is expected to grow to NTD 4.9 trillion, a year-on-year increase of 14%. Faced with the high uncertainty of the future global economy and the development of emerging technologies, Taiwan should continue to face various challenges with a more proactive attitude, hoping to expand its semiconductor industry advantages to all walks of life and become an indispensable partner in the global supply chain.

(2) Product development trend and competition

In response to the recent rapid development of generative artificial intelligence (Generative AI), the Company has widely applied artificial intelligence (AI) technology, which has been researched for many years, to our products, especially image recognition and processing technology. Since 2018, the Company has been working with Academia Sinica to develop artificial intelligence (AI) technology. In addition to sponsoring the establishment of the Taiwan Artificial Intelligence School, the Company has also sent hundreds of internal managers to participate in all artificial intelligence courses to learn the key elements of artificial intelligence (AI) technology. The Company has then applied what the Company has learned about artificial intelligence (AI) technology to many of the Company's product lines, including touchpad modules, touch screen chips, and fingerprint recognition chips. At the same time, we also continue to discuss other functions and areas of scalable application with important customers.

In addition to artificial intelligence (AI), the Company also drives operational growth by increasing product functions and improving product specifications. For example, the adoption rate of haptic pads has increased, large-size touch pads have driven up the average unit price, the penetration rate of high-priced MOC (Match On Chip) has been upgraded, Single-Layer On-Cell (SLOC) touch function chip embedded touch panels, LTDI integrating touch and driver chips, etc. At the same time, the Company has invested in the development and application of touch technology for a long time and owns patents in the United States, Japan, Mainland China and Taiwan.

Additionally, the penetration rate of biometrics in smartphones is already very high, and the competition is relatively fierce. In consideration of overall operational growth, the Company has strengthened its image recognition applications and developed diversified application products, with laptops being the most important application at present.

At the same time, non-notebook applications are also being actively developed. First of all, advanced driver assistance systems (ADAS) are the Company's actively implemented business focus. Together with its invested companies, we jointly develop ADAS-related products that focus on driving safety, including Camera Modules, Sensor Fusion algorithms, and external components, etc., to provide high-quality overall solutions for electric buses and large buses, paving the way for entering the automotive electronics market. It is expected that revenue contributions will be seen in 2024.

Furthermore, in order to expand the application of fingerprint recognition and drive operational growth, the Company is actively entering the smart card market. Because of the application scope of smart cards is very wide, including credit cards, bank cards, employee identification cards, identity cards, etc., the future market potential is very large. Although the market has not yet taken off, the Company continues to improve the cost-effectiveness of products to attract brand customers to adopt them. In order to enhance market competitiveness, the Company claims high added value to support encryption and payment, and add anti-fake fingerprint functions as product claims, providing clients with the best market competitiveness.

Current Product Lines of Elan and Affiliated Companies

The Company's products are divided into two main categories and five product lines:

The two major product categories are touch and non-touch. Touch revenue is the main driving force of operations in 2023, accounting for 78% of revenue, while non-touch accounts for 22%. The five major product lines include touch screen chips, touch pad modules, fingerprint recognition chips for touch-sensitive products; and microcontrollers (MCU) and pointing sticks for non-touch-sensitive products.

Touchscreen Chips:

Applied products include smartphones, tablets, notebooks, AI PCs, e-books, etc. In addition, smart cockpits, touch screens, fingerprint sensors, and Mini LED Local Dimming technologies are being gradually introduced into automotive electronics.

Touch Pad Modules and Chips: These products are mainly applied in notebook computers.

Biometric Recognition Chips:

This product is applicable in a wide range covering smart phones, notebooks, tablets, smart cards, PC peripherals, etc. At present, the Company is actively rushing into the car market and will use capacitive and optical fingerprint recognition chips with high value-added support encryption and add the payment function and anti-spoofing fingerprints to the products in order to provide our clients with the best market competitiveness and maximize our revenue and profits.

Microcontroller IC (MIC):

This product is mainly applied in large and small electric appliances, safety system, communication peripherals such as chargers, high-end interactive toys, mobile phones, electronic dictionaries, language learning machines, optical mice, keyboard controllers, and other markets.

Pointing Stick:

This product is mainly applied in notebook computers

(3) Research and Development

(1) Research and Development Expenses by the Elan Microelectronics in the Past Two Years

Unit: NT\$ thousands

Items \ Year	2024	2023
Research and Development expenses	2,284,823	2,148,773
Net Income	12,695,862	12,058,515
Proportion to Net Income	18%	18%

Source: CPA's report

(2) The following technology or products are successfully developed:

- Fire Network Controller module chips
- Touch driver integrated chip for automotive displays
- Local dimming control chip for automotive displays
- Pressure sensing and tactile feedback driver chips for NB touch panels
- AI touch panel with waterproof solution to prevent accidental touch by palm
- AI touch screen solution with active pen tracking, synchronous display, palm rejection and waterproof

(3) Affiliates: Products and planned product developments of Avisonic Technology Corp., PiXORD Corp., and Chime Electronics Co., Ltd., etc.

Avisonic Technology Corp:

The main products include: (1) Fisheye lens correction image processing chip; (2) Million-pixel high-resolution image processing chip;

New products planned for development:

Chip IC: To strengthen the application of in-vehicle intelligent imaging, we will continue to develop the in-vehicle intelligent imaging recognition technology (ADAS) market. We hope to provide drivers with safety protection when driving at low and medium speeds, and automatically measure the image distance when reversing to convert the bird's-eye view so that drivers can park safely.

PiXORD Corp.:

The main products include: (1) 5 Mega Pixel 360-degree Fisheye H.264 IP Camera; (2) Dual Lens Panoramic Dome Network Camera; (3) 2 Mega Pixel Low Lux Outdoor Bullet Network Camera; and (4) Artificial Intelligence Traffic Detection System.

New products planned for development: Gun-type cameras with AI image recognition function (AI cameras)

Eminent Electronic Technology Co. Ltd.:

The main products include (1) Ambient light sensors; (2) Proximity sensors; (3) Ambient light-proximity sensor three-in-one modules; (4) LED ambient light under OLED screen-Proximity sensors; (5) RGB color temperature sensors; (6) TWS in-ear detection sensors; (7) AR/VR wearable detection sensor; and Edge AI Vision Sensors.

Chimei Motor Electronics Co., Ltd.:

The main products include: (1) Front camera detection system (lane deviation/front vehicle collision avoidance/front vehicle distance monitoring/pedestrian collision avoidance warning); (2) External camera detection system (side and rear blind spot warning system); (3) Internal camera detection system (identity recognition/ fatigue/distraction /attention/posture collapse warning system); (4) In-vehicle intelligent image computing control box (AI-box for vision base); (5) CMS (Camera Monitor System) electronic rearview mirror system; and (6) Lens module solutions.

New products planned for development: Advanced front camera detection system, Advanced external camera detection system, AI - Digital Sideview Monitoring system, AI intelligent detection system for agricultural and construction machinery, AI surround view monitoring system and Pure Camera (for Centralized sensing system)

(4) Long-term and short-term business development plan

(1) Short-term development plan

A. Marketing strategy:

- (a) Based on the needs of end customers, the Company provides the most ideal solutions to end customers with its innovative R&D technology, comprehensive maintenance services and solid customer relationships. It also provides diversified choices to meet the rich designs and concepts of the notebook market, reflecting the higher competitiveness brought by differentiation.
- (b) Business marketing personnel go deep into the industry and directly face the needs of clients to improve their understanding of the overall industry supply chain, understand the key needs of the market and the customers who can generate business energy, and seek cooperation with powerful industry players. At the same time, the Company has stationed offices in major markets and deployed after-sales service engineers to be on call at all times to provide the best service to customers in line with business needs.

B. Product development direction:

- (a) AI touchpad solution with palm rejection and waterproof function, reducing the risk of accidental touches caused by the increase in touchpad size.
- (b) Introducing touch panels, touch screens and driver chips that can be operated with gloves and are waterproof into the automotive market.
- (c) A fingerprint recognition solution with low power consumption and anti-fake

fingerprint function to better protect personal data security. This move will help expand business opportunities in smartphones, laptops, credit cards, debit cards, employee access cards, automotive electronics, etc.

- (d) Touchpad solution with active pen, providing the best usage solution for online learners.
- (e) Provides local dimming technology for Mini-LEDs under strong outdoor sunlight, so that the image quality of the car screen is not affected by light.
- (f) Develop fingerprint recognition application solutions for AI PCs to reduce the risk of theft which has become increasingly prominent with the development of artificial intelligence (AI).

C. Production strategies:

Strengthen the automated operation planning and management of the entire production process, improve module output efficiency, and achieve rapid delivery. At the same time, we fully maintain close cooperative relationships with upstream, midstream and downstream players in the semiconductor industry to take flexible measures to respond, focus on the outlook for end-customer orders, plan production in advance, take into account product quality and maintain good delivery efficiency to meet end-customer expectations.

D. Operating strategies:

- (a) Flexible product sales strategy: In order to strengthen market expansion and effectively increase revenue scale and meet customer needs, we adopt a variety of sales methods such as modularization and single chip.
- (b) Focus: In response to the increasingly fierce overall market competition, the Company introduced artificial intelligence (AI) technology into its products to clearly differentiate itself from its competitors and focus on competitive and profitable application markets.
- (c) Performance maximization: Activate the touch performance of the Company's entire product line and introduce the competitive pen function and anti-fake fingerprint function into various terminal consumer products with the goal of increasing the gross profit margin of the products.
- (d) Advancing with brand customers, ODMs, panel manufacturers, and related supply chain customers: We will strengthen cooperation plans with brand customers and, at the same time, cooperate with customer resources such as ODM manufacturers, panel manufacturers, and upstream, midstream, and downstream supply chains to diversify and advance in order to improve operational performance.

E. Financial strategy:

Seeking cooperation opportunities in the industry's upstream, mid-stream and downstream supply chains to achieve corporate financial benefits by means of investment, to increase product complementarities and drive revenue growth by combining the resources of both companies, while achieving maximum effectiveness in fund utilization through sound financial operation.

(2) Long-term development plan

A. Marketing strategy:

- (a) With Taiwan in Asia as the operating headquarters, as the center of strategic planning, the deployment of a global marketing network and channel system, including the world's well-known brand manufacturers such as laptops, smart phones and tablets, are important customers of the Company, and flexible Using our own energy and the marketing and technical support capabilities of the agency distribution system, and combining with the cooperation of well-known companies in the United States, Japan and mainland China, we will jointly develop new application markets to strive for products to become the most important market leader and provide a full range of marketing and complete after-sales service to drive revenue growth to increase market visibility and market share

- (b) Actively establish the Company's own elite talent pool, to enhance international marketing capabilities and strengthen technical support, and obtain cooperative opportunities with world-class manufacturers.
- B. Product development direction:
- (a) Continue the collaboration with multiple renowned platform industry players in U.S. and Japan to launch products that respond to the latest demands of the market, which will be applied in smart phones, tablet PCs, notebooks, smart home appliances and other products, in order to cost effectively promote the increase in volume and price.
- (b) Actively collaborate with affiliate(s) of joint venture(s) and related IoT technology companies to jointly develop AI technology related platforms and the trending products such as Mini LED/Micro LED etc. as well as to invest in automotive electronics, smart home, smart city, smart transportation, video surveillance, and wearable product etc. different fields.
- C. Production strategies:
- (a) Continuously improve product yields to improve product quality, reduce production costs, and effectively increase gross margins.
- (b) Establish a close cooperative relationship or strategic alliance with the outsource factories to ensure sufficient production capacity.
- D. Operating strategies:
- (a) Focus on competitive products and expand their application scope, create differentiated advantages through breakthroughs in existing technologies and product design based on understanding end-customer needs. Based on years of experience in developing artificial intelligence (AI) technology, we are committed to extending AI technology to various application areas, thereby strengthening our international competitiveness and supporting our long-term development advantages.
- (b) Strategic alliance: Formulate supplier strategies, establish a complete upstream and downstream ecosystem, and long-term cooperative partnerships to achieve production capacity adjustment and quickly support end-customer needs.
- E. Financial strategies:
- Fully utilize, in line with the continuous expansion of business scale, various types of financial instruments in the capital market to obtain lower-cost working capital and strengthen the financial structure.

2. Market and Sales Overview

(1) Market analysis:

(1) Sales (Service) region of major products in the Last Two Years

Unit: NT\$ thousands

Year Region \ sales	2024		2023	
	Sales amount	Percentage (%)	Sales amount	Percentage (%)
Taiwan	990,987	7.81	801,359	6.65
China	2,380,449	18.75	1,820,302	15.10
Hong Kong	9,071,745	71.45	9,240,554	76.63
Other Area	252,681	1.99	196,300	1.62
Total Net Income	12,695,862	100.00	12,058,515	100.00

Due to the interference of overall economic instability, the global notebook market demand declined in 2023, and the annual notebook shipments declined by double digits, with total shipments of 174 million units. In addition to concerns about long-term inflation and interest rate hikes, geopolitics (the Russia-Ukraine war, the Israel-Palestine conflict) and the slowdown in infrastructure and economy in mainland China have all hindered economic development, thereby compressing global consumption power. Inventory has been gradually liquidated in 2023.

However, after two years of headwinds, global laptop products will see the light of day in 2024. Microsoft plans to stop supporting and updating the Windows 10 system in October 2025. Looking back at historical experience, there is a chance that there will be a wave of device replacement in 2024. In addition, with the rise of generative AI, end customers are also actively developing AI-integrated personal computer (AI PC) products. This will help improve personal productivity or work efficiency and change the long-term development ecology of personal computers. In addition to the improvement of hardware specifications, it is also likely to drive the functional upgrade of components and inject a new idea into the laptop market. The Company will continue to strengthen product functions and upgrade specifications, introduce specifications of products with competitive advantages, form differentiated competition, and thereby increase market share.

At the same time, we found that the notebook market still has great potential, especially product function upgrades, replacement of existing products, promotion and introduction of products with low penetration rates, and there is still a space for improvement of products with low market share.

The penetration rate of fingerprint recognition products in laptops is still relatively low, especially the MOC (Match On Chip, which verifies the fingerprint before unlocking the computer) with a higher average unit price. Under the premise that the outlook remains bullish, we expect to capture most of the market and gain a dominant position in the market in the next two to three years. The haptic feedback touchpad (Haptic Pad) will be shipped for the first time in 2022, contributing over 100 million yuan in revenue. The overall economic weakness in 2023 will affect shipments, but as the notebook market recovers in 2024, there is a chance that customers' willingness to introduce new products will be increased again. The launch of large-size touchpads will help increase the average unit price. The active promotion and introduction of Single-Layer On-Cell (SLOC) touch panels and mass production and shipment will be beneficial to the revenue of touch screen chips. Although the global economic environment is uncertain and external market competition is still very fierce, the Company is still working hard to actively strengthen the chip design technology engineering to effectively reduce costs, hoping to help improve operational efficiency.

As for the point stick products applied in notebooks, the Company currently ranks first in the world in terms of market share and mainly supplies to the largest notebook manufacturers in the world. At the same time, the Company has also completed a new generation of thinner pointing device sensor chips, which is conducive to the increase of the average selling price.

The Company's microcontroller products will continue to develop the chip platforms with lower power consumption, provide the best solutions to customers, and strengthen cooperation with solution companies who offer professional and customized electronic product design and development services for enterprises or individuals in mainland China, and provide control chips with the best cost performance.

The Company's customers cover all major brands in the world, including customers in America, Japan, Korea, Taiwan and China. The Company has a dominant position in the sub-industry of spare parts in the notebook market. In 2024, we will continue to do our best effort to reach the goal of expanding higher market share and better operating performance.

(2) Market share

The Company is a professional IC design company that provides comprehensive integrated solutions. The Company has a strong R&D team and invest more than 12% of our R&D funds each year. We are a chip design company that focuses on developing new products. The quality of our products is deeply recognized by our customers. Currently, the proportion of our customers from the world's first-tier manufacturers accounts for more than half of our revenue. Currently, there are three products ranked first in the world, namely touch notebook screen chips, touchpad modules and pointing devices.

According to data from the Industrial Technology Research Institute (IEK), Taiwan's IC design output value for the full year of 2023 was approximately NT\$1.0965 trillion (US\$35.1 billion), of which the market share of the Company accounted for approximately 1.10%.

(3) Future supply, demand and growth of the market

What really affects semiconductors is the change in terminal market demand. The largest usage of

semiconductor chips is in consumer electronics, including smartphones, laptops, tablets, TVs, etc. Overall economic growth will be hampered in 2023, mainly due to the impact of long-term inflation and interest rate hikes. Even if the supply chain actively destocks, it will still be affected to a certain extent. However, as inventory days return to a reasonable range and end customers continue to purchase goods normally, although there are still many uncertainties in the overall economy, it brings a turning point for operations in 2024.

In addition, the functions of various consumer products will obviously increase, which will inevitably require more and more powerful chips. In addition, many consumers electronic products are still seeking the best cost-effective solution, and the demand for chips will only increase. Electric vehicles with the most development potential use several times more semiconductor chips than ordinary fuel vehicles. Not only electric cars, but large buses are also seeking electrification and intelligence. The future prospects of electric buses are relatively promising. Therefore, there is no doubt that the prospects for semiconductors remain very promising, and long-term market demand remains undoubted. Next, the application of artificial intelligence (AI) can be said to be the next huge business opportunity after smartphones, PCs, and tablets. The Company has gradually introduced artificial intelligence (AI) functions into existing products, including laptops, cars, mobile phones, and smart card application products. The Company has been deeply engaged in artificial intelligence (AI) technology for a long time, using AI to enhance product functions while cooperating with customers to create differentiated advantages, thereby driving the growth of the Company's operations.

(4) Competitive niches:

- A. The Company has a strong R&D team and a vast amount of patented technology.
- B. The Company has the key technologies and IP of the products and possess the strength of important competitive niches.
- C. We can render professional artificial intelligence (AI) technology services, effective product integration and customer technical engineering support.
- D. We can provide modular solutions, different from the operating model of the same industry, differentiated sales strategy, and effectively enhance closer relationships with customers.
- E. The Company has close cooperative relationships with the world's top five notebook brand customers, as well as a complete network of distributors and marketing locations around the world.
- F. The Company has close cooperation relationship and mass production experiences with domestic and foreign manufacturers producing smartphone modules, touch screens, panels and notebook ODMs.

(5) Favorable and unfavorable factors of development in the long term:

- A. Favorable factors
 - The Company is focused on the wide global markets not limited to certain regional markets, which combined with renowned platforms providers and specification makers in the United States and Japan, and conducted comprehensive contacts with tier-one brands and customers in China to gain purchase orders. The focus of market development in 2024 is to continue to strengthen the modular sales model, strengthen product functions and drive the increase in average selling prices, strengthen the market expansion of non-notebook products, which is conducive to the increase in revenue, and actively strive for global brands, the penetration rate of large manufacturers using the Company's chip products, as well as first-tier brand customers in mainland China, etc.
 - Flexible business strategies: modularized, single-chip or chipset methods of sales are available.
 - Touch applications have clearly penetrated into various consumer electronic products, and the penetration rate has been increasing year by year. The Company has a considerable number of semiconductor-related technologies that can be widely used in various consumer electronic products, just in line with the development trend of the market.
 - The Company has a strong research and development (R & D) team and hundreds of patented technologies.
 - Close to the market: outsource production in the vast consumer market, achieve the goal of rapid delivery, and strengthen customer service.
 - Complete system of production chain: Fully maintain close cooperative relations with upstream, midstream and downstream manufacturers in the semiconductor industry.
 - Long-term collaboration with upstream, midstream, and downstream supply chains of the

customers: understand the requirements of production and process nodes, reduce processing time, reduce peripheral costs and increase production efficiency.

- In response to the demand for market price/function ratio: As the market is increasingly competitive, continue to provide cost-effective products has always been the goal of the Company. At the same time, with regard to the different requirements of product features in different markets, the Company also provides a diversified product range to provide different product solutions in response to customer demand.
- Product diversification: low impact from the economic environment, broad distribution channels, low impact from changes in a single market, and a stable customer base.
- Consumer electronic digitalization has become the mainstream of the market. Since the establishment of the Company, it has oriented towards consumer electronics and the market, and realized that consumer electronics is already the mainstream industry in the future. Therefore, the continuous introduction of new products helps the Company in meeting the market demand.

B. Unfavorable factors

- The chip design industry is highly dependent on wafer production capacity and is easily controlled by wafer fabs. Although wafer production capacity is no longer tight, the overall economic uncertainty in the short term is high, which leads to conservative orders from brand customers. Although we are positive about the growth of the notebook market in 2024, we still need to operate cautiously in the short term.
- In addition to the IC foundry, the overall semiconductor upstream, midstream and downstream supply chain and the Company's supply chain dedicated to module products such as printed circuit boards, connectors, resistors, etc. are very important and indispensable, so keep all relevant close supply chain cooperation is critical.
- The amount of development funds invested in artificial intelligence-related applications is relatively high, the application environment is in the thriving period, the product life cycle is short and the changes are rapid, creating pressure on product development. At present, we focus mainly on products to be applied together with AI functions, in order to use the product function to build the threshold of competition and eliminate competition obstacles.
- Insufficient domestic R & D manpower and foreign semiconductor companies have come to Taiwan one after another to exploit the new markets and looking for local talented manpower resources. Under the circumstances of very few talented manpower resources are available at present, recruiting new employees has become a headache for enterprises.
- Competition and price war among domestic and foreign IC design companies have become increasingly fierce; the increasing pressure on product prices created operating pressure.

(6) Counter Procedures:

- To understand the evolution of market trends and formulate corresponding strategies. The global notebook market demand has experienced weak buying momentum in the past two years. This year, it is expected to bring growth due to the replacement wave and AI PCs. It is generally estimated to show single-digit growth for the whole year. The Company has observed that with the development of generative AI, the notebook industry has opened the prelude to the development of AI PCs by end customers, and is expected to use chip products with artificial intelligence (AI) functions. In addition, the market opportunities of Single-Layer On Cell and Haptic Pad are gradually being recognized by brand manufacturers, market demand is heating up, and the penetration rate of MOC (Match-On-Chip) fingerprints is increasing. These new opportunities represent an increase in the average selling price of chips or module products, which will be substantially beneficial to operations. In addition, with the advent of the Mini LED/Micro LED era, the Company continues to work together with its invested company Macroblock Technology to develop related control chips, which will be applied to the notebook, automotive, wearable product and other markets. The Company will also work with its in-vehicle investment company Chi Mei Automotive to promote advanced driver assistance systems (ADAS) in the automotive market, especially in the electric bus market in the short term.
- In order to respond to market development trends, the Company still adheres to a differentiated business strategy. For example, capacitive biometric sensing chips have added anti-fake fingerprint functions, which can be applied to the smartphone and notebook computer industries, and have entered the new financial industry, targeting credit cards, debit cards and personal social security cards. The market for credit card fingerprint functions has not yet taken off, but we continue to insist on reducing chip costs in order to gain customer recognition by

- offering the best cost-performance ratio.
- The development of all products is aimed at application products such as smartphones, laptops and tablets, and seeks to develop markets in new application areas. At the same time, in order to improve future product development, we are actively investing in the field of artificial intelligence (AI), hoping to effectively enhance the added value of our chip products, strengthen our competitiveness, and drive new operational achievements.
- Flexible business strategies: modularized, single-chip or chipset methods of sales are available. Among them, the modularized sales model can enhance closer collaboration with system manufacturers and establish competition threshold.
- Continuous recruit specialized R & D talents, implement localization strategies, increase overall engineering manpower, reduce related operating costs, build the strength of R & D teams, and achieve the goal of shortening product development schedules.
- Expanding the market through strategic alliances with domestic and foreign peers or related players to accelerate revenue and profit growth.
- To build marketing channels, expand marketing outlets at home and abroad, and actively develop new customers.
- To understand the market development trends, understand the needs of end-users and consumers, and respond to their needs in order to achieve the goal of profit growth; strengthen the application of products, and enrich the service mechanism of the application engineering manpower so that the Company can coexist and prosper with customers.

(2) Important Fields of Application and Manufacturing Processes of Main Products

(1) Major Products and Their Important Fields of Application

At present, the Company has two major product categories and five product lines. The two major product categories are touch and non-touch. The touch part includes the touch screen chip, touch pad module, and biometric chip; the non-touch part includes the microcontroller (MCU) and pointing stick. All related production processes are carried out by the Company, with chip design being done by the Company, which is then handed over to a mask company to make the mask, and then transferred to a wafer manufacturing factory. After going through multiple processes such as yellow light and etching, the wafer is tested, and the process is then packaged and tested, and finally handed over to the client for production. All production times vary depending on the required functions and precision of various chips.

A. Touch application products:

Touch application products include touch screen chips and touch module products, both of which are important sources of revenue for the Company in 2023 and 2024. Among them, touch screen chips are mainly used in smartphones, tablets, notebooks, e-books, and AI PCs. Currently, the Company is actively promoting related product applications in the automotive market, etc.

B. Touch Pad modules:

Mainly used on notebook PCs.

C. Biometric recognition ICs:

In 2023, the majority of fingerprint recognition chips will be used in laptops, and they will continue to promote brand customers to adopt MOCs (Match-On-Chips), increase product sales through security demands and help increase the average selling price. Since the application range of fingerprint recognition chips is very wide, from smartphones, laptops, tablets, smart cards, PC peripherals, etc., seeking niche application industries with low market penetration and good development prospects will be the focus of future efforts.

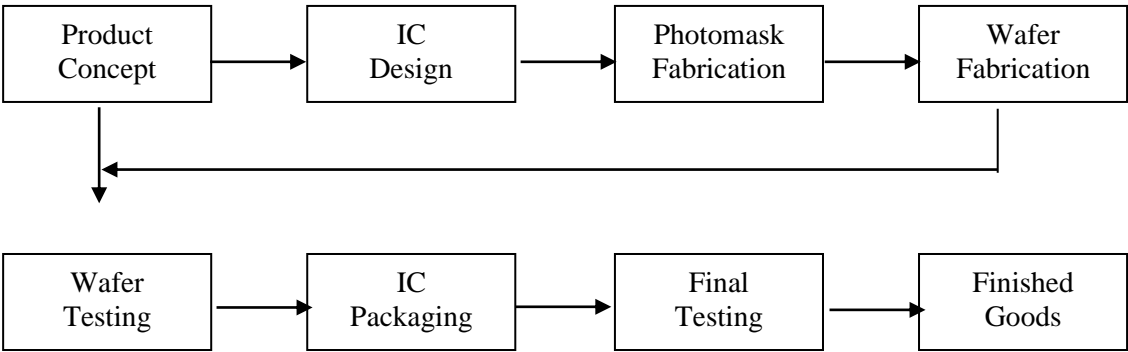
D. MCU ICs:

The main core technologies of the Company's MCU IC products include: 8-bit RISC processor and 16-bit MCU with DSP computing function and development platform, which are mainly used in small and large home appliances, security systems, and communications peripherals such as chargers, high-end interactive toys, mobile phones, electronic dictionaries, language learning machines, optical mice, keyboard control ICs and other markets. MCU has been dominated by foreign IC manufacturers. The product lines developed by the Company are competitively priced, and the development tools such as OTP, MTP, and ICE are quite complete, allowing the customers to quickly market their products and achieve "Time to Market" requirements. In the future, more

engineering talents will be recruited, and the Company will seek collaboration with more solution companies to provide customers with overall solutions and achieve a customer-corporation-consumer win-win-win situation.

E. Pointing stick products:
Point stick products are mainly applied in notebook computers, it has successively completed high-anti-noise and anti-RFI pointing device sensing chips. In 2024, it will continue to expand its market share and improve operational performance.

(2) Major Products and Their Production Processes



(3) Supply Status of Main Materials

The Company's main raw materials are wafers and photo masks. The Company's main collaborating professional wafer foundries are UMC, EMC, Vanguard International Semiconductor, Key foundry etc. We are endeavoring to diversify and establish cooperative relations with domestic and foreign semiconductor fabrication plants (fabs) to respond to market changes at any time. The quality, process technology and delivery control of these professional wafer foundries are quite excellent. In addition, in the photo mask part, the main collaboration partners are Taiwan Mask and Toppan Chunghwa Electronics Corporation (TCE), which are all long-term cooperative manufacturers with no concern in supply shortage or interruption.

(4) Major Suppliers and Customers

(1) List of Major Customers (Major suppliers refer to those commanding 10%-plus share of annual order volume.)

Major Customers in the Last Two Calendar Years (consolidated basis)

Unit: NT\$ thousands

	2023				2024				As of the previous quarter of 2025 (Note 2)			
Item	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Proportion to net sales revenue of the year as of the previous quarter of the year (%)	Relation with Issuer
1	Ultra Source	3,997,237	33.15	N/A	Ultra Source	4,650,864	36.63	N/A	Ultra Source	1,086,779	34.85	N/A
2	Silicon Application	3,659,153	30.34	N/A	Silicon Application	3,012,185	23.73	N/A	Silicon Application	813,465	26.08	N/A
	Others	4,402,125	36.51		Others	5,032,813	39.64		Others	1,218,640	39.07	
	Net Sales Revenue	12,058,515	100.00		Net Sales Revenue	12,695,862	100.00		Net Sales Revenue	3,118,884	100	

Note 1: Specify the name, sales amount and proportion to sales revenue of the customer whose sales amount accounted for more than 10% of the total sales revenue in the past two years. If the customer's name cannot be disclosed due to the contractual agreement or the transaction counterparty is a non-related individual, a code can be used in lieu thereof.

Note 2: As of the date of publishing the annual reports, listed Company or Company of which stocks have been traded at the securities firm shall disclose the most recent financial information certified by CPA.

(3) Major Suppliers (Major suppliers refer to those commanding 10%-plus share of annual order volume)

Major Suppliers in the Last Two Calendar Years (consolidated basis)

Unit: NT\$ thousands

	2023 (Note 3)				2024 (Note 3)				As of the previous quarter of 2025 (Note 2, (Note 3))			
Item	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Proportion to net sales revenue of the year as of the h previous quarter of the year (%)	Relation with Issuer
1	Lien Hwa	242,570	5.30	N/A	Lien Hwa	949,399	17.00	N/A	Lien Hwa	280,232	19.76	N/A
2	Whetron Electronics	616,547	13.48	N/A	Whetron Electronics	574,613	10.29	N/A	Whetron Electronics	89,884	6.34	N/A
	Others	3,714,630	72.62		Others	4,060,755	72.71		Others	1,048,168	73.90	
	Net purchase amount	4,573,747	100		Net purchase amount	5,584,767	100		Net purchase amount	1,418,284	100	

Note 1: Specify the name, sales amount and proportion to sales revenue of the suppliers whose sales amount accounted for more than 10% of the total sales revenue in the past two years. If the customer's name cannot be disclosed due to the contractual agreement or the transaction counterparty is a non-related individual, a code can be used in lieu thereof.

Note 2: As of the date of publishing the annual reports, listed Company or Company of which stocks have been traded at the securities firm shall disclose the most recent financial information certified by CPA.

Note 3: Including finished goods purchased.

3. Human Resources

Consolidated number of employees, average years of service, age and academic distribution ratio in the last two years:

Year		2023	2024	March 31, 2025
Number of employees	Managers	238	360	353
	Technicians	306	357	340
	General staffs	730	625	612
	Total	1,274	1,342	1,305
Average age		38.68	38.62	38.90
Average years of service		11.3 years	11.3 years	11.6 years
Education	Ph.D.	1.1%	0.9%	1.0%
	Master's Degree	44.3%	43.2%	43.4%
	Bachelor's Degree	38.1%	37.1%	34.1%
	Senior High School	1.7%	1.9%	5.9%
	Below Senior High School	14.8%	16.9%	15.6%

4. Environmental Protection Expenditure

The Company has always attached great importance to environmental protection; its pollution prevention performance is good, and there was no sanction received due to environmental pollution and violation.

(1) The losses or penalty caused by environmental pollution (including remuneration and environmental protection audit results that indicate violation of the environmental protection laws and regulations, and the date of prosecution, prosecution number, provision of law violated, content of the provision of law violated, and content of the prosecution thereof) during the last fiscal year and until the publishing date of the annual report, and disclose the amount and counter Procedures that might incur at present and in the future. If it cannot be reasonably estimated, please explain why it cannot be reasonably estimated: N/A.

(2) Work environment and employee personal safety protection Procedures:

The Company's working environment is excellent and is the only integrated circuit (IC) design Company that has won the Distinguished Green Landscaping Award of Hsinchu Science Park Bureau for the sixteen (16) consecutive years. In addition, the Company has always attached importance to matters concerning employees' health and safety, such as:

1. Employee health checkups;
2. Established Safety & Health Office and medical room for labor safety health education and environmental protection management;
3. Invite lecture with expertise to hold several health promotion seminars;
4. Hire professional medical practitioners to the Company on monthly basis to perform on-site health services and provide health advice to the employees;
5. Hold safety and health training every six months;
6. Hold weight loss classes and weight loss competitions to promote employee health;
7. Drinking water quality testing;
- 8.. The Company commissions professional manufacturers to overhaul and report firefighting facilities on yearly basis;
9. Conduct employees' firefighting training every six months.
10. Conduct CO₂ measurement for the workplace environment every six months to safeguard employee health;
11. The measurement results of the working environment in the plant are all meet the requirements of the prevailing applicable laws and regulations of Taiwan and the detection value is close to 0.
12. The Company has established a special project for pregnant female employees, providing them nursing rooms, parking spaces, books and maternity chairs.
13. Obtained ISO 14001 Environmental System Certification. Environmental policies: prevention of pollution, Company-wide full participation, commitment to environmental protection, continuous improvement; The current certification validity date is November 20, 2025. Relevant units are required to complete environmental risk assessments every year, and environmental regulations audits (international and Taiwanese laws) are conducted every quarter. Environmental management plans are then established for improvement, and environmental management review meetings are held with senior executives to regularly confirm implementation progress.
14. The Corporate Social Responsibility Report has been introduced since 2014; the greenhouse gases inspections were commenced since 2014; and a KPI performance indicator of at least 1% in energy conservation and carbon reduction per year was set;
15. The Company has obtained the OHSAS 18001 Occupational Safety and Health Management System certification in May 2016. Additionally, the Company has completed the ISO 45001:2018 certification in 2019, covering the Hsinchu headquarters and Zhonghe plant. The current certification validity date is April 29, 2025.
16. In 2018, the Company participated in the prize issued by the Health Promotion Administration of the Ministry of Health and Welfare and won the "Gender-Friendly Health Award".
17. In 2019, the Company participated in the healthy workplace selection held by the Health Promotion Administration of the Ministry of Health and Welfare and won the "Creative Healthy Workplace Award".
18. In 2024, the Zhonghe plant passed the National Health Administration's "Healthy Workplace Promotion" seal certification.
19. Hsinchu Plant has extended the National Health Administration "Healthy Workplace Promotion" certification in 2024.
20. In 2024, the Company obtained the "Sports Enterprise Certification Mark" for the second time.

5. Labor Relations

The Company's labor relations are harmonious and there was no major loss due to labor disputes.

- (1) Current important employer-employee agreement and its implementation status

1. Employee benefit Procedures

- (1) In addition to the cafeteria, exercise is, fitness equipment area and medical room facilities established by the Company, employees also enjoy health insurance, group insurance, pension benefits, regular health checkups, and health management services provided by professional medical personnel. In addition, the benefits provided by the Company also include: bonuses of the year, employees' Remuneration, club activities subsidy, New Year gift certificates, etc.
- (2) The Company has established the Employee Welfare Committee pursuant to laws and selected the Welfare Committee to handle employee welfare issues. The source of its benefits is 1% capital contribution at the time of establishment and 0.5% and 0.12% contributed from monthly salary and revenue, respectively. The Welfare Committee is responsible in setting annual plan and budget, holding Welfare Committee meetings on a regular basis to discuss, resolve and organize various welfare activities, and to disclose the income and expenses of the welfare funds. The welfare provided by the Welfare Committee include: birthday gifts, travel subsidies, wedding subsidies, funeral subsidies and maternity subsidies.

2. Employee education and training

In order to enrich the knowledge and skills of our staff members and enhance their morale and quality, the Company has established a dedicated unit to plan the training for all staff members and provide external training opportunities in accordance with their professionalism, in order to combine the growth of staff members with the development of the Company to create a joint corporate vision.

Complete training system -

- (1) New recruit training: Company profile, environmental guide, quality system, labor laws, workplace human rights, labor safety and health training, fire drills, corporate social responsibility, etc.
- (2) Professional technical training: Including R&D technology, industry know-how, workstation skills assessment, quality inspection, green environment, internal audit and control, legal management, certificate courses required to promote the system, and deepen professional skills
- (3) Management skills training: departmental personnel management, problem solving, cross-departmental teamwork, innovative spirit.
- (4) Introduce MTP management ability training courses, digital learning at the online study platform CWLC Leader Campus, where provides comprehensive professional and management training, reserve key talents, and connect with the successor development plan
- (5) Arrange from time to time celebrity speeches, humanities and art lectures, labor safety and health lectures, providing epidemic prevention news etc.

Multiple learning channels-

- (1) Internal training:
The Company will invite well-known experts in the industry, academy, and various professional fields to give lectures in the Company, providing new industry knowledge, legal knowledge, and general information that keep pace with the times
- (2) Dispatched training:
Encourage colleagues to continuously improve their professional capabilities, participate in courses/seminars organized by external organizations according to the needs of job development, and provide training subsidies
- (3) Knowledge inheritance:
Organize series work experience sharing courses within and across departments to promote cross-departmental teamwork from time to time

(4) Interlibrary cooperation:

Cooperate with SOC Alliance, Industrial Technology Research Institute, National Chiao Tung University and other institutions to promote the exchange and interaction of industry information.

(5) Knowledge management website:

Build a knowledge management website to help colleagues obtain technical documents and achieve uninterrupted knowledge inheritance.

Diversified measures to spread training results

The Company encourages our colleagues to unleash their natural creativities, uphold the spirit of teamwork, and transfer knowledge and technology through text, images, and other means through knowledge management systems, thereby transforming them into improvements in the overall performance of the organization. The Company actively participates in industry-university cooperation, launches the Qianlong Project Scholarship in 2022, and promotes the application of R&D technologies through various forms such as press conferences, deeply cultivates campuses, trains future potential talents, and regards training and development as a necessity for corporate social responsibility. The Company has training classrooms with advanced equipment and comfortable environment, so that colleagues can concentrate on the class and enjoy learning.

Consolidated employee training and training execution status of the Company of the last fiscal year (2024)

Unit: NT\$ / number of person / hours			
Items	Expenses	Number of persons	Hours
Technology and R & D category	75,700	3,271	2,461
Management category	69,163	5,182	5,985
Production QC category	44,343	727	1,631
General Knowledge category	61,170	4,765	6,267
Total	250,376	13,945	16,343

Certificate(s) obtained by the chief financing, accounting and auditing officers:

Job title	Name	Date	Certificate Name	Certificate No.
Chief auditor	CHUNG, I-Mei	Mar. 2006	Internal Auditor of The Institute of Internal Auditors-Chinese Taiwan	9420032
Financial & Accounting Officer	CHEN, Yi-Lin	Dec. 2009	CPA of the Republic of China	(98) -000085

3. Pension system

(1) Pension fund contribution:

- The Company has formulated an employee retirement plan and established a Retirement Reserve Supervision Committee. The Company contributes 2% of the monthly salary to the retirement reserve funds pursuant to the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds" and deposits in the Retirement Reserve Account at Taiwan bank.
- The Company, pursuant to the Labor Pension Act, also deposits the 6% contribution from monthly salary of those employees who are eligible for pension as identified by the Labor Pension Act to each individual pension account.

(2) Pension system:

- Mandatory retirement:
 - Those who reached the age of 65; or
 - Those who suffer from the loss of mind or physical disability and unfit to work.
- Volunteer retirement:
 - Those who have served over 25 years; or

- b.Those who have served over 15 years and reached the age of 55; or
- c.Those who have served over 10 years and reached the age of 60.
- C. Base point: average salary of the last 6 months prior to the retirement.

- (3) Retirement benefits: For those who have reached the years of serve applicable for pension pursuant to the Labor Standards Act shall receive 2 base points for each full year; for those who have served for more than 15 years shall receive additional 1 base point for each full year; the total number of base points is limited to 45 points.

4. Agreements between employee / employer and the safeguarding of employees' rights and interests

The Company has not established a written agreement with the employee. Employees can freely express various advices for the Company through the quarterly employee-employer meeting, annual meeting with employees, employee suggestion boxes, e-mail, internal network systems, etc.; the Manpower Performance Management Department gathers opinions from employees and distributes them, based on their opinions, to the responsible units for reply, and be processed pursuant to Employees' Code of Work after reporting to the General Manager; the protection of the rights and interests of employees are subject to the Employees' Code of Work and the relevant regulations of the competent authorities.

- (2) The losses incurred due to industrial disputes (including labor inspection results that indicate violation of the Labor Standards Act, and the date of prosecution, prosecution number, provision of law violated, content of the provision of law violated, and content of the prosecution thereof) during the last fiscal year and until the publishing date of the annual report, and disclose the amount and counter Procedures that might incur at present and in the future. If it cannot be reasonably estimated, please explain why it cannot be reasonably estimated: N/A.

6. Information Regarding Security Management:

- (1) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.:

Information Security Risk Management Framework

In order to ensure that information security management can be operated effectively and continuously, Elan Electronics established the "Information Security Management Committee", which is mainly responsible for reviewing the relevant guidelines, policies, and systems for information security management, promoting the formulation of organizations, and reporting the information security governance overview to the board of directors once a year. In 2024, the Company has assigned a Chief Information Security Officer and an Information Security Specialist to be responsible for the Company's information security planning and related audit matters in order to maintain and continuously strengthen information security.

Information Security Policy:

Elan Electronics considers the relationship between the development trend of information security management at home and abroad and the core business of the enterprise, and continuously strengthens and improves the information security management system to ensure the security of Company data, systems, equipment and networks, and avoid accidental or malicious damage and improper use, making the information security system run continuously and stably.

In response to increasingly important information security issues, ELAN Electronics Corporation has adjusted and configured an information environment with complete data protection function to ensure the security of internal and client data, as shown in the following table:

Items	Description
Firewall	Separate and define internal and external networks to prevent abnormal network attacks and online behaviors.
Intrusion Prevention System (IPS) (to prevent an APT attack)	Through the related modules, prevent the unknown illegal invasion and destruction from the outside.)
Internet Antivirus System	Through this module, the packets entering and leaving the Internet can be filtered in real time to avoid being infected by website viruses or malicious programs.
Web URL Filtering System	Restricting employees to only browse certain categories of web pages can prevent data leakage and prevent employees from browsing inappropriate websites when they go to work, which affects work efficiency.
Application Control System	Regulating the network applications that employees can use when browsing the Internet can avoid data leakage and abnormal network traffic caused by bad applications.
Spam Filtering System	Significantly reduces the amount of spam entering the Company. Contains email antivirus module, which can effectively filter malicious emails with embedded viruses.
Email Backup System	Back up all incoming and outgoing emails for email tracking and archiving purposes, in line with regulatory requirements, and provide colleagues with lost emails.
Mail Audit System	Through setting filter conditions, you can perform precise email auditing to solve the problem of sensitive data leakage.
DLP Data Leakage Prevention System and Endpoint Protection	Through computer peripheral control, the outflow of important Company data can be avoided. Record the access actions of peripheral devices, and filter whether there is any information security hazard behavior.
Vulnerability Scanning	Regularly scan computer system vulnerabilities and perform patching to ensure that each system has no security concerns.
MPLS IP-VPN +VDI Home Office Environment	Provide a safe and stable VPN connection between locations across the strait and three places, and a home connection environment that considers information security during the epidemic
Next-Generation Antivirus, Endpoint Detection and Response Software	Installed on all computer equipment distributed by the Company, and replaces virus codes with user behavior to prevent information security hazards caused by computer viruses and hacker attacks in real time. In addition, the architecture is upgraded to assist the manufacturer's MDR security monitoring.
Log Archive Audit System	Syslog records storage/audit/query system, integrates various LOGs to assist enterprises in presenting evidence, LOG centralized management meets auditing needs, and completely restores historical information security events
External website protection	Import the Company's external websites that are most vulnerable to external attacks into the cloud web application firewall service, in order to provide high-level information security protection to configure a firewall for external websites.
Two-factor authentication (2FA) Password authentication mechanism	In order to improve the security of external websites, a Two-factor authentication (2FA) password authentication protection mechanism has been introduced.

In addition to maintaining the existing security protection framework in 2024, we also improve the existing security framework.

- 1) Microsoft 365 was introduced to improve the security of the original email system.
- 2) F5 Bandwidth Manager has been introduced to supplement the security protection deficiencies of old equipment and enhance the stability of the Company's external network.

No major information security incidents in 2024.

The privileged account management assessment will then test different solutions to strengthen the information security architecture.

- (2) List the losses, possible impacts and countermeasures caused by major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: N/A.

7. Important Contracts

Agreements	Counterparty	Period	Major Contents	Restriction
Technology Licensing	ARM	2018/12/30~	ARM Cortex-M4 Perpetual License	N/A
Technology Licensing	Silicon Library license agreement	2024/3/26~	eDP (Embedded Display Port) Receiver Circuit Authorization	N/A
Joint Appointment Turnkey Contract	Lianqi Development Co., Ltd.	2019/9/23 ~ Project warranty period expires	National Chiao Tung University/ Tainan Campus: Joint-Appointment Turnkey Contract for The New Construction of Zhiyuan Building-Industry-School Space No. 5	N/A
Joint Lease and Build Contract	National Chiao Tung University	2019/2/1~2039/1/31	National Chiao Tung University/ Tainan Campus: Joint-Appointment Turnkey Contract for The New Construction of Zhiyuan Building-Industry-School Space No. 5	N/A
Joint Appointment Turnkey Contract	Lianqi Development Co., Ltd.	2019/9/23 ~ Project warranty period expires	National Chiao Tung University/ Tainan Campus: Joint-Appointment Turnkey Contract for The New Construction of Zhiyuan Building-Industry-School Space No. 6	N/A
Joint Lease and Build Contract	National Chiao Tung University	2019/2/1~2039/1/31	National Chiao Tung University/ Tainan Campus: Joint-Appointment Turnkey Contract for The New Construction of Zhiyuan Building-Industry-School Space No. 6	N/A
Land Establishment Superficies Contract	Hsinchu County Government	2024/3~2041/3	Hsinchu County International AI Smart Park Industrial Zone (1)	N/A
House Lease Agreement	Advantech Foundation	2024/8/1~2026/7/31	House Lease Agreement	N/A
House Lease Agreement	Altus Technology Inc	2024/2/1~2042/01/31	House Lease Agreement	N/A
Test cooperation	Orient Semiconductor Electronics, Ltd.	2024/7/1 ~ 2024/6/30	Letter of Intent for Packaging and Testing (Turnkey) Cooperation	N/A
Test cooperation	Orient Semiconductor Electronics, Ltd.	2024/7/1 ~2024/12/31	Supplementary Agreement (5)	N/A
Engineering Supervision	JJP Architects & Planners	2023/8/11~2026/10/31	AI Smart Park Building Supervision Personnel Service Contract	N/A
Research and Development Project	Taipei Computer Association	2024/12/1~2025/5/31	A+ Enterprise Innovation Research and Development Plan Contract	N/A

Agreements	Counterparty	Period	Major Contents	Restriction
R & D project cooperation	Lextar Electronics Corporation / Chimei Motor Electronics Co., Ltd.	2024/12/1~2025/5/31	A+ Enterprise Innovation Research and Development Plan - Forward-looking technology R & D project cooperation contract	N/A
Software Resale Agreement	Deloitte & Touche Taiwan	2024/3/30~2025/5/29	Purchase the software license of the software mentioned in the contract from SAP Taiwan Co., Ltd., and SAP Taiwan Co., Ltd. authorizes Deloitte & Touche Taiwan to resale Supplier Software License	N/A
Construction Contract	Best Giving Construction Co., Ltd.	2023/4/28- To obtain the user license as the completion point	General contractor for the new construction of the Elan Group headquarters building in the Hsinchu County International AI Smart Park Industrial Zone (1)	N/A

V. Review of Financial Conditions, Financial Performance, and Risk Management

1. Analysis of Financial Status

Comparative Statement of Financial Status

Unit: NT\$ thousands

Item	Year	2024	2023	Difference	
				Amount	%
Current Assets		8,662,355	8,623,518	38,837	0.45
Property, Plants and Equipment		2,787,691	1,517,920	1,269,771	83.65
Intangible Assets		489,373	598,071	(108,698)	(18.17)
Other Assets		919,228	948,801	(29,573)	(3.12)
Total Assets		15,017,106	14,019,435	997,671	7.12
Current Liabilities		3,587,588	3,324,128	263,460	7.93
Non-Current Liabilities		1,428,555	1,468,118	(39,563)	(2.69)
Total Liabilities		5,016,143	4,792,246	223,897	4.67
Equity Attributable to Shareholders of The Parent Company		9,773,280	8,819,577	953,703	10.81
Capital Stock		3,038,804	3,038,804	0	0
Capital Surplus		1,139,143	936,880	202,263	21.59
Retained Earnings		6,475,387	5,836,582	638,805	10.94
Other Equity		(31,059)	113,796	(144,855)	(127.29)
Treasury Shares		848,995	1,106,485	(257,490)	(23.27)
Non-Controlling Interest		227,683	407,612	(179,929)	(44.14)
Total Stockholders' Equity		10,000,963	9,227,189	773,774	8.39

Explanation:

- (1) Where the percentage of changes in the Company's consolidated assets, liabilities, and shareholders' equity in the past two years was more than 20% and the amount of changes reached NT\$10 million, the impact and future response actions:
 1. Property, plant and equipment: The increase in this period compared with last year was mainly due to the additional prepayment of AI park project funds this year.
 2. Capital reserve: The increase in this period compared with last year is mainly due to the capital reserve not subscribed in proportion to shareholding under the equity method and the capital reserve recognized due to the adjustment of the dividends distributed to the parent company by the subsidiary; the decrease is the amount of the difference between the cost and net value of the subsidiary purchased. After offsetting the two, the balance is still higher than last year.
 3. Other equity: The decrease in this period compared with last year was mainly due to the unrealized losses on financial assets measured at fair value through other comprehensive income in this period.
 4. Non-controlling interests: The decrease in this period was mainly due to the purchase of shares from non-controlling interests of consolidated subsidiaries during this period.
- (2) Future response actions: N/A.

2. Analysis of Financial Performance

(1) Analysis of Operation Results

Unit: NT\$ thousands

Items \ Year	2024	2023	Increase (Decrease) Amount	Difference (%)
Operating revenue	12,695,862	12,058,515	637,347	5.29
Gross Profit	6,204,417	5,432,037	772,380	14.22
Operating Income (Loss)	3,065,972	2,434,475	631,497	25.94
Non-operating income and expenses	206,778	38,326	168,452	439.52
Net profit before tax	3,272,750	2,472,801	799,949	32.35
Income before tax from continuing operations	2,592,554	1,985,030	607,524	30.61
Net Income (Loss)	2,592,554	1,985,030	607,524	30.61
Other comprehensive income (loss) (income after tax)	(114,268)	118,479	(232,747)	(196.45)
Total comprehensive income (loss)	2,478,286	2,103,509	374,777	17.82
Net income attributable to shareholders of the parent Company	2,735,895	2,143,520	592,375	27.64
Net income attributable to non-controlling interest	(143,341)	(158,490)	15,149	(9.56)
Comprehensive income (loss) attributable to shareholders of the parent Company	2,621,113	2,262,470	358,643	15.85
Comprehensive income (loss) attributable to non-controlling interest	(142,827)	(158,961)	16,134	(10.15)

- (2) Major reasons for material changes in consolidated operating income, net operating income, and net profit before tax in the past two years; the possible impact on the Company's future finance and business from the expected sales volume (include its basis) and the counter Procedures therefor: (please provide analysis and explanation when the percentage of change is more than 20%, and the amount is more than 10 million)

1. Increase in net operating profit:

This is mainly due to the increase in operating income and gross profit margin compared to last year, which led to an increase in operating net profit.

2. Increase in non-operating income and expenses:

This was mainly due to the higher dividend income this year.

3. Increase in other comprehensive income:

This was mainly due to the increase in unrealized losses on financial assets measured at fair value through other comprehensive income in the current period.

4. Increase in net profit before tax for the current period:

This was mainly due to the increase in operating income and gross profit margin compared with last year, which led to an increase in operating net profit and thus an increase in net profit before tax for this period.

- (3) The possible impact on the Company's future finance and business from the expected sales volume (include its basis) and the counter procedures therefor:

Affected by the slowdown in global economic growth, the global notebook market demand will recover moderately in 2024, with full-year notebook shipments growing by single digits and total shipments estimated to be 183 million units. Although inflation and unemployment pressures have eased somewhat, the recovery of the consumer electronics industry has been relatively slow due to the impact of overall economic uncertainty and geopolitical conflicts.

Consumer electronics are recovering at a moderate pace, and Microsoft is expected to stop supporting updates for Windows 10 in October 2025. As businesses and consumers simultaneously increase their awareness of information security, the information security issues caused by Microsoft's discontinuation will have the opportunity to bring about a wave of replacement in the laptop market. In addition, with the rise of generative AI, end customers are also actively developing AI-integrated personal computer (AI PC) products. This will

help improve personal productivity or work efficiency and change the long-term development ecology of personal computers. In addition to the improvement of hardware specifications, it is also likely to drive the functional upgrade of components and inject a new idea into the laptop market. The Company will continue to strengthen product functions and upgrade specifications, introduce specifications of products with competitive advantages, form differentiated competition, and thereby increase market share.

The penetration rate of fingerprint recognition products in laptops is still relatively low, especially the MOC (Match On Chip, which verifies the fingerprint before unlocking the computer) with a higher average unit price. Under the premise that the outlook is still bullish, we expect to capture most of the market and gain a leading position in the market in the next two to three years. The haptic feedback touchpad (Haptic Pad) was shipped for the first time in 2022, contributing over 100 million yuan in revenue. In 2023, the overall economy was weak, which affected shipments. However, as the notebook market recovered and the innovative application of AI PCs drove it, customers' willingness to introduce it in 2024 has increased significantly, and the revenue performance is better than the previous two years. The increase in brand models introduced in 2025 is believed to help increase revenue. The launch of large-size touchpads will help increase the average unit price. The active promotion and introduction of Single-Layer On-cell (SLOC) touch panels and mass production and shipment will be beneficial to the revenue of touch screen chips. Although the global economic environment is uncertain and external market competition is still very fierce, the Company is still working hard to actively strengthen the chip design technology engineering to effectively reduce costs, hoping to help improve operational efficiency.

The Advanced Driver Assistance Systems (ADAS) are a business focus that the Company is actively implementing. We work with our invested companies to jointly develop ADAS-related products that focus on driving safety, including camera modules, sensor fusion algorithms, and external components, to provide high-quality overall solutions for electric buses and large buses, paving the way for entering the automotive electronics market. The Company has already made revenue contributions since 2024, and we expect to expand our uses beyond electric buses to include logistics vehicles and taxis in the future, and promote our technology to Southeast Asia, where the traffic environment is similar to that in Taiwan.

Additionally, in order to expand the application of fingerprint recognition and drive operational growth, the Company is actively entering the smart card market. Because the application scope of smart cards is very wide, including credit cards, bank cards, employee identification cards, identity cards, etc., the future market potential is very large. Although the market has not yet taken off, the Company continues to improve the cost-effectiveness of products to attract brand customers to adopt them. In order to enhance market competitiveness, the Company claims high added value to support encryption and payment, and add anti-fake fingerprint functions as product claims, providing clients with the best market competitiveness.

The Company is specialized in IC design and can provide comprehensive integrated solutions. The Company has a strong R&D team and invest more than 12% of our R&D funds each year. We are a chip design company that focuses on developing new products. The quality of our products is deeply recognized by our customers. At present, the proportion of our customers from the world's first-tier manufacturers accounts for more than half of our revenue. Currently, there are three products ranked first in the world, namely touch notebook screen chips, touchpad modules and pointing devices.

3. Analysis of Cash Flow

(1) Cash Flow Analysis for the last fiscal year (2024)

Unit: NT\$ thousands					
Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Funding Plans
2,614,034	3,309,652	(2,651,049)	3,272,637	-	-
1. Analysis of change in consolidated cash flow in the current year:					
<p>(1) Operating Activities: Net cash inflow from operating activities decreased by NT\$ 898,006,000 compared with the previous year, mainly due to a decrease in inventory, an increase in prepaid materials, a decrease in accounts payable and a decrease in the increase in other current liabilities. After offsetting the decrease in accounts receivable and the decrease in income tax payments, the cash inflow from operating activities in the current year still decreased compared with the previous year.</p> <p>(2) Investing activities: Net cash outflow from investing activities decreased by NT\$ 1,476,181,000 compared with the previous year, mainly due to the decrease in financial assets measured at amortized cost and the receipt of more dividends during the year, which offset the increase in the amount of real estate acquired, resulting in a decrease in cash outflow from operating activities compared with the previous year.</p> <p>(3) Financing activities: Net cash outflow from financing activities decreased by NT\$ 127,089,000 compared with the previous year, mainly due to the decrease in the amount of cash dividends paid this year.</p>					
2. Expected remedy for cash deficit and liquidity analysis: N/A.					

(2) Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands					
Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Estimated Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Funding Plans
3,272,637	2,701,491	(2,009,579)	3,964,549	—	—
1. Analysis of change in cash flow in the current year:					
<p>(1) Business activities: The Company expects operating income to increase due to Microsoft's discontinuation of Windows 10 operating system updates in the fourth quarter of 2024 and the AIPC trend expected to bring about a new wave of device replacement. In addition, touchpad solutions that support AI and enhance the touchpad's finger/palm recognition function, and the promotion of touchpads with tactile feedback function are also major drivers of revenue growth, and operating activities are expected to be net cash inflows.</p> <p>(2) Investing Activities: This is mainly due to the expenditure on the Zhubei AI Smart Park, the expenditure on the purchase of fixed assets and software, and the decrease in financial assets measured at amortized cost. Investing activities are expected to be a net cash outflow.</p> <p>(3) Financing activities: mainly include the expected payment of cash dividends to shareholders and purchase of treasury shares by employees, etc. Financing activities are expected to be cash outflows..</p>					
2. Expected remedy for cash deficit and liquidity analysis: N/A.					

4. Major Capital Expenditure Items on the Financial Operations during the Last Fiscal Year:

(1) Major Capital Expenditure Items and Source of Capital

Project	Actual or Expected Source of Funds	Total Funds Required (As of The End of 2024)	Actual Use of Funds (In 2024)
Zhubei AI Park New Factory	Own funds	1,969,308	1,969,308

(2) Expected benefits:

In May 2023, the Company broke ground on a new plant in the Hsinchu County International AI Smart Park in Zhubei City, Hsinchu County. We hope that after completion, it will serve as a research and development base for innovative technologies in related industries such as 5G, AI, IOT, mobile vehicles, and smart healthcare, attracting more outstanding talents and enhancing the exchange and development of the AI industry.

5. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

Item Affiliates	Policies	Income (Loss) Amount	Reasons for Gain or Loss	Improvement Plan	Investment Plan for the coming year
Elan H.K Micro Electronics Corp	Sell the Company's products, provide after-sales service, and establish a sales base	87,900	In the current period, due to the growth of the parent Company's revenue, and the increase of commission income from product logistics management and after-sales service	-	-
Elan Investment Corporation	General Investment Business	58,827	Mainly due to the loss of financial asset evaluation during the current period.	-	-
Metanoia Communications Co., Ltd.	Manufacture cable and wireless communication machinery and equipment, electronic components, wholesale and retail telecommunication Equipment	(171,393)	Due to continued investment in the research and development of new wireless 5G telecommunication products, as a result, the Company still incurred losses in 2024.	It is expected to develop a new generation of 5G chips and overall hardware and software solutions to provide 5G O-RU customers with products that have both cost and functional advantages, contributing to revenue in 2024.	-

Item Affiliates	Policies	Income (Loss) Amount	Reasons for Gain or Loss	Improvement Plan	Investment Plan for the coming year
Avisonic Technology Corporation	Research, design, manufacture and sale of multimedia video compression and impact processing ICs	(22,451)	Benefiting from the continued increase in shipment momentum of in-vehicle passenger products, revenue in 2024 will increase by 51% compared to 2023. However, as customers gradually cleared their inventory, shipments of new orders from customers were slow. However, the company is still optimistic about the growth of the intelligent image recognition application market and the automotive imaging market, and continues to invest in the development of high-end nanochip projects, resulting in losses in 2024.	Actively improve image processing optimization capabilities and provide complete image product application solutions to shorten the time it takes to introduce customer product technology. It is expected that product revenue momentum will increase in 2025.	-
PiXORD Corporation	Research, design, development, manufacture and sales of network cameras and network servers	(23,332)	Due to continued investment in the research and development of gun-type cameras with AI image recognition capabilities, the company continued to suffer losses in 2024.	With the development of gun-type cameras with AI image recognition functions and the promotion in multiple pilot projects, it is expected to contribute to revenue in 2025.	-
Eminent Electric Technology Co., Ltd.	Electronic components manufacturing, computer and peripheral equipment manufacturing, optical instrument manufacturing	(22,554)	Affected by price competition from competitors and new product launches not meeting expectations, the overall sales volume and gross profit in 2024 declined compared with the previous year.	Actively introduce local supply chains to develop products with better performance and better sensitivity. At the same time, develop niche products and enter the non-mobile phone application market.	-
Chimei Motor Electronics Co., Ltd.	Image recognition and automotive electronics product manufacturing and wholesale business	(33,382)	Due to the development progress being slower than expected and the impact of adjustments in end-customer specification acceptance, revenue was lower than expected, but continued investment in the development and improvement of safety assistance systems resulted in a loss in 2024.	Taking Measures such as continuing to expand sales of high-gross-margin products and cutting costs are expected to improve profitability by 2025.	-
Top Taiwan X Venture Capital Co., Ltd.	Venture Capital investment	61,330	Mainly due to the increase of the financial asset evaluation benefit of the current period	-	-

Note: Analysis on investment income and loss of more than NT\$10 million only.

6. Analysis of Risk Management and Assessment

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Procedures

Unit: NT\$ thousands

Item	Year	2024
Net operating income		12,695,862
Net profit before tax		3,272,750
Net exchange (loss) profit		95,635
Net exchange (loss) profit to net income ratio		0.75%
Net exchange (loss) profit to net profit before tax ratio		2.92%
Interest revenues		70,458
Interest revenues accounted for net income ratio		0.55%
Interest revenues accounted for net profit before tax ratio		2.15%
Interest expenses		13,812
Interest expenses accounted for net income ratio		0.11%
Interest expenses accounted for net profit before tax ratio		0.42%

1. Interest Rates:

In 2024, the ratio of net interest income to net revenue was 0.44%. The Company's capital utilization takes safety as its primary consideration, so it distributes funds to stable targets to obtain stable interest income.

2. Foreign Exchange Rates:

In order to avoid exchange rate fluctuations, the Company offsets the recurring purchase and sales accounts payable to achieve a natural hedging effect against exchange rate fluctuations, generating an overall exchange gain of NT\$95,635,000 in fiscal 2024. The Company's financial personnel monitor exchange rate fluctuations at all times and make appropriate arrangements and responses to reduce the impact of exchange rate fluctuations on the Company's profits and losses.

3. Inflation:

The Company has long-term cooperation with raw materials suppliers, so the source and price of the raw materials are quite stable; therefore, inflation has no significant impact on the Company's profit and loss. The Company will pay close attention to the changes in the relevant economic environment and the market to avoid adverse effect on the Company caused by inflation.

(2) Policies, Main Causes of Gain or Loss and Future Response Procedures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company did not engage in any high-risk or high-leveraged investments. The transactions and procedures related to lending and endorsement are based on the Company's "Operational Procedures for Loaning Funds to Others" and "Procedures for Endorsement Guarantee". Furthermore, derivative transactions follow the "Procedures for Acquisition and Disposal of Assets".

(3) Future Research & Development Projects and Corresponding Budget

1. Future Research & Development Plans

In response to the recent rapid development of generative artificial intelligence (Generative AI), the Company has widely applied artificial intelligence (AI) technology, which has been researched for many years, to our products, especially image recognition and processing technology. Since 2018, the Company has been working with Academia Sinica to develop artificial intelligence (AI) technology. In addition to sponsoring the establishment of the Taiwan Artificial Intelligence School,

the Company has also sent hundreds of internal managers to participate in all artificial intelligence courses to learn the key elements of artificial intelligence (AI) technology. The Company has then applied what the Company has learned about artificial intelligence (AI) technology to many of our Company's product lines, including touchpad modules, touch screen chips, and fingerprint recognition chips. At the same time, we also continue to discuss other functions and areas of scalable application with important customers.

In addition to artificial intelligence (AI), the Company also drives operational growth by increasing product functions and improving product specifications, such as combining fingerprint recognition modules with Copilot shortcut functions, increasing the adoption rate of tactile feedback (Haptic Pad), large-size touch panels driving up average unit prices, and upgrading the penetration rate of high-priced MOC (Match On Chip), embedded touch panels (SLOC) with Single-Layer touch function chips, and LTDI that integrates touch and driver chips. At the same time, the Company has long invested in the development and application of touch technology and owns patents in the United States, Japan, Mainland China, and Taiwan.

Furthermore, the penetration rate of biometrics in smartphones is already very high, and the competition is relatively fierce. In consideration of overall operational growth, the Company has strengthened its image recognition applications and developed diversified application products, with laptops being the most important application at present.

At the same time, non-notebook applications are also being actively developed. First of all, Advanced Driver Assistance Systems (ADAS) are the Company's active business focus. We work with our invested companies to jointly develop ADAS-related products that focus on driving safety, including Camera Modules, Sensor Fusion algorithms, and external components, to provide high-quality overall solutions for electric buses and large buses, paving the way for entering the automotive electronics market. Revenue contributions have begun in 2024, and in the future, we expect to expand uses beyond electric buses, including logistics vehicles and taxis, and promote technology to Southeast Asia... where traffic environments are similar to those in Taiwan.

Besides, in order to expand the application of fingerprint recognition and drive operational growth, the Company is actively entering the smart card market. Because the application scope of smart cards is very wide, including credit cards, bank cards, employee identification cards, identity cards, etc., the future market potential is very large. Although the market has not yet taken off, the Company continues to improve the cost-effectiveness of products to attract brand customers to adopt them. In order to enhance market competitiveness, the Company claims high added value to support encryption and payment, and add anti-fake fingerprint functions as product claims, providing clients with the best market competitiveness.

The introduction of large-size touch panels will help increase the average unit price. The active promotion and introduction of Single-Layer On-Cell touch panels (SLOC) and mass production and shipment will be beneficial to the revenue of touch screen chips. Although the global economic environment is uncertain and the external market competition is still very fierce, the Company is still working hard to actively strengthen the chip design technology engineering and effectively reduce costs, hoping to help improve operational efficiency.

As for the pointing device (Point stick) products used in laptops, the Company currently ranks first in the world in market share, and mainly supplies to the world's largest laptop manufacturers. We will continue to rise as the market share of laptop manufacturers continues to increase. At the same time, as customers demand lighter and thinner designs, it will be conducive to increasing the average selling price.

For our microcontroller products, we will continue to develop chip platforms with lower power consumption, provide the best solutions to our customers, strengthen cooperation with solution companies in mainland China, and provide control chips with the best cost-performance ratio.

2. The estimated R&D expenditure is approximately NT\$ 2.1 billion.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company has a legal department responsible for the research and collection of information related to intellectual property, laws, and important policies at home and abroad to truly understand the impact of this on the Company's finance and business and provide timely counter Procedures therefor.

Recent changes in major policies and laws at home and abroad have no material adverse impact on the Company's finance and business.

(5) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

The Company's diversified product lines can meet the needs of customers. The diversified product lines make the Company less subjective to technological changes than single product line or minority players. In recent years, the Company has actively sought multiple sources of production and has effectively controlled costs.

Regarding information security risk assessment, regularly assess the confidentiality, ethical , availability, legal compliance and other aspects of the information system that may affect the system, and the system may suffer accidental or malicious damage and improper use, making the information security system inoperable.

Countermeasures:

- A. Develop information security policies and management methods for employee computer e-mail and network resource use, and manage them in accordance with the Information Security Management Manual.
- B. Establish an Information Security Management Committee to report the information security governance overview to the Board of Directors on a regular basis once a year.
- C. Regularly implement information security internal audit, education and training once a year.

In addition, in terms of financial operations, the Company actively strengthened the management of cash flows and maintained a good financial structure to maintain the stable operation of the Company and diversify the operating risks. Therefore, technological changes have no significant impact on the finance and business of the Company.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Procedures: N/A.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: N/A.

(8) Expected Benefits from, Risks Relating to and Response to Plant Expansion Plans:

The Company expects to build a new plant in the "Hsinchu County International AI Smart Park" in Zhubei City, Hsinchu County in the next four years, as a research and development base for the construction of 5G, AI, IOT, mobile vehicles, smart medical and other related industries innovation technology, and integrate affiliated enterprise, to carry out the integration of AI resources, hoping to drive the clustering effect of the AI industry and play the multiplier effect, attract more talents, and enhance the exchange and development of the AI industry.

In order to reduce the capital cost of building factories in the future, the Company applied to the Ministry of Economic Affairs in 2021 for the "Accelerated Investment Action Plan for Rooting and Retaining Taiwanese Enterprises" and was approved by the competent authority. The government will pay part of the banking charges to reduce the Company's future capital cost.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

The Company has concluded a non-recourse agreement for the sale of accounts receivable with financial institutions for the accounts receivable of major sales customers. According to the contract, the Company

does not have to bear the risk that the accounts receivable cannot be recovered in order to reduce the moderate risk of sales. The Company has consistently focused on identifying alternative sources for purchasing, and has worked to diversify its customer base in order to reduce the concentration of sales.

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10% :

The shareholdings of the Company's directors or shareholders with over 10% shareholdings have been stable during the last few years, and there have been no major transfers or swaps of shares.

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights:

The Company's directors did not change significantly in 2024, so there will be no change in management rights.

(12) Litigation or non-litigation Matters:

As of May 06, 2025

Major lawsuits	Explanation	Results
Elan Microelectronics (Shenzhen) CO., Ltd. has received patent infringement lawsuits filed by Goodix to Hohhot Intermediate People's Court on May 11, 2021 and May 13, 2021	<p>Elan Microelectronics (Shenzhen) CO., Ltd. has received on May 11, 2021 a patent infringement lawsuit filed by Goodix to Hohhot Intermediate People's Court against Elan Microelectronics, Elan Microelectronics (Shenzhen) and Xincheng Yunzhou Electronic Product Distribution Department. The Company and Elan Shenzhen have appointed a patent attorney to apply for a jurisdictional objection to the court within the defense period, but the Hohhot Intermediate People's Court ruled to reject it on July 22, 2021. At present, the Company and Elan Shenzhen have submitted an appeal to the court within the stipulated appeal period, and the appeal was filed to the Supreme People's Court, but the Supreme People's Court rejected the appeal on January 28, 2021. The case is currently being tried by the court, and after assessment, there should be no material adverse impact on the Company's finances and business.</p> <p>On March 23, 2024, the Company was informed by its lawyer that the Hohhot Intermediate People's Court in the Inner Mongolia has officially rejected the appeal filed by the plaintiff. In addition to rejecting Goodix's claim, the court ordered Goodix to pay the lawsuit fees for this case.</p>	On March 23, 2024, the Company was informed by its lawyer that the Hohhot Intermediate People's Court in the Inner Mongolia has officially rejected the appeal filed by the plaintiff.
On March 20, 2024, the Company filed a patent infringement lawsuit against FocalTech Systems Co., Ltd.	On March 20, 2014, the Company filed a lawsuit against FocalTech Systems Co., Ltd. (hereinafter referred to as FocalTech) in the Intellectual Property and Commercial Court, claiming that the touch chip used in the touch pad manufactured and sold by FocalTech fell within the scope of the rights of the Republic of China invention patent No. I662460 owned by the Company, and infringed our patent rights. Therefore, we requested the court to prohibit the aforementioned defendant from using and manufacturing and selling the products involved in the case, and requested damages. As of now, it is still pending review by the Intellectual Property and Commercial Court.	Elan is the plaintiff and the case is currently being heard by the court. It is assessed that the decision made by the court on this case should not have a significant adverse impact on Elan.

(13) Other Major Risk and Counter Procedures: N/A

7. Other Important Matters: N/A.

VI. Special Disclosure

1. Summary of Affiliated Companies

(1) Consolidated Business Report of the Affiliates

The Company's Business Report of Affiliated Companies have been disclosed on the Taiwan Stock Exchange Market Observation Post System (MOPS).

For inquiries, please refer to the MOPS):

Public Information Observation Station> Single Company> Electronic Document Download> Affiliate Three Books and Forms Area

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

(2) Consolidated Financial Statements of the Affiliates

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of Elan Microelectronics Corp. as of and for the year ended December 31, 2024, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises “ are the same as those included in the consolidated financial statements prepared in conformity with the “International Financial Reporting Standard 10 (IFRS10)” and the “Consolidated Financial Statements.” adopted by Financial Supervisory Commission (FSC). In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements of parent and subsidiary companies. Consequently, Elan Microelectronics Corp. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company Name: **ELAN Microelectronics Corporation** (Company Seal Affixed)

Responsible Person: **YEH, I-HAU** (Sealed)

Date: **February 27, 2025**

2. **Private Placement Securities During the Last Fiscal Year and Until the Publishing date of the Annual Report: N/A.**
3. **Other Necessary Supplementary Explanations: N/A.**

VII. Any matter that has material effect on the shareholders' equity or the price of securities as set out in Article 36, Paragraph 3, Item 2 of the Company Act during the last fiscal year and until the publishing date of the annual report: N/A.