



# LEADTREND TECHNOLOGY CORP.

## 2024 Annual Report

The annual report is available for access on the website at:  
Market Observation Post System:<https://mops.twse.com.tw>  
Corporate website:<https://www.leadtrend.com.tw>

Published on April 10, 2025

### Notice to Readers

This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

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**Name of the CPA and CPA Firm Auditing the Financial Statements in the Most Recent Year**

Accounting Firm: Deloitte & Touche

Name of CPAs: Yu-Fong Huang and Mei-Chen Tsai

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**Overseas Securities Exchange: Not applicable****Company Website**

<https://www.leadtrend.com.tw>

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## **Chapter 1.Letter to Shareholders**

**Dear Shareholders,**

In the post-pandemic era, the global economic recovery has demonstrated considerable disparities, shaped by enduring factors such as geopolitical tensions, inflationary pressures, and the reconfiguration of supply chains, all of which continue to influence industrial development. Leadtrend is committed to the advancement and implementation of ACDC power management integrated circuits (ICs), with technological innovation serving as the primary driver of our operational growth. In 2024, we launched a series of high-performance products specifically designed to meet market demands for low power consumption, high efficiency, and high power density solutions. These offerings have attracted significant interest from brand customers, resulting in a 27.36% year-over-year increase in annual revenue.

### **2024 Business Performance Outcomes**

#### **(1) Results of the Implementation of the Operational Plan**

Leadtrend's strategic focus on providing comprehensive solutions and highly integrated products began to yield synergistic advantages across various application sectors in 2024. The composition of sales has demonstrated a growing proportion of total solutions and high-integration products. Our one-stop service model has effectively attracted an increasing number of brand customers to adopt Leadtrend's solutions. The product strategy continues to emphasize a comprehensive deployment of a full range of power solutions aimed at medium and high power applications. Given the irrational competition prevalent in mature process nodes in China, which has been intensified by the US-China trade conflict, Leadtrend has taken proactive measures to align with the development of next-generation products. To this end, the company has incorporated AI Efficiency technologies into its ACDC PWM product lines, which are progressively gaining traction in the market. We have successfully commercialized synchronized rectification products by employing optimized process technologies and have commenced mass production of streamlined Combo-type Power Delivery (PD) and Type-C products. These advancements facilitate our long-term clients in efficiently upgrading their systems, thereby aligning with their objectives of promoting energy efficiency in their branding strategies. The architectures of our next-generation products utilize a platform-based design approach that aims to enhance power efficiency and performance, in alignment with Environmental, Social, and Governance (ESG) principles. This approach is intended to strengthen the competitiveness of future offerings. In response to the ongoing

recovery of global economic conditions anticipated in 2024, Leadtrend has allocated substantial resources and engaged in collaborations with prominent brand clients to develop next-generation products across a variety of applications, including Power Delivery (PD), networking, notebooks, smart appliances, electric bicycles, televisions, and Industrial Personal Computers (IPCs). This strategic initiative has generated numerous opportunities for customized design.

## **(2) An Analysis of Financial Revenue, Expenditure, and Profitability**

Leadtrend's consolidated financial performance for the fiscal year 2024 is summarized as follows: the annual revenue reached NT\$1,454 million, reflecting a growth of 27.36% compared to the previous year. The gross profit amounted to NT\$552 million, which constitutes 38.0% of total revenue, representing an increase of 28.61% from the prior year. The net profit was reported at NT\$85 million, accounting for 5.84% of revenue, and demonstrating a remarkable increase of 1,589.10% over the previous year. Additionally, the net operating profit was NT\$85 million, with an increase of 1,589.10% from the previous year. The after-tax profit was recorded at NT\$112 million, resulting in earnings per share (EPS) of NT\$1.89 and a return on stockholders' equity of 6.56%.

## **(3) Status of Research and Development**

Energy-efficient technology has consistently constituted the core strategy in the product development endeavors of Leadtrend. In 2024, our initiatives in product development incorporated patented technologies, optimized integrated circuits that adhere to energy efficiency regulations, hybrid analog-digital control designs, high-density gallium nitride (GaN) component integration, and sophisticated current-sensing mechanisms for synchronous rectification within the alternating current-direct current (ACDC) pulse width modulation (PWM) product line. The promotional phase for LLC and AHB products in 2024 was executed effectively. Significant advancements have been achieved in the research and development of high-power LLC (Lumped Inductance Converter) products, particularly with optimizations tailored for television and networking applications. Notable improvements include: (1) a television system achieving an efficiency of over 93% at 180W; (2) the integration of built-in PGI (Power Good Indicator) control, which reduces the component count by 15 and enhances standby power consumption by 60mW. These developments comply with the latest regulations set forth by Energy Star 7 and the European Union's ErP Lot 5, demonstrating exceptional performance in terms of component efficiency, count, and protection control. Furthermore, these products align with environmental, social, and governance (ESG) criteria, underscoring their eco-friendly attributes.

The latest iteration of USB Power Delivery (PD) 3.1 has enhanced the output power capacity to 240 watts, utilizing a 5-ampere charging cable with a maximum output voltage of 48 volts. Leadtrend's AHB 240W PD 3.1 solution has been effectively promoted, incorporating Power Factor Correction (PFC) and AHB control integrated circuits (ICs), as well as AHB synchronous rectification (SR) and PD ICs. This comprehensive approach ensures consistency, stability, streamlined supply chains, technical support, alignment of system performance, cost-effectiveness, and quality assurance. Consequently, this innovation has facilitated the miniaturization of PD power supplies, improved efficiency, reduced the number of components, and contributed to carbon footprint reduction. The AHB technology is particularly well-suited for applications such as AI laptop adapters, server power supplies, electric tool chargers, and high-performance power devices, thereby offering reliable and efficient power management solutions. Furthermore, Leadtrend's AHB technology demonstrates advantages in minimizing electromagnetic interference (EMI), rendering it appropriate for applications that are sensitive to electromagnetic environments. By the conclusion of 2024, Leadtrend has applied for and received approval for nearly 559 patents both domestically and internationally, culminating in a total of over 740 patent applications.

Leadtrend's research and development efforts across all product lines have consistently pursued the vision of your power, Green the World by advancing product technology. The company actively integrates digital and analog mixed-signal technologies alongside hardware and software development in its research initiatives. Product development is achieved through collaboration with brands and manufacturers within the power design sector, and ongoing project research on emerging technologies is conducted in partnership with relevant industry stakeholders, government entities, and academic institutions. This collaborative approach facilitates annual enhancements in power system conversion efficiency, underscoring that green innovation has consistently served as a fundamental guiding principle for Leadtrend.

## **Summary of the 2025 Business Plan**

### **(1) Business Plan**

Leadtrend adheres to fundamental principles of innovation, service, quality, and collaboration, thereby offering customers prompt and comprehensive services. The company's long-term development strategy emphasizes a focus on Taiwan, a deep engagement with the Chinese market, and an aspiration to connect with international brands globally.

## **(2) Expected Sales Volume and Its Underpinnings**

The global market for power management integrated circuits (ICs) is currently undergoing a normalization process following a period characterized by significant inventory backlogs. This adjustment is occurring in response to a resurgence in end-user demand. The swift advancement of the global electronic products market has facilitated the extensive application of power management ICs across a diverse array of electronic devices. Notably, the escalating demand for high-power computing and artificial intelligence (AI) servers is contributing to an increase in the sales of high-performance power management ICs. Leadtrend expresses a positive outlook regarding future operational growth, anticipating substantial contributions from both established brand operations and the introduction of new products from emerging brand customers. Sales projections for 2025 indicate a marked increase compared to the previous year. In terms of operational strategy, the company intends to enhance its engagement with brand customers and collaborate closely with major power manufacturers to identify potential synergies. It is proposed that commitment to this strategic direction, along with continuous investment in advanced technological talent and innovations related to Artificial Intelligence and Power Computing (AIPC), fifth-generation mobile communication technology (5G), notebooks (NB), televisions (TV), and network communications (Netcom), will significantly contribute to and enhance future revenue growth.

## **(3) Important Policies Regarding Production and Sales**

Leadtrend is recognized as the most comprehensive ACDC Total Solution integrated circuit design company in Taiwan. The complete solutions offered by Leadtrend are applicable to various types of power system designs, enabling the provision of rapid design solutions that align with market demands for products. As the global semiconductor supply chain stabilizes, the company collaborates closely with its foundry, packaging, and testing partners to ensure a stable supply and flexible adjustments in production and sales in response to market fluctuations.

The Company remains committed to advancing technological innovation with the aim of enhancing product reliability and reducing costs, thereby establishing competitive advantages and improving customer retention through tailored services. In addition to innovative product planning, we have integrated foundry processes to expedite production cycles and develop energy-efficient, highly integrated, and cost-optimized solutions. Looking ahead, we will continue to invest in research and development resources to foster technological innovation in the realms of artificial intelligence applications, 5G, the Internet of



Things (IoT), high-speed networks, smart home appliances and lighting, power delivery fast-charging products, industrial control power supplies, medical power supplies, and other related applications. Our focus will remain on the ongoing development of our industry.

**The future development strategy of the company, along with the influence of the external competitive environment, regulatory framework, and overall business landscape, will be examined.**

We maintain a strong commitment to the advancement of product and technology development, underpinned by principles of sound corporate governance, social responsibility, and sustainable development. Through the application of innovative technology, we aim to deliver high-performance power management integrated circuit (IC) products that assist our customers in adhering to the latest international regulations, minimizing energy consumption, and promoting environmental sustainability. Despite the anticipated rapid changes in the macroeconomic environment and the intensifying competition within the industry, Leadtrend is poised to formulate a strategic vision for technology and new product development that aligns with emerging market demand trends. This proactive approach will enable us to identify potential growth opportunities and to actively pursue the development of diversified and niche products. Our ongoing commitment to innovation and enhancement of technological capabilities is directed towards achieving increased profitability and delivering greater value to our customers and shareholders.

The Board of Directors remains committed to maintaining the trust and long-term support of shareholders. The Board will oversee the management team and collaborate diligently with all employees to actively pursue the growth and development of the company, thereby expressing gratitude to shareholders for their confidence and encouragement. We would like to extend our sincere wishes for your good health and overall well-being. Thank you.

Chairman: Yu-kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu

## Chapter 2. Corporate Governance Report

### 2.1 Information about Directors, President, Vice President and Management Team

#### 2.1.1 Directors

##### (1) Information of Directors

March 31, 2025 Unit: Shares

Title	Nationality/Place of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shares held by spouses and minor children		Shares held in the name of others		Education/Work Experience	Other positions with the Company and other companies	If spouse or second-degree family members also serve as manager			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	R.O.C.	Power Investments Limited Representative Name : Yu Kun Kao	Male 61~70	06/09/2022	3	06/23/2006	4,340,216	8.21%	4,880,227	8.08%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>Master of Management, National Cheng-chi University</li> <li>Vice General Manager of Product Development Department of Leader Electronics Inc.</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of Leadtrend Technology Corp.</li> </ul>	-	-	-	-
Director	R.O.C.	Power Investments Limited Representative Name : Ming-Nan Chuang	Male 51~60	06/09/2022	3	06/23/2006	4,340,216	8.21%	4,880,227	8.08%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>Master of Electrical Engineering, National Tsinghua University</li> <li>Research and Development Manager, Analog Integrations Corp.</li> </ul>	<ul style="list-style-type: none"> <li>Deputy General Manager of Leadtrend Technology Corp.</li> </ul>	-	-	-	-
Director	R.O.C.	Power Investments Limited Representative Name : Wen-Chi Huang (Note1)	Female 41~50	06/09/2022	3	06/23/2006	4,340,216	8.21%	4,880,227	8.08%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>Graduated from Department of Accounting, National Pingtung University</li> <li>Practical course instructor at Lehsing Cram School</li> <li>Lecturer of the Industrial Talent Investment Course of the Ministry of Labor</li> </ul>	<ul style="list-style-type: none"> <li>Certified Public Accountant of YongYi Accounting.</li> <li>Supervisor of Jin Ju Development CO., Ltd.</li> </ul>	-	-	-	-
Independent Director	R.O.C.	Chong-Yu Wu	Male 71~80	06/09/2022	3	06/28/2013	0	0.00%	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>Doctor of Electrical Engineering, National Jiaotong University</li> <li>President of National Jiaotong University</li> <li>Independent Director of Amazing Microelectronic Corp.</li> <li>Independent Director of Global Unichip Corp.</li> </ul>	<ul style="list-style-type: none"> <li>President and Chief Technical officer of A-Neuron Electronic Corp.</li> <li>Emeritus Chair Professor, National Yangming Jiaotong University</li> <li>Independent director of Mediatek Technology Co., Ltd.</li> <li>Independent director of Powerchip Semiconductor Manufacturing Corporation</li> <li>Legal director representative of Amazing Microelectronic Corp.</li> </ul>	-	-	-	-

Note 1: The legal representative director will be changed from Mr. Chuei-Hua Chiou to Ms. Wen-Chi Huang, effective December 30, 2024.

Title	Nationality/Place of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shares held by spouses and minor children		Shares held in the name of others		Education/Work Experience	Other positions with the Company and other companies	If spouse or second-degree family members also serve as manager			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Director	R.O.C.	Ding- Jen Liu	Male 61~70	06/09/2022	3	06/28/2013	0	0.00%	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>• PhD Program, Institute of Electrical Engineering, State University of New York, Stony Brook (PhD candidate)</li> <li>• Institute of Electronics National Jiaotong University Master Degree</li> <li>• Department of Electronic Physics, National Jiaotong University Bachelor Degree</li> <li>• Director of Mediatek Technology Co., Ltd.</li> <li>• Executive Vice General Manager of Mediatek Technology Co., Ltd.</li> <li>• Manager of IC Design Department of UMC Electronics Memory Products Business Division, Communication Products Business Division, and Multimedia R&amp;D Team</li> <li>• Legal director representative of Egis Technology Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Consultant of Vincera Capital</li> <li>• Representative of Corporate Directors of Algoltek, Inc.</li> <li>• Representative of Corporate Directors of Alcor Micro, Corporation</li> <li>• Supervisor of H&amp;J Management Corp.</li> <li>• Director of Chenyuan Investment Co.,Ltd.</li> </ul>	-	-	-	-
Independent Director	R.O.C.	Chien-Kuo Yang	Male 61~70	06/09/2022	3	06/28/2013	0	0.00%	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>• Bachelor of International Trade, Tamkang University.</li> <li>• Partner of Ernst &amp; Young</li> <li>• Director of Spirox Corporation</li> <li>• Supervisor of Spirox Corporation</li> <li>• Independent Director of Spirox Corporation</li> <li>• Independent Director of M31 Technology Corporation</li> <li>• Supervisor of YoungTek Electronics Corp.</li> </ul>	<ul style="list-style-type: none"> <li>• Chairman of Diwan &amp; Company</li> <li>• Chairman of Diwan International Management Consulting Inc.</li> <li>• Independent Director of Andes Technology Corp.</li> <li>• Chairman of Tien Da Investment Co., Ltd.</li> <li>• Independent Director of Macronix International Co., Ltd.</li> <li>• Independent Director of YoungTek Electronics Corp.</li> </ul>	-	-	-	-
Independent Director	R.O.C.	Chih-Chun Tsai	Male 61~70	06/09/2022	3	06/09/2022	0	0.00%	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>• M.S., Computer Science, Utah State University</li> <li>• National Chiao Tung University, Bachelor of Computer Science.</li> <li>• Senior Director, Asia/Pacific Business, Taiwan Semiconductor Manufacturing Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Director of Coretech Optical Co., Ltd.</li> <li>• Chairman of Hua Jieh Investment Co., Ltd.</li> <li>• Director of Egis Technology Inc.</li> <li>• Independent Director of Daxin Materials Corp.</li> </ul>	-	-	-	-

(2) Major Shareholders of Corporate Shareholders

March 31, 2025

Name of Corporate Shareholder	Major shareholders of corporate shareholders	Shareholding Ratio
Power Investments Limited	Tongfa International Investment Co. LTD.	100%

(3) Major Shareholders of Major Shareholders that are Corporations

March 31, 2025

Name of Corporate	Major Shareholders of Corporate Shareholders	Shareholding Ratio
Tongfa International Investment Co. LTD.	Ding-lun, Lee	96%

**(4) Disclosure of the Professional Qualifications of Directors and the Independent of Independence Directors :**

Name \ Criteria	Professional qualification and Work Experience	Independence Situation	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Representatives from Power Investments Limited: Yu-Kun Kao.	<ul style="list-style-type: none"> <li>● Individuals possessing expertise in business strategy, marketing, and industries related to electronics.</li> <li>● The individual has not violated Article 30 of the Companies Act.</li> </ul>	N.A.	0
Representatives from Power Investments Limited: Ming-Nan Zhuang.	<ul style="list-style-type: none"> <li>● Individuals possessing pertinent industry experience in the fields of engineering technology, organizational leadership, industrial development, and the application of technology</li> <li>● The individual has not violated Article 30 of the Companies Act</li> </ul>		0
Representatives from Power Investments Limited: Wen-Chi Huang	<ul style="list-style-type: none"> <li>● Individuals possessing expertise in financial accounting and corporate sustainability management.</li> <li>● The individual has not violated Article 30 of the Companies Act</li> </ul>		0
Independent Director Chong-Yu Wu	<ul style="list-style-type: none"> <li>● The individual possesses extensive professional experience and a robust background in the semiconductor industry, as well as in technology research and development within an academic context. He demonstrates profound insights into emerging technologies and is capable of offering strategic guidance regarding product development and market positioning.</li> <li>● The individual has not violated Article 30 of the Companies Act</li> </ul>	<p>The individual has satisfied the criteria for the independence assessment. During the two years before being elected or during the term of office, an independent director of a public company may not have been or be any of the following:</p> <ol style="list-style-type: none"> <li>1. An employee of the company or any of its affiliates.</li> <li>2. A director or supervisor of the company or any of its affiliates.</li> <li>3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.</li> <li>4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.</li> <li>5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</li> <li>6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</li> <li>7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.</li> <li>8. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.</li> <li>9. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.</li> <li>10. The presence of a spouse or a second-degree kinship relationship with other directors.</li> </ol>	2
Independent Director Ding-Ren Liu (Convener of the Remuneration Committee)	<ul style="list-style-type: none"> <li>● Individuals possess expertise in financial accounting and strategic management, are knowledgeable about the industry value chain, and have experience across multiple industries.</li> <li>● The individual has not violated Article 30 of the Companies Act</li> </ul>		0
Independent Director Chien-Kuo Yang (Convener of the Audit Committee)	<ul style="list-style-type: none"> <li>● The individual possesses expertise in financial accounting, corporate sustainability management, and has experience in industries related to electronics.</li> <li>● The individual has not violated Article 30 of the Companies Act</li> </ul>		3
Independent Director Chih-Chun Tsai	<ul style="list-style-type: none"> <li>● Individuals possessing expertise in engineering technology, organizational leadership, and industries related to electronics.</li> <li>● The individual has not violated Article 30 of the Companies Act</li> </ul>		1

## (5) Diversification and Independence of the Board

### (A) Diversification of the Board

Our company reinforces the regulations governing the functions of the board of directors in accordance with the established "Corporate Governance Best Practice Principles." The composition of board members should prioritize diversity, and appropriate diversity policies should be developed based on the company's operations, business model, and developmental needs. These policies should encompass, but are not limited to, standards in the following two major criteria:

- (a) Basic conditions and values include gender, age, nationality, culture, and other relevant factors.
- (b) Professional knowledge and skills encompass backgrounds in law, accounting, finance, marketing, technology, and relevant industry experience.

Board members must have the necessary knowledge, skills, and qualities to fulfill their duties. For effective corporate governance, the board should collectively possess:

- Operational decision-making judgment
- Accounting and financial analysis skills
- Management expertise
- Crisis management abilities
- Industry Knowledge
- International Market Perspective
- Leadership
- Effective decision-making

The objectives pertaining to diversity policy for the Company's Board of Directors, along with their status of achievement for the year 2024, are outlined as follows:

Project	Percentage Description
Industry experience/specialization	Business Management (100%); Leadership Decision Making (100%); Industrial Technology (100%); Financial Accounting (29%); Legal (14%)
Distribution of directors with employee status	2 (29%)
Distribution of length of tenure of independent directors	1 term (25%); 4 terms (75%)
Age distribution of directors (	41-50 years old (14%); 51-60 years old (14%); 61-70 years old (58%); 71~80 years old (14%)
Directors of different genders	Females (14%); Males (86%)

**(B) Circumstances Surrounding the Diversity Policy for Members of the Eighth Board of Directors of the Company**

Name	Item	Basic Conditions								Professional knowledge			Industrial experience									
		Nationality	Gender	A Concurrent Employee of the Company	Age				Continuous term of Independent Director		CPAs and Attorneys etc.	Lecturer or above in public or private universities	Experience in the Integrated Circuit (IC) Design Industry	Operational decision-making skills	Accounting and Financial analysis expertise	Business management capabilities	Crisis management proficiency	Industry knowledge	International market perspective	leadership skills	Decision-making abilities	
					45 to 50	51 to 60	61 to 70	71 to 80	Under 3 years	3 to 9 years												
Representatives from Power Investments Limited : Yu-Kun Kao	R.O.C.	Males	✓			✓							✓	✓	✓	✓	✓	✓	✓	✓	✓	
Representatives from Power Investments Limited : Ming-Nan Zhuang.	R.O.C.	Males	✓		✓								✓	✓	✓	✓	✓	✓	✓	✓	✓	
Representatives from Power Investments Limited : Wen-Chi Huang	R.O.C.	Females		✓							✓			✓	✓	✓	✓	✓	✓	✓	✓	
Chong-Yu Wu	R.O.C.	Males					✓		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Ding-Ren Liu	R.O.C.	Males				✓			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	
Chien-Kuo Yang	R.O.C.	Males				✓			✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	
Chih-Chun Tsai	R.O.C.	Males				✓			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	

**(C) Board Independence**

**Board Structure :**

The company has established a director selection system, ensuring that the election process for all directors is open and fair, in accordance with the company's "Articles of Incorporation," "Rules for Election of Directors," "Corporate Governance Best Practice Principles," "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and "Article 14-2 of the Securities and Exchange Act." The current composition of the board consists of 4 independent directors (57%) and 3 non-independent directors (43%), which comply with the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act.

The board of directors has independence :

The board of directors guides the organization's strategic direction, oversees management, and ensures accountability to shareholders. It operates within the corporate governance framework, complying with laws, the articles of incorporation, and shareholder resolutions.

The board prioritizes independent operation and transparency, with directors and independent directors acting autonomously. The four independent directors meet legal requirements and, with the audit committee, assess existing and potential risks, ensuring effective oversight of internal controls, accountant appointments, and financial statement accuracy. The company's "Rules for Election of Directors" a cumulative voting system and candidate nominations. Shareholders with a minimum number of shares can propose candidates, and their qualifications will be assessed and publicly announced per legal standards. This process protects shareholder rights and maintains board independence.

(D) Succession Planning and the Functioning of Board Members

In accordance with Article 4 of the Operational Directions for the Establishment of Boards of Directors by Taiwan Stock Exchange (TWSE) listed companies and the Exercise of Powers, commencing in 2024, the boards of directors of TWSE listed companies are required to include a minimum of one director of a different gender. Furthermore, the consecutive terms of independent directors shall not exceed three terms for more than half of the board.

In preparation for the comprehensive re-election scheduled for 2025, the planning for board candidates will prioritize the inclusion of at least one female director. Additionally, it will be stipulated that the consecutive terms of independent directors shall not exceed three terms for more than half of the board members.



## 2.1.2 President, Vice President and Management Team

March 31, 2025 Unit: Shares

Title	Nationality	Name	Gender	Date Elected	Current Shareholding		Shares held by spouses and minor children		Shares held in the name of others		Education/Work Experience	Other positions with the Company and other companies	If spouse or second-degree family members also serve as manager			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
President	R.O.C.	Heng-Chung, Chi	Male	09/01/2022	68,559	0.11%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>Master of Electrical engineering, Yuanzhi University</li> <li>Monolithic Power Systems Senior business manager</li> </ul>	None	-	-	-	-
Vice President	R.O.C.	Ming-Nan Zhuang.	Male	10/01/2003	24,796	0.04%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>Master of Electrical Engineering, National Tsinghua University</li> <li>Research and Development Manager, Analog Integrations Corp.</li> </ul>	None	-	-	-	-
Vice President	R.O.C.	Chuei-Hua Chiou	Male	07/14/2003	7,792	0.01%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>Master of Advanced Business Management, National Tsinghua University</li> <li>CAD Chief of ICP DAS CO., Ltd.</li> </ul>	None	-	-	-	-
Assistant Vice President	R.O.C.	Jiong-Feng Zhou	Male	05/20/2003	34,262	0.06%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>Joint Engineering Department of Electronic Engineering</li> <li>AnaChip Corp.Senior CAD manager</li> </ul>	Supervisor of Leadtrend Technology (ShenZhen) Co. Ltd.	-	-	-	-
Financial and Accounting Supervisor	R.O.C.	Shu-Wei Yu	Females	06/13/2024	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>Department of Accounting, National Cheng Kung University.</li> <li>Accounting Department Manager of Taiwan Mask Corporation</li> <li>Financial &amp; Accounting Manager of Favite, Inc.</li> </ul>	None	-	-	-	-

Note : The individual holding office at the time of the publication of the annual report.

## 2.2 Remuneration of Directors and Management Team in the Most Recent Year

### 2.2.1 Remuneration of Directors and Management Team

#### (1) Remuneration for General and Independent Directors

December 31, 2024 ; Unit: NT\$ thousands; %

Title	Name	Directors' Remuneration								Amount and Ratio of Total Remuneration (A+B+C+D) to Net Income (NT\$thousand / %)		Relevant Remuneration Received by Directors Who are Also Employees								Amount and Ratio of Total Compensation (A+B+C+D+E+F+G ) to Net Income (NT\$ thousand / %)		Remuneration Paid to Directors from Non-consolidated Affiliates or Parent Company
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C)		Operational execution costs (D)				Salary, Bonuses, And Allowances (E)(Note1)		Severance Pay(F)		Employee Compensation(G) (Note2)						
		The Company	Companies in the Consolidated financial statements	The Company	Companies in the Consolidated financial statements	The Company	Companies in the Consolidated financial statements	The Company	Companies in the Consolidated financial statements	The Company	Companies in the Consolidated financial statements	The Comp any	Companies in the Consolidated financial statements	The Company	Companies in the Consolidated financial statements	The Company		Companies in the Consolidated financial statements		The Company	Companies in the Consolidated financial statements	
Cash amount	Stock amount															Cash amount	Stock amount					
General Directors	Representatives from Power Investments Limited : Yu-Kun Kao	-	-	-	-	948	948	105	105	1,053 0.94%	1,053 0.94%	11,425	11,425	108	108	-	-	-	-	12,586 11.25%	12,586 11.25%	0
	Representatives from Power Investments Limited : Ming-Nan Zhuang																					
	Representatives from Power Investments Limited : Wen-Chi Huang (Note3)																					
Independent Directors	Chong-Yu Wu	3,360	3,360	-	-	948	948	95	95	4,403 3.93%	4,403 3.93%	-	-	-	-	-	-	-	-	4,403 3.93%	4,403 3.93%	
	Ding-Jen Liu																					
	Chien-Kuo Yang																					
	Chih-Chun Tsai																					

1. Please state clearly the remuneration policy, system, standard and structure of independent directors, and the relationship between the remuneration and the amount of remuneration based on the responsibilities, risks, date of investment and other factors:

The remuneration structure of the Company's directors includes fixed monthly remuneration and directors' remuneration as prescribed by the Articles of Association. Fixed monthly remuneration is reviewed annually by the Remuneration Committee, and any change to it shall be submitted to the Board for resolution. The total remuneration of independent directors and non-concurrent managers shall be adjusted based on the Company's business performance in accordance with the provisions of the Articles of Association, based on the involvement and value of their contribution to the Company's operation, as well as the industry level and the limit of not more than 2%, and distributed based on the days of service of each director proportionally.

2. Other than as disclosed in the above table, remuneration received by directors in the recent years for services offered (if acting as consultant to the parent company/all companies in the financial reports/non-employees of the reinvestment business): None.

Note 1: The term refers to the in-kind provision, such as salary, job bonus, severance pay, various bonuses, incentive payments, carriage expenses, special expenses, various allowances, dormitory, car allocation and so on, which the director concurrently receives in the recent years. In addition, the salary expenses recognized in accordance with IFRS2 "Share Based Payment", including the acquisition of stock warrants of employees, the restriction of employee rights of new shares and participation in cash capital increase subscription shares, shall also be included in the remuneration

Note2: The allocation of compensation for directors and employees for the fiscal year 2024 was ratified by the board of directors on February 20, 2025, and subsequently presented at the shareholders' meeting on May 29, 2025.

Note3: The representative of the corporate director will be changed from Mr. Chue-Hwa Chiou to Ms. Wen-Chi Huang, effective December 30, 2024.

Note4: The information presented in the table above illustrates the compensation received during their respective terms of office.

### Range of Remuneration

Range of Remuneration Paid to Each Director of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Below NT\$1,000,000	Representatives from Power Investments Limited: Yu-Kun Kao Representatives from Power Investments Limited: Ming-Nan Zhuang Representatives from Power Investments Limited: Wen-Chi Huang	Representatives from Power Investments Limited: Yu-Kun Kao Representatives from Power Investments Limited: Ming-Nan Zhuang Representatives from Power Investments Limited: Wen-Chi Huang	Representatives from Power Investments Limited: Wen-Chi Huang	Representatives from Power Investments Limited: Wen-Chi Huang
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Chong-Yu Wu Ding-Jen Liu Chien-Kuo Yang Chih-Chun Tsai	Chong-Yu Wu Ding-Jen Liu Chien-Kuo Yang Chih-Chun Tsai	Chong-Yu Wu Ding-Jen Liu Chien-Kuo Yang Chih-Chun Tsai	Chong-Yu Wu Ding-Jen Liu Chien-Kuo Yang Chih-Chun Tsai
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 ~ NT\$9,999,999	-	-	Representatives from Power Investments Limited: Yu-Kun Kao Representatives from Power Investments Limited: Ming-Nan Zhuang	Representatives from Power Investments Limited: Yu-Kun Kao Representatives from Power Investments Limited: Ming-Nan Zhuang
NT\$10,000,000 ~ NT\$14,999,999	-	-	-	-
NT\$15,000,000 ~ NT\$29,999,999	-	-	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	A total of 7 persons	A total of 7 persons	A total of 7 persons	A total of 7 persons

## (2) Remunerations Paid to President and Vice Presidents in the Recent Year

December 31, 2024, Unit: NT\$ thousand

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and allowances (C)		Employee compensation (D) (Note 2)				Sum up of 4 items (A+B+C+D) and its ratio to Net Income (%)		Compensation on paid to directors from an invested company other than the Company's subsidiary or from the parent company
		The Company	Companies in the Consolidated financial statements	The Company	Companies in the Consolidated financial statements	The Company	Companies in the Consolidated financial statements	The Company		Companies in the Consolidated financial statements		The Company	Companies in the Consolidated financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Heng-Chung Chi	11,788	11,788	320	320	10,731	10,731	-	-	-	-	22,839 20.41%	22,839 20.41%	-
Vice President	Ming-Nan Zhuang													
Vice President	Chuei-Hua Chiou													

Note1: Refers to the general manager and deputy general manager received in the recent years, including salary, job bonus, severance pay, various bonuses, incentive payments, carriage expenses, special expenses, various allowances, dormitory, car and etc. In addition, the salary expenses recognized in accordance with IFRS2 "Share Based Payment", including the acquisition of stock warrants of employees, the restriction of employee rights of new shares and participation in cash capital increase subscription shares, shall also be included in the remuneration.

Note2: The board of directors approved the distribution of employee compensation for the year 2024 on February 20, 2025. This information will be presented at the shareholders' meeting scheduled for May 29, 2025.

### Range of Remuneration

Range of Remuneration Paid to the President and Vice Presidents of the Company	Name of Presidents and Vice Presidents	
	The Company	Companies in the Consolidated financial statements
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 ~ NT\$9,999,999	Heng-Chung Chi Ming-Nan Zhuang	Heng-Chung Chi Ming-Nan Zhuang
NT\$10,000,000 ~ NT\$14,999,999	Chuei-Hua Chiou	Chuei-Hua Chiou
NT\$15,000,000 ~ NT\$29,999,999	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-
More than NT\$100,000,000	-	-
Total	A total of 3 persons	A total of 3 persons

(3) Name of Executives to Whom Distributing Employee Remuneration, and Distribution

December 31, 2024, Unit: NT\$ thousand

	Title	Name	Stock amount	Cash amount (Note)	Grand Total	Percentage of total to net profit after tax (%)
Executive	President	Heng-Chung Chi	-	-	-	-
	Vice President	Ming-Nan Zhuang				
	Vice President	Chuei-Hua Chiou				
	Associate director	Jiong-Feng Zhou				
	Financial and accounting supervisor	Ya-Ching Huang				
		Shu-Wei Yu				

Note1: The board of directors approved the distribution of employee compensation for the year 2024 on February 20, 2025. This information will be presented at the shareholders' meeting scheduled for May 29, 2025.

Note2: Ms. Ya-ching Huang, who serves as the financial and accounting supervisor of our company, is scheduled to resign on June 13, 2024. On the same day, Ms. Shu-Wei Yu will assume her position. The information presented in the table above illustrates the compensation received during their respective terms of office.

2.2.2 Amount of remuneration paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, president, and vice presidents, and the respective proportion of such remuneration to the income after tax referred to in the entity or standalone financial statements, as well as the policies, standards, and packages by which it was paid, the procedures through which the remuneration was determined, and its association with business performance and future risks

(1) Analysis on the proportion of amount of remuneration paid in the last 2 years to the Company's directors, supervisors, president, and vice presidents to the income after tax:

Unit: NT\$ thousand ; %

Item Title	2024		2023	
	The Company	Companies in the Consolidated financial statements	The Company	Companies in the Consolidated financial statements
Net profit after tax on individual financial reporting	111,889	111,889	28,864	28,864
Proportion of Compensation Allocated to Directors (Inclusive for employees occupying managerial positions)	15.18	15.18	66.34	66.34
Proportion of Compensation for the President and Vice Presidents	20.41	20.41	50.18	50.18

Note: The Company's compensation policy has remained largely unchanged over the past two years. In 2024, the compensation for directors, as well as for the general manager and deputy general manager, is lower than in 2023. This reduction is primarily attributable to the increase in profits observed in 2024 relative to 2023.

(2) The policies, standards, and composition of remuneration payments, along with the procedures for determining remuneration, are closely related to business performance and future risks.

(A) Director remuneration policy

The compensation of directors of the Company shall be increased in accordance with Article 20 of the Articles of Association. If the Company has profits in the year (the so-called profit condition refers to the profit before pre-tax deduction of the compensation of employees and directors), it shall set aside no less than 5% for the compensation of employees and no more than 2% for the compensation of directors. However, if the Company has accumulated losses (including adjustment of undistributed surplus amount), it shall reserve the compensatory amount in advance. Article 17 of the Articles of Association of the Company also provides that the remuneration of the chairman and the director shall be determined by the board of directors based on their involvement in the Company's operation and value of their contribution to the Company's operation, as well as the industry level. Directors' remuneration in the preceding paragraph shall be paid in cash only.

(B) Manager remuneration policy

The remuneration standard of the Company's managers depends on the individual performance and contribution to the overall operation of the Company, and the principle is determined by taking into consideration the level of market peers. It will be implemented after being reviewed by the Remuneration Committee and approved by the board of directors.

(C) The relationship between business performance and prospective risks

The compensation determination procedure set by the Company for directors and managers shall be based on the performance evaluation methods of the board of directors and employee performance evaluation of the Company. In addition to taking into account the Company's operating performance, future risks, development strategies and industrial trends, reasonable compensation shall be given to individuals for their contributions to the Company's performance. The Company will also review the compensation allocation policy in due course, taking into account the overall environment and business strategy, with a view to balancing the interests of the Company's sustainability with those of stakeholders.

## 2.3 Implementation of Corporate Governance

### 2.3.1 The Functioning of the Board of Directors:

(1)The Board of Directors convened eight meetings in 2024, achieving an average attendance rate of 98% among all directors. Notably, at least one independent director was present in person at each board meeting. The attendance status of the directors is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remark
Chairman	Representatives from Power Investments Limited: Yu-Kun Kao	8	0	100	
Director	Representatives from Power Investments Limited: Ming-Nan Zhuang	8	0	100	
Director	Representatives from Power Investments Limited: Wen-Chi Huang	8	0	100	On December 30, 2024, the assignment was transferred from Chuei-Hua Chiou to Wen-Chi Huang.
Independent Director	Chong-Yu Wu	8	0	100	
Independent Director	Ding-Jen Liu	8	0	100	
Independent Director	Chien-Kuo Yang	8	0	100	
Independent Director	Chih-Chun Tsai	7	1	88	

### (2) Other items to be documented

The operations of the Board of Directors shall be documented in terms of the date of the Board meeting, its duration, the content of the motion, the opinions of all independent directors, and the Company's response to the opinions of the independent directors, if any of the following circumstances apply:

(A)Matters outlined in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee that is not governed by the provisions of Article 14-3 of the Securities and Exchange Act. For further information, please refer to the operations of the audit committee on pages 22~26 of this annual report.

(B)Board of Directors' Meeting that were objected to or reserved by the independent directors and recorded or declared in writing, aside from those mentioned above, are as follows: There were no such incidents during the year.

(3)The implementation of recusal procedures for board members in matters involving conflicts of interest should clearly specify the names of the directors,

the content of the proposals, the reasons for the required recusal, and the circumstances surrounding their participation in the voting process:

Date of meeting Session	Content of proposal	The independent directors have reservations or objections	Voting situation
02/29/2024 The 14 <sup>th</sup> Session of the 8 <sup>th</sup> Term	<ul style="list-style-type: none"> <li>•The company's employee and director compensation distribution plan for 2023</li> </ul>	No	Mr. Ming-Nan Zhuang, Mr.Chuei-Hua Chiou director and vice president, respectively, abstained from the discussion and voting process due to personal interests and considerations related to confidential salary information.
06/13/2024 The 17 <sup>th</sup> Session of the 8 <sup>th</sup> Term	<ul style="list-style-type: none"> <li>•The matters regarding the appointment and remuneration of the Company's Financial and Accounting Supervisor, as well as the Corporate Governance Supervisor.</li> <li>•The 2024 salary adjustment plan for the company's managers and audit supervisors.</li> </ul>	No	Mr. Ming-Nan Zhuang, Mr.Chuei-Hua Chiou director and vice president, respectively, abstained from the discussion and voting process due to personal interests and considerations related to confidential salary information
10/03/2024 The 19 <sup>th</sup> Session of the 8 <sup>th</sup> Term	<ul style="list-style-type: none"> <li>•The register of holders of new shares pertaining to restricted employees' rights, along with the number of shares to be issued, and the establishment of the base date for the capital increase.</li> </ul>	No	Mr. Ming-Nan Zhuang, Mr.Chuei-Hua Chiou director and vice president, respectively, abstained from the discussion and voting process due to personal interests and considerations related to confidential salary information

#### (4) Evaluation and Implementation of the Board:

In December 2017, the company instituted the "Rules for Performance Evaluation of the Board of Directors," the beginning of each year, we systematically conduct performance evaluations of the board. This process involves the development of self-assessment and peer assessment questionnaires, which are intended to facilitate comprehensive evaluation and review. The primary objective of this initiative is to foster self-discipline among board members and to enhance the effective functioning of the board. The results of the self-assessment evaluations are reported to the board and are disclosed in the company's annual report, as well as on the company website.

The board evaluation will be completed in early 2025, and the evaluation results have been submitted to the board on February 20, 2025. The overall scores for the board, individual board members, and functional committees ranged from 4.89 (Excellent) to 5 (Outstanding), indicating that both the board and the functional committees are functioning effectively. The results of this evaluation will serve as a reference for the selection or nomination of directors, while the individual performance evaluation outcomes of directors will inform decisions regarding their compensation. The status of the implementation of the evaluation is detailed as follows:



Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Result
Performed once a year	01/01/2024~12/31/2024	Board of Directors	Internal Self-Assessment Conducted by the Board of Directors	<ul style="list-style-type: none"> <li>●The performance evaluation encompasses five primary aspects:</li> <li>(1) Involvement in the operation of the Company</li> <li>(2) Enhancement of the quality of board decisions</li> <li>(3) Composition and structure of the board of directors.</li> <li>(4) Directors' election and continuing education</li> <li>(5) Internal control.</li> </ul>	4.89
Performed once a year	01/01/2024~12/31/2024	Individual Board Members	Self-Assessment by Board Members	<ul style="list-style-type: none"> <li>●The performance evaluation encompasses six primary aspects:</li> <li>(1) Understanding of the Company's objectives and tasks</li> <li>(2) Awareness of directors' responsibilities</li> <li>(3) Involvement in the operation of the Company</li> <li>(4) Internal relationship management and communication</li> <li>(5) Professional and continuing education</li> <li>(6) Internal control</li> </ul>	4.99
Performed once a year	01/01/2024~12/31/2024	Audit Committee	Internal Self-Assessment of the Audit Committee	<ul style="list-style-type: none"> <li>●The performance evaluation encompasses five primary aspects:</li> <li>(1) Involvement in the Company's operation</li> <li>(2) Awareness of the Audit Committee's responsibilities</li> <li>(3) Enhancement of the quality of the Audit Committee's decision making</li> <li>(4) Composition and election of Audit Committee members</li> <li>(5) Internal control</li> </ul>	4.95
Performed once a year	01/01/2024~12/31/2024	Remuneration Committee	Internal Self-Assessment of the Remuneration Committee	<ul style="list-style-type: none"> <li>●The performance evaluation encompasses five primary aspects:</li> <li>(1) Involvement in the Company's operation</li> <li>(2) Awareness of the Remuneration Committee's responsibilities</li> <li>(3) Enhancement of the quality of the Remuneration Committee's decision making</li> <li>(4) Composition and election of Remuneration Committee members</li> <li>(5) Internal control</li> </ul>	5.00
Performed once a year	01/01/2024~12/31/2024	Sustainability Committee	Internal Self-Assessment of the Sustainability Committee	<ul style="list-style-type: none"> <li>●The performance evaluation encompasses six primary aspects:</li> <li>(1) Involvement in the Company's operation</li> <li>(2) Awareness of the Sustainability Committee's responsibilities</li> <li>(3) Enhancement of the quality of the Sustainability Committee's decision making</li> <li>(4) Composition and election of Sustainability Committee members</li> <li>(5) Internal control</li> <li>(6) Other</li> </ul>	5.00

(5)The objectives aimed at reinforcing the functions of the board of directors in recent years, including the establishment of an audit committee and the enhancement of information transparency, as well as an evaluation of their implementation.

(A)In order to enhance the supervisory responsibilities of the Board of Directors and to strengthen its management mechanisms, the Company established the "Audit Committee" on June 21, 2016. This initiative aims to facilitate the effective implementation of the Company's internal control systems, ensure compliance with relevant laws and regulations, and manage both existing and potential risks faced by the Company.

(B)In order to support the Board of Directors in the formulation and periodic review of policies and systems pertaining to the performance evaluation and compensation of directors and managers, the Company established the Remuneration Committee on December 22, 2011. This initiative aims to motivate and retain talent while rationalizing the Company's compensation system to safeguard the rights and interests of shareholders.

(C)In alignment with the Company's vision, mission, and objectives for sustainable development, the Company established the Sustainability Committee on August 1, 2024, to further promote its commitment to sustainable development.

### 2.3.2 The Functioning of the Audit Committee

#### (1) The Functioning of the Audit Committee

The Audit Committee of the Company is composed of four independent directors and convenes at least on a quarterly basis. This Committee is tasked with ensuring the accurate presentation of the Company's financial reports, overseeing the selection and dismissal of certified public accountants, assessing their independence and performance, and ensuring the effective implementation of the Company's internal controls. Additionally, the Committee is responsible for ensuring the Company's compliance with applicable laws and regulations, as well as for the oversight and management of any existing or potential risks faced by the Company. The primary duties and responsibilities of the certified public accountants are summarized as follows:

- (A)Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- (B)Assessment of the effectiveness of the internal control system.
- (C)Establish or amend procedures for the acquisition or disposal of assets, derivative transactions, lending of funds to others, endorsement or guarantee of others in accordance with Article 36-1 of the Securities and Exchange Act.
- (D)Review of matters involving directors' own interests.
- (E)Audit significant asset or derivative transactions.
- (F)Audit significant loans, endorsements or guarantees of funds.

- (G) Audit the raising, issuance or private placement of equity securities.
- (H) Audit the appointment, dismissal or compensation of the CPA.
- (I) Audit the appointment or removal the supervisor of finance, accounting or internal Audit.
- (J) The annual financial statement (signed or stamped by the Chairman, manager, and accounting supervisor) and any quarterly financial statement are subject to approval by the CPA.
- (K) Other significant matters stipulated by the Company or competent authorities.

The Audit Committee convened eight times during the fiscal year 2024, with the attendance of independent directors recorded as follows :

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remark
Convener	Chien-Kuo Yang	8	0	100	
Member	Ding-Jen Liu	8	0	100	
Member	Chong-Yu Wu	8	0	100	
Member	Chih-Chun Tsai	7	1	88	

(2) Additional items to be documented

- (A) In the event that any of the following circumstances pertain to the functioning of the Audit Committee, it is imperative to provide a detailed account of the date and duration of the Audit Committee meeting, the specifics of the motion presented, any dissenting opinions, reservations, or significant proposals put forth by the independent directors, the outcomes of the Audit Committee's resolutions, and the Company's response to the opinions expressed by the Audit Committee.

(a) The issues addressed in Article 14-5 of the Securities and Exchange Act:

Date of Meeting	Content of Motion and Follow-up	Resolution Results	The Company's Handling of the Opinions of the Audit Committee
02/29/2024 The 13 <sup>th</sup> Session of the 3 <sup>rd</sup> Term	<ul style="list-style-type: none"> <li>● The company's individual and consolidated financial statements for 2023.</li> <li>● The issuance of new shares of the Company with restricted employee rights for the year 2024.</li> <li>● The "Assessment of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for the year 2023.</li> <li>● The evaluation of the independence and suitability of the Company's Certified Public Accountants (CPAs), as well as their appointment for 2024.</li> </ul>	The Committee passed the motion without objection.	Submitted to the Board of Directors and approved by all present directors without objection
04/11/2024 The 14 <sup>th</sup> Session of the 3 <sup>rd</sup> Term.	<ul style="list-style-type: none"> <li>● The 2023 Annual Business Report of the Company.</li> <li>● Adoption of the 2023 Cash Distribution from Capital Surplus.</li> <li>● The issuance of new shares through the capitalization of the annual surplus for 2023.</li> <li>● The amendment to the company's internal control system and the implementation plan for internal auditing.</li> </ul>	The Committee passed the motion without objection.	Submitted to the Board of Directors and approved by all present directors without objection

Date of Meeting	Content of Motion and Follow-up	Resolution Results	The Company's Handling of the Opinions of the Audit Committee
05/09/2024 The 15 <sup>th</sup> Session of the 3 <sup>rd</sup> Term	<ul style="list-style-type: none"> <li>●The consolidated financial statements of the Company for the first quarter of 2024.</li> <li>●The amendment to the distribution of the 2023 retained earnings includes an increase in the special reserve.</li> </ul>	The Committee passed the motion without objection.	Submitted to the Board of Directors and approved by all present directors without objection
06/13/2024 The 16 <sup>th</sup> Session of the 3 <sup>rd</sup> Term	<ul style="list-style-type: none"> <li>●The matters regarding the appointment and remuneration of the Company's Financial and Accounting Supervisor, as well as the Corporate Governance Supervisor.</li> </ul>	The Committee passed the motion without objection.	Submitted to the Board of Directors and approved by all present directors without objection
08/01/2024 The 17 <sup>th</sup> Session of the 3 <sup>rd</sup> Term	<ul style="list-style-type: none"> <li>●The consolidated financial statements of the Company for the second quarter of 2024.</li> <li>●The amendment to the Company's Regulations on the Issuance of New Shares with Restricted Employee Rights for 2024.</li> <li>●The amendment of the company's internal control system and the implementation plan for internal auditing.</li> </ul>	<ul style="list-style-type: none"> <li>●The Committee passed the motion without objection.</li> <li>●The Committee passed the motion without objection.</li> <li>●After the chairman solicited the opinions of the committee members present, the revised internal control system and the implementation guidelines for internal audits were approved unanimously.</li> </ul>	Submitted to the Board of Directors and approved by all present directors without objection
10/03/2024 The 18 <sup>th</sup> Session of the 3 <sup>rd</sup> Term.	<ul style="list-style-type: none"> <li>●The change of the internal Audit supervisor for the company.</li> </ul>	The Committee passed the motion without objection.	Submitted to the Board of Directors and approved by all present directors without objection
11/07/2024 The 19 <sup>th</sup> Session of the 3 <sup>rd</sup> Term	<ul style="list-style-type: none"> <li>●The consolidated financial statements of the Company for the third quarter of 2024.</li> </ul>	The Committee passed the motion without objection.	Submitted to the Board of Directors and approved by all present directors without objection
12/19/2024 The 20 <sup>th</sup> Session of the 3 <sup>rd</sup> Term.	<ul style="list-style-type: none"> <li>●The company's Operating Plan for 2025.</li> <li>●Submit the 2025 Audit Plan.</li> <li>●The establishment of an internal control system for the sustainable management of information disclosure.</li> </ul>	<ul style="list-style-type: none"> <li>●The Committee passed the motion without objection.</li> <li>●After the chairperson solicited the views of the committee members present, the amended audit plan for 2025 was approved unanimously.</li> <li>●The Committee passed the motion without objection.</li> </ul>	Submitted to the Board of Directors and approved by all present directors without objection

(b) Resolutions that have not received approval from the Audit Committee and have not been agreed upon by two-thirds or more of all directors, with the exception of the matters referenced in the preceding paragraph, are as follows: None.

(B) The conditions under which an independent director may recuse themselves from a motion in which they have a vested interest shall be delineated. This description will include the name of the independent director, the content of the motion, the rationale for recusal, and the specific circumstances under which the independent director may engage in the voting process: None.

(C) Communication between the independent directors, the head of internal audit, and the accountant encompasses significant matters, methods, and results pertaining to the Company's financial and business conditions. The independent directors receive reports from the head of internal audit regarding the status of the Company's auditing operations during Audit Committee meetings, during which they provide timely guidance and recommendations. In the intervals between meetings, communication is maintained through telephone or email correspondence, which has proven effective in overseeing the implementation of the Company's internal controls. This approach facilitates the supervision of the effective execution of the Company's internal control measures.

(a) The table below delineates the communication matters between the independent directors and the head of internal audit:

Date	Primary Components of Communication	Recommendations of Independent Director
02/29/2024	●Progress Report on Audit Items and Revision of Internal Standards for the Fourth Quarter of 2023.	The Independent Directors have no comments or recommendations
04/11/2024	●The audit status of the items for the period from January to February of 2024 was assessed as normal.	The Independent Directors have no comments or recommendations
05/09/2024	●Progress Report on Audit Items and Revision of Internal Standards for the First Quarter of 2024. ●Annual Self-Assessment Report for the Year 2023.	The Independent Directors have no comments or recommendations
06/13/2024	●The audit status of the items for the period of April 2024 was evaluated as normal.	The Independent Directors have no comments or recommendations
08/01/2024	●The audit status of the items for the period from the second quarter of 2024 was evaluated as normal.	The Independent Directors have no comments or recommendations
10/03/2024	●The audit status of the items for the period from July to August of 2024 was assessed as normal.	The Independent Directors have no comments or recommendations
11/07/2024	●The audit status of the items for the period from the third quarter of 2024 was evaluated as normal. ●Phase I Self-Assessment Report for 2024.	The Independent Directors have no comments or recommendations
12/19/2024	●The audit status of the items for the period from October to November 2024 was evaluated as normal.	The Independent Directors have no comments or recommendations

(b) Separate meetings are organized between the independent directors and the accountants to facilitate communication at least biannually regarding issues pertinent to the Company's financial reporting. The following are excerpts from the communications between the independent directors and the accountants for the fiscal year :

Date	Communication Highlights	Recommendations of Independent Director
02/29/2024	<ul style="list-style-type: none"> <li>●Audit Findings for Individual and Consolidated Financial Statements for the Year 2023.</li> <li>●An Examination of Management's Judgments and Accounting Estimates</li> <li>●Significant Risks and Essential Evaluations</li> <li>●Audit Quality Indicator Report (AQI Report)</li> <li>●Declaration of Independence Statement</li> <li>●Introduction to the Relevant Standards and Legislation</li> </ul>	The Independent Directors have no comments or recommendations
11/07/2024	<ul style="list-style-type: none"> <li>●Review of Consolidated Financial Statements for the Third Quarter of 2024.</li> <li>●Communication: (1) Management Judgments and Accounting Estimates (2) Other Considerations</li> <li>●Declaration of Independence Statement</li> <li>●Significant Risks and Essential Evaluations</li> <li>●Amendments to the Legislation.</li> </ul>	The Independent Directors have no comments or recommendations

### 2.3.3 Corporate Governance Implementation Status and Deviations from the “Corporate Governance Practice Principles for TWSE/TPEX Listed Companies”.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
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”?	✓		Our organization has developed the "Corporate Governance Practice Code" in alignment with the Corporate Governance Best Practice Principles for companies listed on the TWSE and TPEX. This code has received approval from the board of directors and is publicly accessible on our company website as well as the MOPS.	None
2. Shareholding structure & shareholders' rights of the Company. (1) Whether the Company has defined some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure? (2) Whether the Company controls the list of major shareholders and the controlling parties of such shareholders? (3) Whether the Company establishes or implements some risk control and firewall mechanisms between the Company and its affiliate? (4) Whether the Company has established internal policies that prevent insiders from trading securities based on non-public information?	✓  ✓ ✓ ✓		(1) The company has implemented a spokesperson system to address shareholder suggestions and disputes, and will seek legal counsel as necessary. (2) In compliance with Article 25 of the Securities Exchange Act, the company routinely reports changes in shareholdings by insiders—specifically directors, managers, and major shareholders holding more than 10% of shares—on a monthly basis. Additionally, the company obtains the shareholder register from a stock transfer agency on the date of stock transfer suspension to ascertain the list of major shareholders and their ultimate controllers. (3) The company has established "Operational Procedures for Transactions with Group Enterprises, Specific Companies, and Related Parties, and has instituted internal control and audit systems, along with relevant management regulations and operational frameworks, to effectively manage risks and establish firewall mechanisms. (4) On November 10, 2022, the board of directors approved revisions to the "Management Regulations for Preventing Insider Trading," which explicitly prohibit directors from trading their stocks during the closed period—defined as thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report. Directors will receive email reminders prior to the commencement of the closed period to mitigate the risk of inadvertent violations of this regulation. Additionally, the company conducts annual training sessions and internal written communications in accordance with directives from regulatory authorities to minimize violations related to insider share transfers. The "Management Regulations for Preventing Insider Trading" and the specific implementation of these rules are publicly accessible on the company's website.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
<p>3. Composition and Responsibilities of the board of directors.</p> <p>(1) Whether the board of directors has diversified policies regulated and implemented substantively according to the composition of the members?</p> <p>(2) Whether the Company, in addition to establishing the Remuneration Committee and Audit Committee, pursuant to laws, is willing to establish any other functional committees voluntarily?</p> <p>(3) Does the Company established the Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the Company perform a regular performance evaluation each year and submit the results of performance evaluations to the board of directors and use them as reference in determining compensation for individual directors, their nomination, and additional office terms?</p> <p>(4) Whether the Company assesses the independence of the external auditor periodically?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The "Corporate Governance Best Practice Principles" established by our organization delineate a diversity policy for the board of directors as outlined in Article 20. The nomination and selection of board members are conducted in accordance with the provisions set forth in the company's articles of association, utilizing a candidate nomination system. In addition to evaluating the academic and professional qualifications of each candidate, stakeholder opinions are also considered, ensuring compliance with the "Regulations for Election of Directors" and the "Corporate Governance Best Practice Principles" to uphold the diversity and independence of board members. For specific management objectives related to the board member diversity policy and the status and distribution of achievements for the year 2024, please refer to pages 10~12 of this annual report.</p> <p>(2) On August 1, 2024, the board of directors resolved to establish a "Sustainability Development Committee," chaired by the chairman of the board. This committee is organized into three subgroups that focus on environmental, social, and governance aspects, with subgroup leaders appointed to coordinate the promotion of sustainability initiatives, convene committee meetings, and compile sustainability reports. For operational details, please refer to pages 37~38 of this annual report.</p> <p>(3) To implement effective corporate governance, enhance the functions of the board of directors, and improve operational efficiency, our organization has instituted a "Board Performance Evaluation Method." Performance evaluations will be conducted at least annually for the board of directors, individual directors, and functional committees. The performance evaluation report will serve as a reference for the selection or nomination of directors, and individual performance evaluation results will also inform decisions regarding individual compensation. Furthermore, evaluations will be conducted at least once every three years by an external professional independent organization or a team of external experts and scholars. For details on the implementation of board evaluations, please refer to pages 20~21 of this annual report, which is also available on our company's website.</p> <p>The remuneration for directors is allocated in accordance with Article 20 of the company's articles of association. In the event that the company is profitable in a given year (where "profitability" is defined as pre-tax profits after deducting employee and director remuneration), at least 5% of profits must be allocated for employee remuneration, and no more than 2% for director remuneration. However, if the company has accumulated losses (including adjustments to undistributed earnings), a reserve must be established in advance to cover these amounts. The aforementioned director remuneration may only be disbursed in cash. Article 17 of the company's articles of</p>	None



Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
			<p>association further stipulates that the remuneration for the chairman and directors shall be determined based on their level of participation and contribution to the company's operations, taking into account industry standards, and is authorized to be decided by the board of directors.</p> <p>(4) Our organization conducts an annual assessment of the professionalism and independence of the certified public accountants. The results of the most recent assessment were submitted to the audit committee for review and were approved by the board of directors on February 20, 2024. For the procedures for evaluating the independence of accountants and the specific standards for assessing their independence, please refer to Remark 1 on page 33 of this annual report.</p>	
4. Do TWSE/TPEX Listed Companies appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	✓		<p>On June 13, 2024, the board of directors of the company resolved to appoint Shu-Wei Yu, the head of the Finance and Accounting Department, as the Chief Governance Officer, tasked with overseeing matters pertaining to corporate governance. The Chief Governance Officer's scope of authority encompasses the following responsibilities:</p> <p>(1) Managing affairs related to board and shareholder meetings.</p> <p>(2) Preparing minutes for board and shareholder meetings.</p> <p>(3) Assisting directors with their appointments and ongoing professional development.</p> <p>(4) Providing directors with essential information for the execution of business activities.</p> <p>(5) Aiding directors in ensuring compliance with applicable laws and regulations.</p> <p>(6) Addressing other matters as outlined in the company's articles of incorporation or contractual agreements.</p> <p>The Chief Governance Officer is committed to pursuing ongoing education annually. For details regarding the ongoing education initiatives in 2024, please refer to Remark 2 on page 34 of this annual report.</p>	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		Our organization, grounded in a commitment to respecting the rights and interests of stakeholders, systematically identifies its stakeholders, comprehends their legitimate expectations and needs, and responds appropriately to significant corporate social responsibility issues of concern. Each department is tasked with stakeholder communication and is required to report periodically to the board of directors. The stakeholders of our organization encompass employees, customers, suppliers, agents, contractors, investors/shareholders, government agencies, non-profit organizations, communities, media, educational institutions, and financial institutions. Our corporate website features a dedicated section on social responsibility and stakeholder engagement, which discloses pertinent issues of concern to stakeholders and provides contact information for appropriate responses.	None
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company has engaged the services of a professional stock affairs agency, specifically the Stock Affairs Department of Capital Securities Corporation, to manage its various stock-related activities. Additionally, the company has instituted the "Stock Affairs Management Regulations" to regulate pertinent matters.	None
7. Information Disclosure (1) Whether the Company has established a website that discloses financial, business, and corporate governance-related information? (2) Whether there are other means for disclosure adopted by the Company (e.g. set up an English website, with the personnel dedicated to gathering and disclosing relevant information, properly implement the spokesperson system, and post the meetings minutes with institutional investors on the Company website, et al.)? (3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	✓  ✓  ✓		(1) The company has consistently and intermittently disseminated various financial and business information on the Public Information Observation Station, as mandated. Additionally, it has established a corporate website to serve as a resource for shareholders and the general public. (2) The company has consistently demonstrated a commitment to the timely disclosure of information, maintaining both Chinese and English websites. Designated personnel are responsible for the collection and dissemination of company information. Furthermore, a comprehensive spokesperson system has been established to bolster the protection of investors' interests. (3) The company has released its annual financial reports, along with the financial reports for the first, second, and third quarters, as well as the operational conditions for each month, all prior to the mandated deadlines.	None
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations,	✓		(1) For a comprehensive overview of employee rights, employee welfare, investor relations, supplier relations, and stakeholder rights, please refer to pages 97~101 of this annual report, specifically the section titled "Labor Relations. on our company's website under	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			<p>the "Social Responsibility and Stakeholder.</p> <p>(2) Our organization strongly advocates for directors to engage in ongoing educational opportunities. For further information regarding the continuing education of directors, please refer to Remark 3 on pages 34~35 of this annual report.</p> <p>(3) For the implementation of risk management policies and the standards for risk measurement, please refer to pages 111~119 of this annual report in the section titled "Risk Matters."</p> <p>(4) For the implementation of customer policies, please refer to pages 89~96 of this annual report, specifically the section titled "Market and Production Overview.</p> <p>(5) In order to enhance corporate governance mechanisms, our company has decided to procure liability insurance for its directors, amounting to 8 million US dollars. This coverage will be effective from April 1, 2025, to April 1, 2026, and the decision was communicated to the board of directors on April 10, 2025.</p>	
<p>9. Please specify the status of correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies:</p> <p>(1) In compliance with the regulations set forth by the Taiwan Stock Exchange (TWSE), our company will finalize the corporate governance evaluation for the year 2024 by the conclusion of January 2025. To enhance corporate governance, the following improvements will be implemented in 2024:</p> <p>(1.1) Indicator 2.5: Within the company's board of directors, does the number of individuals who are employees of the company, its parent, subsidiary, or affiliated companies constitute less than or equal to one-third of the total board seats?</p> <p>Enhance the current circumstances: In 2024, among the seven directors, two are employees of the company (the chairman and one senior vice president), which constitutes no more than one-third of the total board seats.</p> <p>(1.2) Indicator 2.6: Does the board of directors comprise at least one member of a different gender?</p> <p>Enhance the current circumstances: In 2024, the Board of Directors, which comprises seven members, includes one female director.</p> <p>(1.3) Indicator 4.17: Disclose the established supplier management policy, which mandates that suppliers adhere to applicable regulations concerning environmental protection, occupational safety and health, as well as labor rights issues?</p> <p>Enhance the current circumstances: Our organization maintains a comprehensive supplier management policy, and the descriptions along with specific data pertaining to its implementation by suppliers are thoroughly disclosed on our corporate website.</p> <p>(1.4) Indicator 4.26: Develop a greenhouse gas reduction management policy that encompasses reduction targets, implementation strategies, and an assessment of progress towards achieving these targets.</p> <p>Enhance the current circumstances: Our organization has established a comprehensive greenhouse gas reduction management policy that encompasses reduction targets, implementation strategies, and progress assessments. All relevant information is transparently disclosed on our company website.</p> <p>(2) After the announcement of the annual evaluation results, our company will evaluate potential improvement plans for areas that did not receive favorable scores, with the aim of enhancing corporate governance and safeguarding shareholder rights. The priority areas and measures for enhancement in 2025 concerning the items that did not receive a score in the 2024 corporate</p>				

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
governance evaluation are outlined as follows:				
(1.1) Indicator 1.17: Does the company ensure that no government agencies or individual legal entities, along with their subsidiaries, occupy more than one-third of the board seats?				
(1.2) Indicator 2.8: Does the company maintain a majority of independent directors whose consecutive terms do not exceed three terms?				
(1.3) Indicator 3.20: Has the company either been invited to or initiated at least two investor briefings, and has it disclosed a minimum of two complete video recordings of these meetings, with a time interval exceeding three months between the first and last investor briefings within the evaluation year?				
(1.4) Indicator 4.24: Has the sustainability report prepared by the company been submitted to and approved by the board of directors?				

Remark1: Accountants Ya-Yun Chang and Ming-Hui Chen conduct a specific evaluation of the standards pertaining to independence.

	Evaluation Item	Evaluation Results	Whether it meets the criteria for independence.
1.	Whether the accountant has a direct or materially indirect financial interest in the company.	No	Yes
2.	Whether the accountant has participated in financing or guaranteeing activities with the Company or its directors.	No	Yes
3.	Whether the accountant has a close business relationship with the company and a potential employment relationship.	No	Yes
4.	Whether the accountant and the members of the audit team are currently serving, or have served in the past two years, as directors, managers, or in positions of significant influence over the audit of the Company.	No	Yes
5.	Whether the accountants have provided any non-audit services to the company that could directly impact the audits.	No	Yes
6.	Whether the accountant has acted as an intermediary in the Company's stock or other securities issued by the Company.	No	Yes
7.	Whether the accountant has acted as the Company's representative or defended the Company in coordinating conflicts with third parties.	No	Yes
8.	It is important to determine whether the accountant has any relationships with the Company's directors, managers, or other individuals who have significant influence over the audit.	No	Yes

We regularly obtain the independent statement issued by the accountant, along with the 13 audit quality indicators (AQIs) provided by Deloitte & Touche each year. We evaluate the audit quality of both the accounting firm and the audit team in accordance with the "Guidelines for the Interpretation of Audit Quality Indicators (AQIs) by the Audit Committee, issued by the competent authority.

Evaluate the results :

The Company conducted the evaluation in accordance with the aforementioned independence evaluation criteria and the 13 AQI indicators provided by the accountants. It was confirmed that the certified public accountants had no financial interests or business relationships with the Company, aside from the fees associated with visa and tax cases. Based on the information regarding the AQI indexes, it was established that the certified public accountants, along with the firm's audit experience and training hours, exceeded the average of their industry counterparts. Following the evaluation, the appointed certified public accountants did not possess any of the aforementioned independence assessment items and met the standards for independence and suitability.

Remark2: Training for Corporate Governance Executives in 2024.

Corporate Governance Executive	Organized by	Course Name	Date of Further Study	Hours of training	Total hours of training in the year
Shu-Wei Yu	Taiwan Corporate Governance Association	Security Governance Strategies of Listed Companies from the Perspective of ESG Corporate Sustainability Development	08/01/2024	3	18
	SECURITIES & FUTURES INSTITUTE	Insider Trading Compliance Seminar for 2024	10/25/2024	3	
	BCSD Taiwan	Sustainability for a New Carbon Era Seminar	10/29/2024	6	
	The Institute of Internal Auditors Chinese-Taiwan	New Challenges for Internal Audit Personnel: An Explanation of Sustainable Information Disclosure, Management Policies, and Key Audit Considerations	12/17/2024	6	

Remark3: Training for Directors in 2024

Title	Name	Organized by	Course Name	Date of Further Study	Hours of training	Total hours of training in the year
Representative of Corporate Directors	Yu-Kun Kao	Taiwan Corporate Governance Association	Intelligent Property Management and Corporate Governance	05/09/2024	3	6
			Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	08/01/2024	3	
Representative of Corporate Directors	Ming-Nan Zhuang.	Taiwan Corporate Governance Association	Intelligent Property Management and Corporate Governance	05/09/2024	3	6
			Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	08/01/2024	3	
Representative of Corporate Directors	Chuei-Hua Chiou (Note)	Taiwan Corporate Governance Association	Intelligent Property Management and Corporate Governance	05/09/2024	3	6
			Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	08/01/2024	3	
Independent Director	Chong-Yu Wu	Taiwan Corporate Governance Association	Intelligent Property Management and Corporate Governance	05/09/2024	3	6
			Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	08/01/2024	3	
Independent Director	Ding-Ren Liu	Taiwan Corporate Governance Association	Intelligent Property Management and Corporate Governance	05/09/2024	3	6
			Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	08/01/2024	3	
Independent Director	Chien-Kuo Yang	Taiwan Corporate Governance Association	Intelligent Property Management and Corporate Governance	05/09/2024	3	6
			Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	08/01/2024	3	

Title	Name	Organized by	Course Name	Date of Further Study	Hours of training	Total hours of training in the year
Independent Director	Chih-Chun Tsai	Taiwan Corporate Governance Association	Intelligent Property Management and Corporate Governance	05/09/2024	3	6
			Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	08/01/2024	3	

Note: The representative of the corporate director was transitioned from Mr. Chuei-Hua Chiou to Ms. Wen-Chi Huang on December 30, 2024.

#### 2.3.4 The Composition, Duties, and Operations of the Remuneration Committee.

##### (1) Composition of the Remuneration Committee:

The purpose of the Remuneration Committee is to assist the Board of Directors in implementing and evaluating the Company's comprehensive compensation and benefits policies, as well as the compensation of its management team.

On December 22, 2011, the Company formally established the Compensation Committee. As of April 10, 2025, the Compensation Committee consists of four members, all of whom are independent directors with voting rights.

Please refer to the company's website for the Articles of Association of the Remuneration Committee.

March 31, 2025

Conditions		Professional qualifications and experience	Independence	A member of the Remuneration Committee who also serves as a Remuneration Committee member for other IPO companies
Identities	Name			
Independent Director (Convener)	Ding-Jen Liu	Disclosure of Directors' Professional Qualifications and Information on the Independence of Independent Directors (Please refer to page 9 of this Annual Report)		0
Independent Director	Chong-Yu Wu			2
Independent Director	Chien-Kuo Yang			3
Independent Director	Chih-Chun Tsai			1

##### (2) Responsibilities of the Remuneration Committee:

###### (A) Terms of Reference for the Company's Remuneration Committee

- To regularly review the Company's remuneration practices and propose any necessary amendments.
- To establish and periodically review the policies, systems, standards, and structures governing the performance and compensation of the Company's directors and managers.

(B)To periodically assess the compensation of the company's directors and managers.

(C)The Remuneration Committee shall perform its duties in accordance with the following criteria.

(a)Salary management should be in line with the Company's compensation philosophy.

(b)The performance evaluation and salary compensation of directors and managers shall be based on the usual level of compensation in the industry, taking into account the reasonableness of the connection between individual performance and the Company's operating performance and future risks.

(D)Directors and managers should not be induced to engage in behavior that exceeds the Company's risk appetite in pursuit of remuneration.

(E)The percentage of bonus to directors and senior managers for short-term performance and the timing of payment of part of the change in salary and compensation should be determined in consideration of the characteristics of the industry and the nature of the Company's business.

(F)Members of this Committee shall not be allowed to join in the discussion and vote on the decision of their personal salary compensation.

(3) The operation of the Remuneration Committee:

The Remuneration Committee's function is to evaluate the Company's policies and systems for compensating directors and managers in a professional and objective manner. The Committee meets at least three times a year and may convene additional meetings as necessary to make recommendations to the Board of Directors for its decision-making purposes.

(A)There are four members on the Company's Remuneration Committee.

(B)The term of the current members is from June 9, 2022, to June 8, 2025. The term of office aligns with the term of the Board of Directors. In 2024, the Remuneration Committee convened three times, and the qualifications of the members, along with their attendance, were as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remark
Convener	Ding-Jen Liu	3	0	100	
Member	Chong-Yu Wu	3	0	100	
Member	Chien-Kuo Yang	3	0	100	
Member	Chih-Chun Tsai	3	0	100	

(C) Other items to be recorded:



- (a) If the Board of Directors does not adopt or amend the recommendations of the Compensation Committee, it shall specify the date and duration of the meeting, the content of the motion, the outcome of the resolution, and the Company's response to the Compensation Committee's opinion. In cases where the Board of Directors' approval of compensation exceeds the Compensation Committee's recommendation, the circumstances and reasons for the discrepancy must be clearly stated: None.
- (b) If any members of the Compensation Committee have objections or reservations, and if these are documented or expressed in writing, the following information shall be recorded: the date and duration of the Compensation Committee meeting, the content of the motion, the opinions of all members, and the disposition of those opinions: None
- (D) The deliberations and resolutions of the Remuneration Committee, as well as the company's approach to addressing the opinions of its members:

Date of meeting Session	Content of the Motion and Follow-up	Resolution Results	The Company's Handling of the Opinions of the Remuneration Committee
02/29/2024 The 8 <sup>th</sup> Session of the 5 <sup>th</sup> Term	<ul style="list-style-type: none"> <li>● The company's employee and director compensation distribution plan for 2023.</li> <li>● The performance evaluation results for the Board of Directors and Functional Committees in 2023.</li> </ul>	The Committee passed the motion without objection.	Submitted to the Board of Directors and approved by all present directors without objection
06/13/2024 The 9 <sup>th</sup> Session of the 5 <sup>th</sup> Term	<ul style="list-style-type: none"> <li>● The 2024 salary adjustment plan for the company's managers and audit supervisors.</li> <li>● The matters regarding the appointment and remuneration of the Company's Financial and Accounting Supervisor, as well as the Corporate Governance Supervisor.</li> </ul>	The Committee passed the motion without objection.	Submitted to the Board of Directors and approved by all present directors without objection
10/03/2024 The 10 <sup>th</sup> Session of the 5 <sup>th</sup> Term.	<ul style="list-style-type: none"> <li>● The register of holders of new shares pertaining to restricted employees' rights, along with the number of shares to be issued, and the establishment of the base date for the capital increase.</li> </ul>	The Committee passed the motion without objection.	Submitted to the Board of Directors and approved by all present directors without objection

### 2.3.5 The composition, duties, and operations of the Sustainable Development Committee:

#### (1) Appointment and Operation of the Sustainability Committee

In order to advance the Company's sustainable development in alignment with its vision, mission, and sustainability goals, the Board of Directors resolved on August 1, 2024, to establish a Sustainability Committee. The Chairman of the Board of Directors will serve as the convener, leading the Company's core operating members in promoting sustainable development initiatives.

- (A) There are five members on the Company's Sustainability Committee.
- (B) The term of office for the members of the current term is from August 1, 2024, to June 8, 2025. This term coincides with that of the Board of Directors. Two meetings of the Sustainability Committee were held in 2024, and member attendance was as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remark
Convener	Yu-Kun Kao	2	0	100	
Member	Heng-Chung, Chi	2	0	100	
Member	Ming-Nan Zhuang	2	0	100	
Member	Jing-Yun Li	2	0	100	
Member	Shu-Wei Yu	2	0	100	

(2)The Terms of Reference for the Sustainable Development Committee:

- (a)Formulate, promote, and strengthen the company's sustainable development policies, annual plans, and strategies.
- (b)Review, monitor, and assess the implementation and effectiveness of sustainable development initiatives
- (c) Supervise the disclosure of sustainability information and review the sustainability report.
- (d) To oversee the implementation of the Company's Code of Conduct for Sustainable Development and any other sustainability-related initiatives approved by the Board of Directors.

(C) Discussion Items and Resolution Outcomes of the Sustainability Committee and the Company's Management of Members' Feedback:

Date of meeting Session	Content of the Motion and Follow-up	Resolution Results	The Company's Handling of the Opinions of the Sustainability Committee
09/25/2024 The 1 <sup>st</sup> Session of the 1 Term.	●The major themes of the Sustainability Report.	The Committee passed the motion without objection.	All the motions listed on the left have been proposed to the Board of Directors and have been resolved to be passed.
11/27/2024 The 2nd Session of the 1 <sup>st</sup> Term	●2025 Sustainability Strategy Roadmap	The Committee passed the motion without objection.	The Board of Directors, after consulting with the Chairman and the current directors, approved the amended 2025 Sustainability Strategy Roadmap without any objections.

2.3.6 The implementation of sustainable development and the differentiation of best practice principles for sustainable development among TWSE/TPEX listed companies are presented, along with the rationale for this differentiation :

Promoting Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
1. Has the company established a governance structure to promote sustainable development and created a dedicated part-time unit for this purpose, which is authorized by the Board of Directors and managed by senior management, with oversight from the Board of Directors?	✓		<p>The Company's Board of Directors resolved on August 1, 2024, to establish a "Sustainable Development Committee. Chairman of the Board of Directors will serve as the convener, leading the core operating members of the Company to promote sustainable development across various initiatives. The Sustainable Development Committee will provide regular reports to the Board of Directors on the outcomes of its activities each year, ensuring the effective promotion and implementation of corporate sustainability efforts.</p> <p>The Sustainability Committee presented the 2024 ESG results and the 2025 goals to the Board of Directors on December 19, 2024. The Board subsequently resolved to approve the 2025 Sustainability Strategy Roadmap as a guiding framework for each unit to implement sustainability initiatives.</p>	None.
2. Does the company conduct risk assessments of environmental, social, and corporate governance issues related to its operations in accordance with the materiality principle, and does it formulate relevant risk management policies or strategies?	✓		<p>(a) In the context of management, each department is responsible for conducting risk assessments and planning for quality and environmental systems, taking into account departmental responsibilities, stakeholder requirements, and both internal and external changes. These assessments are documented in the "Risk and Opportunity Assessment Form." For each identified abnormal situation, proposed mitigation strategies and anticipated outcomes are recorded in the same form. The company intends to have the Sustainable Development Committee oversee risk management initiatives by 2025, and to establish risk management policies and procedures that will be approved by the Board of Directors. This will include the disclosure of the organizational structure for risk management, the procedures in place, and their operational status, with reports provided to the Board at least annually.</p> <p>(b) The company has implemented a Code of Integrity Management and conducts periodic training sessions for personnel as necessary to enhance</p>	None.

Promoting Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			<p>their understanding of the organization's commitment to integrity management, relevant policies, key prevention measures, and the repercussions of integrity violations. The integrity management policy is integrated into employee performance evaluations and human resources policies, with rewards and penalties contingent upon adherence to these standards. The specific implementation status for 2024 will be made available on the company's website. In May 2023, the company adopted the Taiwan Intellectual Property Management Standards (TIPS), establishing a management cycle based on the "Plan-Do-Check-Action" (PDCA) framework and developing an intellectual property management system grounded in risk assessment. The intellectual property management plan and its implementation status for 2024 were presented to the Board of Directors on December 19, 2024. For further details, please refer to page 50 of this annual report and the company's website. Additionally, the company established an Information Security Committee in May 2012, with the Chief Information Security Officer serving as the Deputy General Manager of the Computer-Aided Design Department. This committee comprises first-level supervisors from each department and convenes regularly to evaluate information security risks, with the capacity to make adjustments as necessary in emergency situations.</p> <p>The information security governance report and outcomes for 2024 were submitted to the Board of Directors on November 7, 2024. For additional information, please refer to pages 102~106 of this annual report and the company's website.</p>	
<b>3. Environmental Issues</b> (a) Has the company implemented an appropriate environmental management system that aligns with the specific characteristics of its industry? (b) Is the company dedicated to enhancing energy efficiency and utilizing recycled materials that minimize environmental	✓  ✓		(a) The Company has obtained ISO 9001:2015 quality certification and ISO 14001:2015 environmental certification, both issued by SGS. The validity periods for these certifications are from March 1, 2023, to February 18, 2026, and from March 15, 2023, to March 14, 2026, respectively. Additionally, the Company has established an appropriate environmental management system tailored to the specific characteristics of the industry.	None.

Promoting Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons															
	Yes	No	Description																
<p>impact?</p> <p>(c) Has the company evaluated the potential risks and opportunities associated with climate change for the enterprise, both currently and in the future, and implemented appropriate countermeasures?</p> <p>(d) Has the company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight over the past two years? Additionally, has it formulated policies for reducing greenhouse gas emissions, conserving water, or managing waste more effectively?</p>	<p>✓</p> <p>✓</p>		<p>(b) The Company is a professional integrated circuit (IC) design firm that specializes in IC research, development, and design. It does not operate a production line, positioning itself as a non-polluting industry. The Company is dedicated to enhancing resource utilization efficiency and utilizing recycled materials with minimal environmental impact, ensuring that the Earth's resources are used sustainably.</p> <p>(c) With the belief of Green your power, Green the world as our guiding principle, we promote the recycling of waste paper, implement garbage classification, and facilitate the recycling of waste batteries. Additionally, we actively participate in environmental public welfare activities and employ environmental management specialists to ensure compliance with our environmental management system.</p> <p>(d) The company specializes in power management analog design and outsources processing, without operating a wafer fabrication facility.</p> <p>(1) Greenhouse Gas Emissions: The total emissions from Scope 1 and Scope 2 are summarized in the table below, with Scope 2 accounting for 93.38% of the total emissions, primarily from purchased electricity.</p> <p>(A) Greenhouse Gas Inventory Information: The company's greenhouse gas emissions for the most recent two fiscal years (in metric tons CO2e), intensity (in metric tons CO2e/million dollars), and the scope of data coverage:</p> <table border="1"> <thead> <tr> <th>Year</th><th>Category One</th><th>Category Two</th><th>Total (tons CO2e)</th><th>Density (tons CO2e/million)</th></tr> </thead> <tbody> <tr> <td>2024</td><td>49.65</td><td>723.95</td><td>773.60</td><td>0.595</td></tr> <tr> <td>2023</td><td>51.66</td><td>728.82</td><td>780.48</td><td>0.760</td></tr> </tbody> </table>	Year	Category One	Category Two	Total (tons CO2e)	Density (tons CO2e/million)	2024	49.65	723.95	773.60	0.595	2023	51.66	728.82	780.48	0.760	
Year	Category One	Category Two	Total (tons CO2e)	Density (tons CO2e/million)															
2024	49.65	723.95	773.60	0.595															
2023	51.66	728.82	780.48	0.760															

Promoting Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons													
	Yes	No	Description														
			<p>Note1:The company's greenhouse gas statistics encompass three locations: the headquarters in Zhubei City, the office in Banqiao, New Taipei City, and the office in the North District of Tainan City. The greenhouse gas data for 2024 is an internal statistic that has not yet been verified, with annual verification anticipated to occur in October 2025.</p> <p>Note 2: The reduction in greenhouse gas emissions in 2024 is attributed to the establishment of greenhouse gas reduction targets and the implementation of energy-saving measures initiated that year.</p> <p>(B)Greenhouse Gas Confidence Information:The company has been conducting voluntary audits since 2018 and obtained ISO 14064-1 certification in 2023.</p> <p>(2) Water Consumption: There is no demand for process water; water is primarily utilized for livelihood purposes.</p> <p>(3) Waste: Mainly waste generated from daily services provided by employees, including scrap integrated circuits (ICs), computer equipment, and instruments.</p> <p>Greenhouse gas (GHG) emissions, water consumption, and total waste weight for the years 2023 and 2024 are as follows:</p> <table><tr><th rowspan="2">Year</th><th rowspan="2">Water Consumption (degrees)</th><th colspan="2">Total waste (tons)</th></tr><tr><th>Deleterious</th><th>Non-hazardous</th></tr><tr><td>2024</td><td>4,483.84</td><td>0.94</td><td>1.15</td></tr><tr><td>2023</td><td>4,036.68</td><td>0.82</td><td>2.40</td></tr></table> <p>Note1: The increase in water usage in 2024 is a result of the relocation of the Tainan office from the Prince Building to the Nanshan Building in June 2023, which did not account for the entire year's water usage.</p> <p>Note2: The company does not engage in any manufacturing processes and does not generate hazardous waste in its daily operations. The mixed metal waste from annual integrated circuit (IC) disposal is regularly cleared and processed by a waste</p>	Year	Water Consumption (degrees)	Total waste (tons)		Deleterious	Non-hazardous	2024	4,483.84	0.94	1.15	2023	4,036.68	0.82	2.40
Year	Water Consumption (degrees)	Total waste (tons)															
		Deleterious	Non-hazardous														
2024	4,483.84	0.94	1.15														
2023	4,036.68	0.82	2.40														

Promoting Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			management company licensed by the Environmental Protection Agency, and reported in accordance with regulations. (4) The company's targets and measures for reducing greenhouse gas emissions, water usage, and waste have been disclosed on the company's website.	
4.Social Issues (a) Has the company established appropriate management policies and procedures in compliance with applicable laws, regulations, and international human rights treaties? (b) Has the Company developed and implemented reasonable employee benefit measures, including salaries, vacation time, and other benefits, etc.) and appropriately aligned employee compensation with operating performance or results? (c) Does the company provide a safe and healthy working environment for its employees and implement regular safety and health education programs? (d) Has the company established an effective career development and training program for its employees? (e) Does the company comply with relevant laws, regulations, and international standards concerning customer health and safety, customer privacy, and the marketing and labeling of products and services? Additionally, has it established policies and grievance procedures to protect the rights and interests of consumers or customers? (f) Has the Company established a supplier management policy that mandates suppliers to adhere to relevant regulations concerning issues such as environmental protection, occupational safety and health, and labor human rights?	✓  ✓  ✓ ✓ ✓ ✓		(a) To fulfill its corporate social responsibility and protect the fundamental human rights of its employees and stakeholders, the Company adheres to relevant domestic labor laws and regulations, as well as internationally recognized labor rights, such as those outlined in the United Nations Universal Declaration of Human Rights. The Company prohibits all forms of discrimination, child labor, and respects the freedom of association for its employees. Additionally, we are committed to providing a safe and healthy working environment, preventing accidents, and minimizing the risk of occupational hazards. We prioritize the safety of our employees and promote their physical and mental well-being. The specific implementation status is available on the Company's website. (b) The Company has established a reasonable salary and compensation policy, along with a performance incentive program that clearly defines the criteria for remuneration, rewards, and penalties. It has stipulated in the Company's Articles of Incorporation that no less than 5% of the Company's remuneration shall be allocated for employee compensation. Additionally, the Company will share variable remuneration with its employees, including quarterly bonuses and performance bonuses. It will also issue new shares with restricted employee rights, ensuring that vested conditions are linked to individual performance. This approach allows the results of the Company's operations to be appropriately reflected in employee remuneration, fostering mutual growth between the employees and the Company, which aligns with Corporate Social Responsibility (CSR) principles. The results of the operations are reflected in the Employee Compensation Policy, which is available on the company's website.	None.

Promoting Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
Additionally, what are the circumstances surrounding its implementation?			<p>(c) The Company employs personnel who are certified as occupational safety and health administrators and who receive regular training to ensure the safety and health of employees. The specific implementation status has been disclosed on the Company's website.</p> <p>(d) The training unit of the Company's human resources department offers a training program for employees. Each year, employees are allocated a specific amount of training funds, allowing them to select courses that are essential for the development of their professional skills. This enables employees to enhance their work competencies.</p> <p>(e) The Company's products are not sold directly to end users. However, the Company offers power management information to customers who purchase its products to assist in explaining their use to consumers. Additionally, the Company has a dedicated customer service unit to address related inquiries. The marketing and labeling of the Company's products and services comply with relevant laws and international standards.</p> <p>(f) The Company regularly audits its suppliers and assists them in improving production processes that may jeopardize the environment. The management policy of the Company is as follows:</p> <p>(1) Environmental Protection: Encourage suppliers to progressively adopt green energy and low-carbon manufacturing processes to improve the environmental performance of the supply chain.</p> <p>Suppliers are required to adhere to Leadtrend Technology's Hazardous Substances Control List and sign the "No Hazardous Substances Guarantee" to ensure that their products and processes comply with RoHS, REACH, and other relevant environmental regulations.</p> <p>(2) Occupational Safety and Health: Enforcement of occupational safety and health-related requirements, including the provision of health and safety counseling and the establishment of safety protocols.</p> <p>Suppliers are required to establish procedures for assessing occupational</p>	



Promoting Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			<p>safety and health (OSH) impacts and risks, and to maintain regular statistics and records that demonstrate OSH performance.</p> <p>(3) Labor human rights: Conducting regular labor human rights assessments through questionnaires to evaluate suppliers' compliance levels and offering guidance to those who do not meet the established standards.</p> <p>Suppliers are required to establish policies concerning labor rights, ensuring that they do not engage in child labor, do not employ forced labor, and provide a fair working environment.</p> <p>(4) Sustainable Development: Encourage suppliers to establish carbon footprint reduction targets and promote sustainable business practices.</p> <p>Encourage suppliers to utilize recycled packaging materials or reclaimed materials and to submit relevant usage data.</p> <p>(5) Specific implementation: The company has implemented a comprehensive supplier evaluation process that requires suppliers to sign the "Code of Conduct for Suppliers" and obtain ISO 9001 quality management system certification.</p> <p>Additionally, suppliers must undergo audits—covering environmental protection, occupational safety and health, as well as labor and human rights—inspections, and trial production to be classified as qualified suppliers. For more information on sustainable supply chain management, please visit our website.</p>	
5. Does the company prepare reports that disclose non-financial information, such as a sustainability report, in accordance with internationally recognized standards or guidelines? Has the company obtained third-party attestation or assurance on the previously disclosed reports?	✓		<p>The Company has prepared the 2024 Annual Sustainability Report in accordance with internationally recognized standards and guidelines for the preparation of such reports. The process of obtaining third-party verification of the report will be completed progressively, in compliance with legal requirements.</p>	None.
6. If a company has its own code of conduct for sustainable development that aligns with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the differences between its operations and the established code.				

Promoting Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
The Company's Board of Directors resolved to establish a "Sustainability Committee" on August 1, 2024, and created the "Sustainability Committee Charter" in accordance with legal requirements. Its operations will not materially differ from the established charter.				
7. Other important information that can aid in understanding the implementation of sustainable development promotion.  In addition to the Company's commitment to business operations and respect for shareholders' rights, the Company plans to actively engage with local culture and participate in environmental protection initiatives and other related activities for the public good on a regular basis. For information on the Company's environmental protection and public welfare programs, please refer to the "Social Responsibility and Stakeholder Area" on the Company's website.				

(1) Implementation of climate-related information :

Item	Execution situation
<ol style="list-style-type: none"> <li>1. Describe how the board of directors and management oversee and govern climate-related risks and opportunities.</li> <li>2. Describe how climate-related risks and opportunities impact the organization's business, strategy, and finances.</li> <li>3. Describe the financial impacts of extreme climate events and transformative actions.</li> <li>4. Describe how the processes of climate risk identification, assessment, and management are integrated into the overall risk management system.</li> <li>5. If scenario analysis is employed to evaluate resilience to climate change risks, please describe the scenarios, parameters, assumptions, factors analyzed, and the major financial impacts.</li> <li>6. If a transition plan exists for managing climate-related risks, please describe the plan and explain how it will be utilized to identify and manage the entity's risks. Additionally, outline the indicators and targets employed to assess and address both entity and transition risks.</li> <li>7. If internal carbon pricing is utilized as a planning tool, please describe how the price is determined.</li> <li>8. If targets are established, specify what is included, the amount of greenhouse gas emitted, the timeline for completion, and the progress made thus far. If carbon offsets or Renewable Energy Certificates (RECs) are utilized to meet the targets, the source and quantity of the carbon credits offset, as well as the annual progress, should be clearly stated. Additionally, if carbon offsets or RECs are employed to achieve these targets, indicate the number used. It is essential to provide information on the source and quantity of carbon credits or RECs offset when they are used to meet the targets.</li> <li>9. Inventory of greenhouse gas emissions and confirmation of targets, strategies, and action plans.</li> </ol>	<p>According to the "Sustainable Development Roadmap" published by the Financial Supervisory Commission in March 2022, our company, which has a paid-in capital of less than 5 billion NTD, is mandated to implement greenhouse gas inventory and verification in the third phase. This entails completing the inventory by the end of 2026 and finalizing the verification by the end of 2028.</p> <p>On August 1, 2024, our organization established a Sustainable Development Committee tasked with overseeing and promoting various critical themes. The committee will systematically identify and evaluate the impacts of climate-related risks on our operations, as well as establish goals and management strategies. For further information regarding our climate-related initiatives, please consult our company's 2024 Sustainability Report.</p>

(2) The most recent greenhouse gas inventory and verification status for the past two years can be found on pages 41~42 of this annual report.

(3) Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans: This section provides a description of the baseline year for greenhouse gas reduction, including relevant data, established reduction targets, strategies, specific action plans, and the current status of progress towards achieving these reduction targets:None.

2.3.7 The implementation of integrity management and the discrepancies with the code of conduct for integrity management in listed and over-the-counter companies, along with the underlying reasons for these discrepancies:

Evaluation Items	Operational Situation			Any discrepancy from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary Description	
<p>1.Establishment of Honest and Quality Business Policies and Programs</p> <p>(a) Has the Company established an integrity management policy that has been approved by the Board of Directors? Additionally, does the policy articulate the principles and practices of integrity management, as well as the commitment of the Board of Directors and senior management to actively implement this management policy in its rules, regulations, and external documents?</p> <p>(b) Has the Company established a mechanism for assessing the risk of dishonest behavior? Does it regularly analyze and evaluate business activities that fall within its operational scope and pose a higher risk of such behavior? Furthermore, has the Company formulated a plan to prevent dishonest behavior that at least includes the preventive measures outlined in paragraph 2 of Article 7 of the "Code of Business Conduct with Integrity for TWSE/TPEX Listed Companies"?</p> <p>(c) Has the company specified operating procedures, behavioral guidelines, penalties for non-compliance, and a complaint system in its plan for preventing dishonest behavior? Additionally, has this plan been implemented and regularly reviewed and revised?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(a)The Company has established a "Code of Business Integrity, which is publicly available on the Company's website and the Market Observation Post System (MOPS) following approval by the Board of Directors.</p> <p>The Company has designated the Office of the Chairman of the Board of Directors as a specialized unit under the Board of Directors. This unit is responsible for managing and overseeing the revision, implementation, interpretation, consultation services, and filing of the contents of the Circular. Additionally, it is tasked with reporting to the Board of Directors as necessary.</p> <p>(b) The scope of benefits outlined in this Code encompasses anything of value, including money, gifts, commissions, positions, services, favors, and kickbacks, regardless of form or designation. Additionally, preventive measures include the avoidance of benefits, the protection of business secrets and commercially sensitive information, as well as education, training, evaluation, and the implementation of reporting and disciplinary measures.</p> <p>(c) The Company's "Code of Business Integrity" stipulates that the Company should stay informed about the development of domestic and international regulations related to business integrity. It also encourages personnel to submit suggestions for reviewing and improving the Code, thereby enhancing the effectiveness of the Company's commitment to business integrity.</p>	None.

2. Implement ethical corporate management			
(a) Does the company assess the integrity records of its counterparties and include integrity behavior clauses in the contracts it signs with them?	✓	(a) The Company's "Code of Business Integrity" stipulates that, during business transactions, the Company's personnel must communicate the Company's business integrity policy and related regulations to counterparties. They are explicitly prohibited from offering, promising, requesting, or accepting, either directly or indirectly, any form of improper advantage. This includes, but is not limited to, kickbacks, commissions, facilitation fees, or the provision or acceptance of improper benefits through any other means.	
(b) Has the Company established a dedicated unit under the Board of Directors to promote corporate integrity management? Does this unit report regularly (at least once a year) to the Board of Directors regarding its integrity management policies, plans to prevent dishonest behavior, and the supervision of the implementation of these policies?	✓	(b) The Company has designated the Office of the Chairman of the Board of Directors as a special unit responsible for overseeing the revision, implementation, interpretation, consultation services, and filing of the contents of the Circular. This office will also report to the Board of Directors as necessary.	
(c) Has the company established a policy to prevent conflicts of interest, provided appropriate channels for representation, and implemented this policy effectively?	✓	(c) The Company has established a Code of Ethical Conduct, which is publicly available on the Company's website and on the Market Observation Post System (MOP) following approval by the Board of Directors. A director or manager of the Company shall not, by virtue of his or her position, improperly benefit himself or herself, his or her spouse, parents, children, or second-degree relatives. The Company shall take measures to prevent any conflicts of interest that may arise from loans, guarantees, material asset transactions, or sales transactions between the Company and the aforementioned affiliated entities. Additionally, the Company will provide appropriate channels for directors and managers to proactively disclose any potential conflicts of interest with the Company.	
(d) Has the Company established an effective accounting system and internal control framework to ensure honest operations? Additionally, has the internal audit unit developed relevant audit plans based on an assessment of the risk of dishonest behavior and verified compliance with the plan to prevent such behavior? Alternatively, has the Company engaged an external accountant to conduct these audits?	✓	(d) In order to ensure the effective implementation of integrity management, the Company has established a robust accounting system and internal controls. Additionally, internal auditors conduct regular reviews to ensure compliance with these systems.	
(e) Does the company regularly organize internal and external training on integrity management?	✓	(e) The Company has established a "Code of Business Integrity" is integrated into its corporate culture. Periodically, depending on the circumstances, we organize educational training sessions and awareness campaigns for our staff to ensure they understand the Company's commitment to business integrity, the key prevention measures, and the consequences of engaging in dishonest behavior. Additionally, we promote these principles internally to facilitate their implementation. Prior to engaging in transactions with vendors and selecting suppliers known for their high quality and service, we will disseminate the relevant standards of integrity management.	None.



### 2.3.9 Statement of Internal Control System:

- (1) Internal Control Statement: Please refer to the Public Information Observatory Website: <https://mops.twse.com.tw>, click on "Single Company" under "Corporate Governance," then select "Company Rules/Internal Control" to view the internal control statement announcement. Search criteria: please select "Listed" for the market type, enter the year for inquiry, or directly input the company code or abbreviation.
- (2) If a CPA was engaged to conduct a special audit of the internal control system, please provide the audit report: None.

### 2.3.10 Significant Resolutions of the Shareholders' Meeting and the Board of Directors' Meeting for the most recent year, up to the date of publication of the Annual Report.

- (1) Important Resolutions of the General Shareholders' Meetings and Implementation Status

Date	Important Decision Matters	Resolution and Implementation Status
05/28/2024	Recognized the Business Report and Financial Statements of 2023	Resolved: This case was approved by the shareholders who were present and voted in favor of the motion. The total voting rights of the shareholders present in this case amounted to 32,669,031 rights (100%) The number of votes in favor 30,505,698 (93.37%) Invalid and abstention/non-voting rights: 2,153,929 rights (6.59%) The number of objections 9,404 (0.02%)
	Recognized the Proposal for Profit Distribution of 2023	Resolved: This case was approved by the shareholders who were present and voted in favor of the motion. The total voting rights of the shareholders present in this case amounted to 32,669,031 rights (100%) The number of votes in favor 27,468,925 (84.08%) Invalid and abstention/non-voting rights: 5,200,106 rights (15.91%) The number of objections 0 rights (0.00%) Enforcement Scenarios: For the year ended December 31, 2012, the Company issued stock dividends of NT\$0.1998060137 The cash dividends consist of 19.98060137 shares per thousand shares and a capital surplus of NT\$0.39961197 (NT\$399.61197 per thousand shares). The ex-dividend date is set for July 17, 2024, the cash dividend payment date is August 15, 2024, and the stock dividend date is September 6, 2024. The ex-dividend date is July 17, 2024; the cash dividend date is August 15, 2024; and the stock dividend date is September 6, 2024.
	Discussion items: (1)The Company issued new shares with restricted employee rights for the 2024.	Resolved: This case was approved by the shareholders who were present and voted in favor of the motion. The total voting rights of the shareholders present in this case amounted to

Date	Important Decision Matters	Resolution and Implementation Status
		<p>32,669,031 rights (100%)</p> <p>Votes in Favor: 28,318,765 (86.68%)</p> <p>Invalid and abstention/non-voting rights: 2,161,834 rights (6.61%)</p> <p>The number of objections 2,188,432 (6.69%)</p> <p>Enforcement Scenarios:</p> <p>The issue date for the new shares with restricted employee rights for the year 2024 is November 15, 2024.</p>
	(2) Issuance of new shares through capital increase by earnings for 2023	<p>Resolved:</p> <p>This case was approved by the shareholders present who voted in favor of the motion.</p> <p>The total voting rights of the shareholders present in this case amounted to 32,669,031 rights (100%)</p> <p>Votes in Favor: 30,500,940 (93.36%)</p> <p>Invalid and abstention/non-voting rights: 2,157,637 rights (6.60%)</p> <p>The number of objections 10,454 (0.03%)</p> <p>Enforcement Scenarios:</p> <p>Stock dividends of NT\$0.1998060137 (equivalent to 19.98060137 shares per thousand shares without compensation) were distributed from the earnings of 2023. The ex-rights date was July 17, 2024, and the stock dividend payment date was September 6, 2024.</p>



(2) Major Resolutions of Board of Directors' Meeting

Date	Term	Approval of Major Resolutions
02/29/2024	The 14 <sup>th</sup> Session of the 8 <sup>th</sup> Term.	<ol style="list-style-type: none"> <li>1. The company's employee and director compensation distribution plan for 2023.</li> <li>2. The company's individual and consolidated financial statements for 2023.</li> <li>3. The issuance of new shares of the Company with restricted employee rights for the year 2024.</li> <li>4. The 2024 Annual General Meeting of Shareholders for the Company will be convened.</li> <li>5. The "Assessment of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for the year 2023.</li> <li>6. The evaluation of the independence and suitability of the Company's Certified Public Accountants (CPAs), as well as their appointment for 2024.</li> <li>7. The company restricts employee rights concerning the issuance of new shares, as well as the cancellation and reclamation of shares due to failure to meet the established conditions for the capital reduction base date.</li> <li>8. The application for a loan for the Low Carbon Intelligent Nano-Pipe Project and the renewal of the short-term consolidated line of credit with Mega International Commercial Bank.</li> <li>9. The performance evaluation results for the Board of Directors and Functional Committees in 2023.</li> </ol>
04/11/2024	The 15 <sup>th</sup> Session of the 8 <sup>th</sup> Term.	<ol style="list-style-type: none"> <li>1. The 2023 Annual Business Report of the Company.</li> <li>2. Adoption of the 2023 Cash Distribution from Capital Surplus.</li> <li>3. The issuance of new shares through the capitalization of the annual surplus for 2023.</li> <li>4. Matters Concerning the Convening of the 2024 Ordinary General Meeting of Shareholders of the Company (Additional Justifications for Convening the Meeting)</li> <li>5. The amendment to the company's internal control system and the implementation plan for internal auditing.</li> </ol>
05/09/2024	The 16 <sup>th</sup> Session of the 8 <sup>th</sup> Term.	<ol style="list-style-type: none"> <li>1. The consolidated financial statements of the Company for the first quarter of 2024.</li> <li>2. The amendment to the distribution of the 2023 retained earnings includes an increase in the special reserve. °</li> </ol>
06/13/2024	The 17 <sup>th</sup> Session of the 8 <sup>th</sup> Term.	<ol style="list-style-type: none"> <li>1. To establish the ex-rights basis date for the capitalization of the Company's 2023 earnings and the issuance of new shares, as well as the ex-dividend date for the distribution of cash from capital surplus and other related matters.</li> <li>2. The company restricts employee rights concerning the issuance of new shares, as well as the cancellation and reclamation of shares due to failure to meet the established conditions for the capital reduction base date.</li> <li>3. The matters regarding the appointment and remuneration of the Company's Financial and Accounting Supervisor, as well as the Corporate Governance Supervisor.</li> <li>4. The 2024 salary adjustment plan for the company's managers and audit supervisors.</li> </ol>

Date	Term	Approval of Major Resolutions
08/01/2024	The 18 <sup>th</sup> Session of the 8 <sup>th</sup> Term.	<ol style="list-style-type: none"> <li>1. The consolidated financial statements of the Company for the second quarter of 2024.</li> <li>2. The amendment to the Company's Regulations on the Issuance of New Shares with Restricted Employee Rights for 2024.</li> <li>3. The amendment of the company's internal control system and the implementation plan for internal auditing.</li> <li>4. The proposed establishment of the "Sustainable Development Committee" and the accompanying "Articles of Association of the Sustainable Development Committee" for the Company.</li> <li>5. The members of the Sustainability Committee for the inaugural term of the Company's "Sustainability Committee.</li> </ol>
10/03/2024	The 19 <sup>th</sup> Session of the 8 <sup>th</sup> Term.	<ol style="list-style-type: none"> <li>1. The register of holders of new shares pertaining to restricted employees' rights, along with the number of shares to be issued, and the establishment of the base date for the capital increase.</li> <li>2. The company restricts employee rights concerning the issuance of new shares, as well as the cancellation and reclamation of shares due to failure to meet the established conditions for the capital reduction base date.</li> <li>3. The change of the internal Audit supervisor for the company.</li> <li>4. The major themes of the Sustainability Report.</li> </ol>
11/07/2024	The 20 <sup>th</sup> Session of the 8 <sup>th</sup> Term.	<ol style="list-style-type: none"> <li>1. The consolidated financial statements of the Company for the third quarter of 2024.</li> </ol>
12/19/2024	The 21 <sup>th</sup> Session of the 8 <sup>th</sup> Term.	<ol style="list-style-type: none"> <li>1. The company's Operating Plan for 2025.</li> <li>2. Submit the 2025 Audit Plan.</li> <li>3. The establishment of an internal control system for the sustainable management of information disclosure.</li> <li>4. The 2025 Sustainability Strategy Roadmap</li> <li>5. The amendment of specific provisions in the Company's "Code of Conduct for Board Meetings" and "Regulations Governing the Operation of Board Meetings.</li> <li>6. The amendment of specific provisions in the Company's "Rules and Regulations Governing the Organization of the Audit Committee.</li> </ol>
02/20/2025	The 22 <sup>th</sup> Session of the 8 <sup>th</sup> Term.	<ol style="list-style-type: none"> <li>1. The company's employee and director compensation distribution plan for 2024.</li> <li>2. The company's individual and consolidated financial statements for 2024.</li> <li>3. The issuance of new shares of the Company with restricted employee rights for the year 2025.</li> <li>4. The general election of the Company's Directors</li> <li>5. The 2025 Annual General Meeting of Shareholders for the Company will be convened.</li> <li>6. The Act on Granting Performance Bonuses to the Chairman of the Board of Directors of the Company.</li> <li>7. The remuneration package for the new external directors of the company.</li> <li>8. The proposal to assess the performance outcomes of the Board of Directors and the Functional Committee of the Company for 2024.</li> <li>9. The amendment of specific provisions in the Company's "Code of Corporate Governance Practices.</li> </ol>

Date	Term	Approval of Major Resolutions
		10. The amendment of the company's internal control system and the implementation plan for internal auditing. 11. The "Assessment of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for 2024. 12. The evaluation of the independence and suitability of the Company's Certified Public Accountants (CPAs), as well as their appointment for 2025. 13. The company restricts employee rights concerning the issuance of new shares, as well as the cancellation and reclamation of shares due to failure to meet the established conditions for the capital reduction base date. 14. The application for the renewal of the short-term consolidated credit facility with Mega International Commercial Bank.
04/10/2025	The 23 <sup>th</sup> Session of the 8 <sup>th</sup> Term.	1. The 2024 Annual Business Report of the Company. 2. The Distribution of Retained Earnings and Cash Distribution from Capital Surplus for 2024. 3. The issuance of new shares through the capitalization of the annual surplus for 2024. 4. The issue of defining the scope of responsibilities for junior employees within the company. 5. Amendments to Specific Provisions of the Company's Articles of Association 6. The nomination of directors, including independent directors, by the Board of Directors and the qualification assessment of candidates. 7. Release the directors and their representatives from non-competition restrictions. 8. The 2025 Annual General Meeting of Shareholders for the Company will be convened (additional reasons for convening the meeting) 。 9. The company restricts employee rights concerning the issuance of new shares, as well as the cancellation and reclamation of shares due to failure to meet the established conditions for the capital reduction base date.

2.3.11 If any of the Directors or Supervisors expressed dissenting opinions regarding significant resolutions passed by the Board of Directors during the most recent year, up to the date of printing of the annual report, and if such dissenting opinions were recorded or stated in writing, the main contents are as follows:  
None.

## 2.4 Information Regarding the Professional Fees of CPAs

### 2.4.1 Information Contents:

Unit: NT\$ thousands

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Remark
Deloitte & Touche	Yu-Fong Huang	2024/01/01~ 2024/12/31	2,700	440	3,140	Non-audit fees for tax visas, business registration, etc.
	Mei-Chen Tsai					

2.4.2 The amount, percentage, and rationale for the decrease in audit fees during the year in which the audit firm is changed, as well as the audit fees paid for that year, are lower than the fees paid in the year preceding the change. For the year ended December 31, 2024, there was no change in the certified public accounting firm.

2.4.3 The amount, percentage, and reasons for any decrease in audit fees must be disclosed if the decrease is 10% or more compared to the previous year:None.

## 2.5 Replacement of CPA

### 2.5.1 About Former CPA(s)

Date of Replacement	February 20, 2025			
Reason of replacement and explanation	In light of the modification to Deloitte & Touche's internal rotation mechanism, effective from the first quarter of 2025, the financial report verification assignments will be changed from Yu-Fong Huang and Mei-Chen Tsai to Ya-Yun Chang and Ming-Hui Chen.			
Explain the termination of appointment by appointer or the refusal of appointment by CPAs	Condition of the Party		CPA	Appointer
	Voluntarily terminated appointment		None	
	Reject the (continuing) authorization			
The opinions and reasons in the signed and issued audit reports which were not “no reservations” in the most recent two years	None			
Opinions different from that of issuer	Yes	—	Accounting principles or practices	
		—	Disclosure of financial report	
		—	Scope or procedure of audit	
		—	Others	
	No	V		
	Description			
Other disclosure matters	None			

### 2.5.2 About the Successor CPA(s)

Name of CPA Firm	Deloitte & Touche
Name of CPA(s)	Ya-Yun Chang and Ming-Hui Chen
Date of Appointment	February 20, 2025
Accounting methods or principles for specific transactions as well as advisory matters and results that may be issued for financial reporting prior to appointment	None
Written opinions of the successors on the different opinions of the former CPAs	None

2.5.3 Former CPA's Response to Matters 1 and 2(3) of Paragraph 6 of Article 10 of the Standard: None.

**2.6 The Chairman, President, or Chief Financial or Accounting Manager Who Has Worked in the Accounting Firm or its Affiliates in the Most Recent Year: None.**

**2.7 Share transfer by Directors, Managerial Officers and Shareholders Holding More Than 10% Equity, and Changes to Share Pledging by Them in the Past Year Up to the Date of Report:**

2.7.1 Please refer to the Market Observation Post System at [website: <https://mops.twse.com.tw>] > Summaries > Summary table of Changes in Shareholding of Directors and Supervisors > Recent changes of major shareholders with 10% of shares or more, and Percentage of shares pledged by directors and supervisors

2.7.2 Information regarding related parties involved in the transfer of shares: None.

2.7.3 Information regarding the pledge of shares involving related parties: None.

**2.8 Information on Shareholders Among the Top 10 by Proportion of Shareholding Who Are Related Parties to One Another or Spouse, Kindred Within the Second Degree of Kinship:**

December 31, 2024; Unit: shares

Name	Current Shareholding		Shares held by spouses and minor children		Shares held in the name of others		Names and relationships of the top ten shareholders who are related to each other or who are spouses or relatives within two degrees of consanguinity or affinity.		Note
	Number of Shares	Share Holding Ratio	Number of Shares	Share Holding Ratio	Number of Shares	Share Holding Ratio	Title (or Name)	Relation	
Power Investments Limited	4,880,227	8.08%	-	-	-	-	-	-	N.A.
Hao-Min Lee	2,458,693	4.07%	-	-	-	-	-	-	
Chung-Wei Hsieh	1,891,485	3.13%	-	-	-	-	-	-	
Shiang-Chi Dai	1,259,000	2.08%	-	-	-	-	-	-	
Rise River Asset Co., Ltd.	887,481	1.47%	-	-	-	-	-	-	
Special SBL/PB Investment Account of Barclays Capital under the custody of Citibank	664,428	1.10%	-	-	-	-	-	-	
Zun-Jia Dai	659,365	1.09%	-	-	-	-	-	-	
Yi-Feng Chen	488,298	0.81%	-	-	-	-	-	-	
UBS Europe SE Investment Account under the custody of Citibank	439,962	0.73%	-	-	-	-	-	-	
Taishin International Commercial Bank Trust Account	411,000	0.68%	-	-	-	-	-	-	

**2.9 Quantity of Shareholdings of the Same Investee by the Company, and Directors, Managerial Officers, and Direct or Indirect Subsidiaries in Proportion to the Combined Holdings of all, and Combined to Calculate the Proportion of Overall Shareholding:**

December 31, 2024; Unit: shares

Name of Investee	Ownership by the Company		Investment by Directors, Managerial Officers and Companies Directly or Indirectly Controlled by the Company		Total Ownership	
	Number of Shares	Percentage of Ownership	Number of Shares	Number of Shares	Percentage of Ownership	Number of Shares
Leadtrend Technology (Shenzhen) Limited	0	100%	0	0%	0	100%

## Chapter 3. Capital Overview

### 3.1 Capital and Shares

#### 3.1.1 Source of Capital

##### (1) Formation of Capital Stock

As at March 31, 2025

Unit : Thousand shares 、 NT\$ thousands (except issue price)

Date	Issue price (NT)	Authorized capital stock		Capital stock paid in		Note			
		Number of shares	Capital stock paid in	Number of share	Capital stock paid in	Source of equity		Pay off the share fund with property other than cash	Other
2002.09	10	2,400	24,000	600	6,000	Founded share capital	-	-	MOEA Central Region Office No 09132725400
2003.05	10	16,000	160,000	6,400	64,000	Cash capital increase	58,000	-	MOEA Central Region Office No 09232107660
2003.08	10	16,000	160,000	8,000	80,000	-	-	Technical pricing 16,000	MOEA Central Region Office No 09232507810
2003.12	10	16,000	160,000	9,200	92,000	-	-	Technical pricing 12,000	MOEA Central Region Office No 09233007200
2004.05	10	16,000	160,000	14,000	140,000	Cash capital increase	48,000	-	MOEA Central Region Office No 09332061270
2005.05	10	18,000	180,000	18,000	180,000	Cash capital increase	40,000	-	ZSZ No.0940012626
2006.08	10	36,000	360,000	19,800	198,000	Cash capital increase	18,000	-	ZSZ No.0950022193
2007.05	10	36,000	360,000	20,351	203,513	Execution of ESO	5,513	-	ZSZ No.0960011702
2007.08	10	36,000	360,000	23,886	238,864	Capital increase by retained earning and capital reserve	35,351	-	ZSZ No.0960022506
2008.02	10	36,000	360,000	25,586	255,862	Execution of ESO	16,999	-	ZSZ No.0970004932
2008.08	10	36,000	360,000	25,981	259,807	Execution of ESO	3,945	-	ZSZ No.0970021223
2008.09	10	36,000	360,000	30,760	307,600	Capital increase by retained earning and employee bonus	47,793	-	ZSZ No.0970025189
2008.10	10	36,000	360,000	30,784	307,845	Execution of ESO	245	-	ZSZ No.0970028844
2009.04	10	36,000	360,000	30,936	309,365	Execution of ESO	1,520	-	ZSZ No.0980011384
2009.06	10	36,000	360,000	31,331	313,315	Execution of ESO	3,950	-	ZSZ No.0980016466
2009.07	10	72,000	720,000	34,019	340,194	Capital increase by retained earning and employee bonus	26,879	-	ZSZ No.0980018737
2009.09	10	72,000	720,000	37,719	377,194	Cash capital increase	37,000	-	ZSZ No.0980023977
2009.09	10	72,000	720,000	38,687	386,869	Execution of ESO	9,675	-	ZSZ No.0980025808
2009.12	10	72,000	720,000	39,843	398,431	Execution of ESO	11,562	-	ZSZ No.0980033457
2010.03	10	72,000	720,000	39,941	399,408	Execution of ESO	977	-	ZSZ No.0990007101
2010.05	10	72,000	720,000	39,953	399,528	Execution of ESO	120	-	ZSZ No.0990013569
2010.08	10	72,000	720,000	40,423	404,228	Execution of ESO	4,700	-	ZSZ No.0990022976
2010.08	10	72,000	720,000	42,444	424,440	capital increase by retained earning	20,211	-	ZSZ No.0990025236
2010.12	10	72,000	720,000	42,510	425,098	Execution of ESO	658	-	ZSZ No.0990037774
2011.08	10	72,000	720,000	44,581	445,808	capital increase by retained earning Execution of ESO	20,710	-	ZSZ No.1000025108
2012.08	10	72,000	720,000	44,915	449,148	Execution of ESO	3,340	-	ZSZ No.1010026494

Date	Issue price (NT)	Authorized capital stock		Capital stock paid in		Note			
		Number of shares	Capital stock paid in	Number of share	Capital stock paid in	Source of equity		Pay off the share fund with property other than cash	Other
2013.05	10	72,000	720,000	45,037	450,368	Execution of ESO	1,220	-	ZSZ No.1020015038
2014.05	10	72,000	720,000	46,079	460,793	Execution of ESO RSA IPO	10,425	-	ZSZ No.1030012568
2014.08	10	72,000	720,000	46,169	461,693	Execution of ESO	900	-	ZSZ No.1030025409
2014.10	10	72,000	720,000	46,469	464,693	RSA IPO	3,000	-	ZSZ No.1030029849
2015.04	10	72,000	720,000	46,429	464,288	RSA capital reduction	-405	-	ZSZ No.1040010635
2015.08	10	72,000	720,000	46,381	463,808	RSA capital reduction	-480	-	ZSZ No.1040024356
2016.04	10	72,000	720,000	46,309	463,091	RSA capital reduction	-717	-	MOEA Central Region Office No.1050009307
2016.09	10	72,000	720,000	47,500	474,996	RSA capital reduction	11,905	-	MOEA Central Region Office No.10534331080
2017.01	10	72,000	720,000	47,435	474,352	RSA capital reduction	-645	-	MOEA Central Region Office No.10633027880
2017.04	10	72,000	720,000	47,409	474,092	RSA capital reduction	-260	-	MOEA Central Region Office No.10633182670
2017.09	10	72,000	720,000	47,357	473,572	RSA capital reduction	-520	-	MOEA Central Region Office No.10633518920
2017.11	10	72,000	720,000	47,337	473,372	RSA capital reduction	-200	-	MOEA Central Region Office No.10633701900
2018.04	10	72,000	720,000	47,317	473,172	RSA capital reduction	-200	-	MOEA Central Region Office No.10733197140
2018.08	10	72,000	720,000	46,963	469,632	RSA capital reduction	-3,540	-	MOEA Central Region Office No.10733461040
2019.04	10	72,000	720,000	46,894	468,942	RSA capital reduction	-690	-	MOEA Central Region Office No.10833213020
2019.08	10	72,000	720,000	46,882	468,822	RSA capital reduction	-120	-	MOEA Central Region Office No.10833508460
2020.11	10	72,000	720,000	47,774	477,742	RSA IPO RSA capital reduction	8,920	-	MOEA Central Region Office No.10933646850
2021.08	10	72,000	720,000	48,062	480,622	RSA IPO RSA capital reduction	2,880	-	MOEA Central Region Office No.1033492670
2021.09	10	72,000	720,000	52,864	528,646	Capital increase by retained earning and capital reserve	48,024	-	MOEA No.11001176910
2022.07	10	200,000	2,000,000	52,810	528,101	RSA capital reduction	-545	-	MOEA No.11101107600
2022.08	10	200,000	2,000,000	56,507	565,068	capital increase by retained earning	36,967	-	MOEA No.11101156930
2022.08	10	200,000	2,000,000	56,488	564,888	RSA capital reduction	-180	-	MOEA No.11101156930
2022.11	10	200,000	2,000,000	56,908	569,080	RSA IPO	4,200	-	MOEA No.11101204010
2022.11	10	200,000	2,000,000	56,883	568,838	RSA capital reduction	-250	-	MOEA No.11101204010
2023.04	10	200,000	2,000,000	56,852	568,528	RSA capital reduction	-310	-	MOEA No.11230052270
2023.08	10	200,000	2,000,000	58,558	585,593	capital increase by retained earning	17,065	-	MOEA No.11230146440
2023.08	10	200,000	2,000,000	58,536	585,368	RSA capital reduction	-225	-	MOEA No.11230146440
2023.10	10	200,000	2,000,000	58,956	589,568	RSA IPO	4,200	-	MOEA No.11230203400



Date	Issue price (NT)	Authorized capital stock		Capital stock paid in		Note			
		Number of shares	Capital stock paid in	Number of share	Capital stock paid in	Source of equity		Pay off the share fund with property other than cash	Other
2023.10	10	200,000	2,000,000	58,917	589,178	RSA capital reduction	-390	-	MOEA No.11230203400
2024.03	10	200,000	2,000,000	58,900	589,003	RSA capital reduction	-175	-	MOEA No.11330040400
2024.08	10	200,000	2,000,000	60,064	600,641	capital increase by retained earning	11,638	-	MOEA No .11330137130
2024.08	10	200,000	2,000,000	60,029	600,291	RSA capital reduction	-350	-	MOEA No .11330137130
2024.11	10	200,000	2,000,000	60,449	604,491	RSA IPO	4,200	-	MOEA No .11330188020
2024.11	10	200,000	2,000,000	60,442	604,421	RSA capital reduction	-70	-	MOEA No .11330188020
2025.03	10	200,000	2,000,000	60,431	604,316	RSA capital reduction	-105	-	MOEA No .11430027390

## (2) Types of shares Issued

Mar.31, 2025; Unit: share

Share Type	Authorized Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Common stock	60,431,600	139,568,400	200,000,000	Listed company stock

## (3) Omnibus reporting system related information: None.

### 3.1.2 Major Shareholders

Mar.31, 2025; Unit: share

Shares		Number of shares held	Shareholding ratio
Name of Major Shareholders			
Power Investments Limited		4,880,227	8.08%
Hao-Min Lee		2,458,693	4.07%
Chung-Wei Hsieh		1,891,485	3.13%
Shiang-Chi Dai		1,259,000	2.08%
Rise River Asset Co., Ltd.		887,481	1.47%
Special SBL/PB Investment Account of Barclays Capital under the custody of Citibank		664,428	1.10%
Zun-Jia Dai		659,365	1.09%
Yi-Feng Chen		488,298	0.81%
UBS Europe SE Investment Account under the custody of Citibank		439,962	0.73%
Taishin International Commercial Bank Trust Account		420,000	0.68%

### 3.1.3 Dividend Policy and Implementation Status of the Company

#### (1) Dividend Policy

If there is any net income after tax for the period, it will be distributed in the following order:

- (A) To address accumulated losses, including adjustments to the amount of unappropriated earnings.
- (B) A reserve of 10% of the statutory surplus must be allocated; however, if the statutory surplus has reached the company's paid-in capital, this reserve may no longer be necessary.
- (C) To set aside or reverse a special reserve as mandated by law or by the appropriate authorities.
- (D) The Board of Directors shall prepare a proposal for the distribution of the remaining earnings, along with the unappropriated earnings at the beginning of the period (including any adjustments to the amount of unappropriated earnings). This proposal shall be submitted to the shareholders' meeting for a resolution regarding the distribution of earnings, should the distribution be made through the issuance of new shares.

Distributions of dividends, bonuses, legal reserves, and capital surplus, whether in whole or in part, if made in the form of cash payments, are authorized to be executed by the Board of Directors with the presence of at least two-thirds of the Board members. Additionally, the approval of a majority of the Directors present is required, and these distributions must be reported to the shareholders during the shareholders' meeting.

Dividends are distributed in proportion to the company's current year's earnings, including distributable earnings, capital surplus, and other sources of income as determined by law. The distribution rate is set at no less than 30% of the company's after-tax earnings for the current year and no less than 10% of the total cash and stock dividends distributed annually. Furthermore, the cash dividends paid each year should constitute at least 10% of the total cash and stock dividends disbursed during that year.

#### (2) Circumstances under which the dividend is proposed to be distributed at the AGM.

- (A) The board of directors approved the company's dividend distribution plan for 1024 on April 10, 2025. It is proposed to allocate a surplus of NT\$47,623,280, which includes a cash dividend of NT\$0.8 per share (equivalent to NT\$800 per

thousand shares), and a surplus of NT\$11,905,820, which includes a stock dividend of NT\$0.2 per share (equivalent to 20 shares distributed for every thousand shares).

(B) It is proposed to distribute cash dividends from capital reserves, allocating NT\$23,811,640 from the capital reserves derived from the excess of the issuance price over the par value of the shares, resulting in a cash distribution of NT\$0.4 per share (equivalent to NT\$400 per thousand shares).

(A)(B) Following the resolution passed at the shareholders' meeting on May 29, 2025, the board of directors is authorized to determine matters related to the allocation of shares (capital increase) and the ex-dividend date. Should there be subsequent changes in laws or adjustments by regulatory authorities, or if the company undergoes share buybacks, cancellations, bond conversions, issuance of new shares, or other events affecting the number of outstanding shares, resulting in changes to the ratio of share allocation and dividends, the shareholders' meeting will authorize the board of directors to make the necessary adjustments.

(3) The Company does not anticipate any significant changes to its dividend policy in the future: None.

3.1.4 The impact of the free rights issue proposed at this shareholders' meeting on the company's operating performance and earnings per share: The company distributed dividends for 2024 in accordance with the dividend policy. The free rights issue proposed at this shareholders' meeting is 20 shares for every 1,000 shares, which is not expected to have a significant impact on the company's operating performance or earnings per share.

### 3.1.5 Remuneration of Employees and Directors

(1) The percentage or scope of employees' and directors' remuneration as set forth in the Company's Articles of Incorporation.

If the Company is profit-making in a year ("profit-making" refers to pre-tax profit before deduction for distribution of employee remuneration and director remuneration), no less than 5% shall be provisioned as employee remuneration and no more than 2% as director remuneration. However, if the Company still has accumulated losses (including adjustment of non-distributed profit amount), compensation amount shall first be provisioned.

Employee remuneration under the previous paragraph may be paid in stock or in cash and the recipients may include employees of subsidiaries who meet the conditions established by the board of directors. Director remuneration under

the previous paragraph shall only be paid in cash.

The previous two paragraphs shall be done through board resolutions and shall be reported to the shareholders' meeting.

When the Company issues employee stock options, restricted employee new shares, new shares for employee subscription or transfers to employees shares bought back in accordance with the law, the targets of issuance or transfer include employees of subsidiaries who meet the conditions established by the board of directors.

The employees' remuneration distributed for 2024 is NT\$21,146,931, and the directors' remuneration, NT\$1,895,523, both of which are distributed in cash. It was approved by the board of directors on February 29, 2024, and will report to the Annual General Shareholders' Meeting on May 29, 2025.

- (2) The basis for estimating the amount of employees' and directors' remuneration, the basis for calculating the number of shares of employees' remuneration to be distributed by means of stock dividends, and the accounting treatment in the event that the actual amount of dividends distributed differs from the estimated amount.

If the Company's estimates of employees' compensation and directors' compensation differ from the amounts approved by the Board of Directors and submitted to the shareholders' meeting, the Company will account for the changes in accounting estimates and record the adjustments in the year of the shareholders' meeting.

- (3) Circumstances under which the Board of Directors approves the distribution of remuneration

- (A) If the amount of employees' and directors' compensation distributed in cash or stock differs from the amount estimated in the year of expense recognition, the amount of the difference, the reason for the difference, and the circumstances under which the difference was handled should be disclosed:

On February 20, 2025, the Board of Directors of the Company approved the distribution of employees' Remuneration of NT\$21,146,931 and directors' Remuneration of NT\$1,895,523 for the year 2024 in accordance with the Articles of Incorporation, which were not different from the estimated amounts for the year in which the expenses were recognized.

- (B) Amount of employee compensation distributed in stock and percentage of total net income after tax and total employee compensation for the current period for individual or separate financial statements: All employee remuneration in 2024

will be paid in cash, and therefore, it was not applicable.

- (4) The actual distribution of employees' and directors' remuneration in the previous year (including the number of shares distributed, the amount and the price of the shares), and the difference between the actual distribution and the recognized employees' and directors' remuneration, together with the number of differences, the reasons for the differences and the circumstances under which the differences were dealt with:

Unit:NTD

The distribution of 2023	Actual distribution (Cash amount)	Original amount approved by BOD	Differences from annual estimates of approved expenses	Recognized expenses	Differences from annual estimates of recognized expenses
Employees' Remuneration	5,196,498	5,196,498	0	5,196,498	0
Directors' Remuneration	489,082	489,082	0	489,082	0

Note:In accordance with the resolution of the Board of Directors' meeting held on February 29, 2024, there was no difference between the actual amount of employees' and directors' remuneration for 2023. There is no difference between the actual distribution amount and the accounting expenses for 2023.

3.1.6Repurchase of the Company's shares by the Company: None.

**3.2 Issuance of Corporate Bonds: None.**

**3.3 Status of Preferred Stocks: None.**

**3.4 Status of Global Depository Receipts: None.**

**3.5 Status of Employee Warrants: None.**

**3.6 Status of Issuance of New Restricted Employee Shares**

- 3.6.1 As of the publication date of the annual report, the company has not fully satisfied the conditions necessary to impose restrictions on employee rights concerning new shares. This situation may have implications for shareholder equity.

Type of Employee Restricted Stock	Employee Restricted Stock Awards of 2020			
Date of Effective Registration and total shares	September 08, 2020 /1,200,000			
Issue Date	November 06, 2020		August 03,2021	
Number of Employee Restricted Stock Issued	900,000		300,000	
Unissued shares	300,000		-	
Issued Price	Issue for free			
Employee Restricted Stock as a Percentage of Shares Issued (Note)	1.49%		0.50%	
Vesting conditions of Employee Restricted Stock	After new restricted stock awards are allocated to an employee, the employee must obtain an assessment grade of “Compliance” for the latest Individual Performance prior to the vesting date and is still working at Leadtrend upon expiration of any of the following vesting periods. Then the employee will receive such new restricted stock awards based on the ratio of vested portion for the concerned vesting period.			
	Vesting Period	Ratio of Vested Portion	Vesting Period	Ratio of Vested Portion
	From the vesting date to Oct. 15 of the next year	1/6	From the vesting date to Apr. 15 of the next 3rd year	1/6
	From the vesting date to Apr. 15 of the next 2nd year	1/6	From the vesting date to Oct. 15 of the next 3rd year	1/6
	From the vesting date to Oct. 15 of the next 2nd year	1/6	From the vesting date to Apr. 15 of the next 4th year	1/6
Restricted Rights of Employee Restricted Stock	1. Before the expiration of the vesting period, an employee shall not sell, pledge, assign, give as gifts, set for mortgage or dispose any new restricted stock awards 2. Before satisfying vesting conditions , the new shares with restricted employee Stock Awards still have right to participate in allotment, dividend distribution and cash capital increase subscription. ° 3. After the issue of new restricted stock awards, the new restricted stock awards shall be entrusted in trust immediately. Before satisfying vesting conditions, an employee shall not give any reason or use any method to request the trustee to return the new restricted stock awards to him/her. 4. If an employee violates Paragraph (8) of this article by terminating or cancelling, before the satisfaction of vesting conditions, the proxy authorization granted to Leadtrend, then Leadtrend shall take back, without compensation payment, the stock awards from the employee.			
Custody Status of Employee Restricted Stock	During the period in which the new restricted stock awards have been entrusted in trust, Leadtrend shall act on behalf of its employees to handle, together with the stock trust institution, the negotiation, execution, revision, extension, cancelation and termination of, for example, a trust deed and the delivery, use and disposal-related instructions for trust property.			
Measures to be Taken Where Employees Fail to Meet the Vesting Conditions	1. When an employee resigns voluntarily, is dismissed or laid off, retires, passes away, takes unpaid leave or is transferred to a related enterprise during the period between the vesting date and the expiration of the vesting period, Leadtrend shall take back, without compensation payment, from the employee the stock awards that have been allocated to, but not been vested in, the employee. 2. When an employee fails to achieve the threshold of the latest individual performance prior to the vesting date, Leadtrend will take back, without compensation payment, the restricted stock awards that have not been vested in the employee yet.			
Number of Employee Restricted Stock Which Have Been Reclaimed	66,500		90,000	
Number of Released Employee Restricted Stock	833,500		176,500	
Number of Unreleased Employee Restricted Stock	0		33,500	
Ratio of Unreleased Employee Restricted Stock to Total Issued Shares□（%）(Note)	0.00%		0.06%	
Impact on Shareholders' Interest	As for the impact of the vesting conditions and the amount amortized annually for the temporarily estimated expensed amount on earnings per share, the earnings per share for 2020, 2021, 2022, 2023 and 2024 will be probably reduced by NT\$0.08, NT\$0.23, NT\$0.16, NT\$0.08 and NT\$0.02 respectively (which are calculated based on 46,882,200 shares, plus restricted stock awards). The dilution of earnings per share is limited, so there is no significant impact on shareholders' equity.			

Note: Total issued shares is 60,431,600 based on March 31, 2025.

Type of Employee Restricted Stock	Employee Restricted Stock Awards of 2022			
Date of Effective Registration and total shares	August 18, 2022			
Issue Date	October 12, 2022			
Number of Employee Restricted Stock Issued	420,000			
Unissued shares	0			
Issued Price	Issue for free			
Employee Restricted Stock as a Percentage of Shares Issued (Note)	0.70%			
Vesting conditions of Employee Restricted Stock	After new restricted stock awards are allocated to an employee, the employee must obtain an assessment grade of "Compliance" or above (i.e. a scale score $\geq 5.8$ ) for the latest Individual Performance prior to the vesting date and is still working at Leadtrend upon expiration of any of the following vesting periods. Then the employee will receive such new restricted stock awards based on the ratio of vested portion for the concerned vesting period.			
	Vesting Period	Ratio of Vested Portion	Vesting Period	Ratio of Vested Portion
	From the vesting date to Oct. 11 of the next year	1/6	From the vesting date to Apr. 11 of the next 3rd year	1/6
	From the vesting date to Apr. 11 of the next 2nd year	1/6	From the vesting date to Oct. 11 of the next 3rd year	1/6
	From the vesting date to Oct. 11 of the next 2nd year	1/6	From the vesting date to Apr. 11 of the next 4th year	1/6
Restricted Rights of Employee Restricted Stock	<ol style="list-style-type: none"> <li>Before the expiration of the vesting period, an employee shall not sell, pledge, assign, give as gifts, set for mortgage or dispose any new restricted stock awards.</li> <li>After the issue of new restricted stock awards, the new restricted stock awards shall be entrusted in trust immediately. Before satisfying vesting conditions, an employee shall not give any reason or use any method to request the trustee to return the new restricted stock awards to him/her.</li> <li>If an employee violates Paragraph (8) of this article by terminating or cancelling, before the satisfaction of vesting conditions, the proxy authorization granted to Leadtrend, then Leadtrend shall take back, without compensation payment, the stock awards from the employee.</li> </ol>			
Custody Status of Employee Restricted Stock	During the period in which the new restricted stock awards have been entrusted in trust, Leadtrend shall act on behalf of its employees to handle, together with the stock trust institution, the negotiation, execution, revision, extension, cancelation and termination of, for example, a trust deed and the delivery, use and disposal-related instructions for trust property.			
Measures to be Taken Where Employees Fail to Meet the Vesting Conditions	<ol style="list-style-type: none"> <li>When an employee resigns voluntarily, is dismissed or laid off, retires, passes away, takes unpaid leave or is transferred to a related enterprise during the period between the vesting date and the expiration of the vesting period, Leadtrend shall take back, without compensation payment, from the employee the stock awards that have been allocated to, but not been vested in, the employee.</li> <li>When an employee fails to achieve the threshold of the latest individual performance prior to the vesting date, Leadtrend will take back, without compensation payment, the restricted stock awards that have not been vested in the employee yet.</li> <li>Before satisfying vesting conditions for the new restricted stock awards issued under the Regulations, employees do not have the right to enjoy allocation of shares, cash bonuses and capital reserve. Other rights of a shareholder are the same as those for the common shares issued already by Leadtrend.</li> </ol>			
Number of Employee Restricted Stock Which Have Been Reclaimed	73,500			
Number of Released Employee Restricted Stock	178,500			
Number of Unreleased Employee Restricted Stock	168,000			
Ratio of Unreleased Employee Restricted Stock to Total Issued Shares □ (%) (Note)	0.28%			
Impact on Shareholders' Interest	As for the impact of the vesting conditions and the amount amortized annually for the temporarily estimated expensed amount on earnings per share, the earnings per share for 2022, 2023, 2024, 2025 and 2026 will be probably reduced by NT\$0.06, NT\$0.28, NT\$0.15, NT\$0.06 and NT\$0.01 respectively (which are calculated based on 52,864,620 shares, 2022, plus restricted stock awards). The dilution of earnings per share is limited, so there is no significant impact on shareholders' equity.			

Note: Total issued shares is 60,431,600 based on March 31, 2025.

Type of Employee Restricted Stock	Employee Restricted Stock Awards of 2023			
Date of Effective Registration and total shares	August 04, 2023			
Issue Date	October 10, 2023			
Number of Employee Restricted Stock Issued	420,000			
Unissued shares	0			
Issued Price	Issue for free			
Employee Restricted Stock as a Percentage of Shares Issued (Note)	0.70%			
Vesting conditions of Employee Restricted Stock	After new restricted stock awards are allocated to an employee, the employee must obtain an assessment grade of "Compliance" or above (i.e. a scale score $\geq 5.8$ ) for the latest Individual Performance prior to the vesting date and is still working at Leadtrend upon expiration of any of the following vesting periods. Then the employee will receive such new restricted stock awards based on the ratio of vested portion for the concerned vesting period.			
	Vesting Period	Ratio of Vested Portion	Vesting Period	Ratio of Vested Portion
	From the vesting date to Oct. 11 of the next year	1/6	From the vesting date to Apr. 11 of the next 3rd year	1/6
	From the vesting date to Apr. 11 of the next 2nd year	1/6	From the vesting date to Oct. 11 of the next 3rd year	1/6
	From the vesting date to Oct. 11 of the next 2nd year	1/6	From the vesting date to Apr. 11 of the next 4th year	1/6
Restricted Rights of Employee Restricted Stock	<ol style="list-style-type: none"> <li>Before the expiration of the vesting period, an employee shall not sell, pledge, assign, give as gifts, set for mortgage or dispose any new restricted stock awards.</li> <li>After the issue of new restricted stock awards, the new restricted stock awards shall be entrusted in trust immediately. Before satisfying vesting conditions, an employee shall not give any reason or use any method to request the trustee to return the new restricted stock awards to him/her.</li> <li>If an employee violates Paragraph (8) of this article by terminating or cancelling, before the satisfaction of vesting conditions, the proxy authorization granted to Leadtrend, then Leadtrend shall take back, without compensation payment, the stock awards from the employee.</li> </ol>			
Custody Status of Employee Restricted Stock	During the period in which the new restricted stock awards have been entrusted in trust, Leadtrend shall act on behalf of its employees to handle, together with the stock trust institution, the negotiation, execution, revision, extension, cancellation and termination of, for example, a trust deed and the delivery, use and disposal-related instructions for trust property.			
Measures to be Taken Where Employees Fail to Meet the Vesting Conditions	<ol style="list-style-type: none"> <li>When an employee resigns voluntarily, is dismissed or laid off, retires, passes away, takes unpaid leave or is transferred to a related enterprise during the period between the vesting date and the expiration of the vesting period, Leadtrend shall take back, without compensation payment, from the employee the stock awards that have been allocated to, but not been vested in, the employee.</li> <li>When an employee fails to achieve the threshold of the latest individual performance prior to the vesting date, Leadtrend will take back, without compensation payment, the restricted stock awards that have not been vested in the employee yet.</li> <li>Before satisfying vesting conditions for the new restricted stock awards issued under the Regulations, employees do not have the right to enjoy allocation of shares, cash bonuses and capital reserve. Other rights of a shareholder are the same as those for the common shares issued already by Leadtrend.</li> </ol>			
Number of Employee Restricted Stock Which Have Been Reclaimed	39,000			
Number of Released Employee Restricted Stock	63,500			
Number of Unreleased Employee Restricted Stock	317,500			
Ratio of Unreleased Employee Restricted Stock to Total Issued Shares □ (%) (Note)	0.53%			
Impact on Shareholders' Interest	As for the impact of the vesting conditions and the amount amortized annually for the temporarily estimated expensed amount on earnings per share, the earnings per share for 2023, 2024, 2025, 2026 and 2027 will be probably reduced by NT\$0.03, NT\$0.16, NT\$0.08, NT\$0.03 and NT\$0.01 respectively (which are calculated based on 56,883,828 shares, plus restricted stock awards). The dilution of earnings per share is limited, so there is no significant impact on shareholders' equity.			

Note: Total issued shares is 60,431,600 based on March 31, 2025.



Type of Employee Restricted Stock	Employee Restricted Stock Awards of 2024			
Date of Effective Registration and total shares	July 30, 2024			
Issue Date	October 09, 2024			
Number of Employee Restricted Stock Issued	420,000			
Unissued shares	0			
Issued Price	Issue for free			
Employee Restricted Stock as a Percentage of Shares Issued (Note)	0.70%			
Vesting conditions of Employee Restricted Stock	After new restricted stock awards are allocated to an employee, the employee must obtain an assessment grade of "Compliance" or above (i.e. a scale score $\geq 5.8$ ) for the latest Individual Performance prior to the vesting date and is still working at Leadtrend upon expiration of any of the following vesting periods. Then the employee will receive such new restricted stock awards based on the ratio of vested portion for the concerned vesting period.			
	Vesting Period	Ratio of Vested Portion	Vesting Period	Ratio of Vested Portion
	From the vesting date to Oct. 11 of the next year	1/6	From the vesting date to Apr. 11 of the next 3rd year	1/6
	From the vesting date to Apr. 11 of the next 2nd year	1/6	From the vesting date to Oct. 11 of the next 3rd year	1/6
	From the vesting date to Oct. 11 of the next 2nd year	1/6	From the vesting date to Apr. 11 of the next 4th year	1/6
Restricted Rights of Employee Restricted Stock	<ol style="list-style-type: none"> <li>Before the expiration of the vesting period, an employee shall not sell, pledge, assign, give as gifts, set for mortgage or dispose any new restricted stock awards.</li> <li>After the issue of new restricted stock awards, the new restricted stock awards shall be entrusted in trust immediately. Before satisfying vesting conditions, an employee shall not give any reason or use any method to request the trustee to return the new restricted stock awards to him/her.</li> <li>If an employee violates Paragraph (8) of this article by terminating or cancelling, before the satisfaction of vesting conditions, the proxy authorization granted to Leadtrend, then Leadtrend shall take back, without compensation payment, the stock awards from the employee.</li> </ol>			
Custody Status of Employee Restricted Stock	During the period in which the new restricted stock awards have been entrusted in trust, Leadtrend shall act on behalf of its employees to handle, together with the stock trust institution, the negotiation, execution, revision, extension, cancellation and termination of, for example, a trust deed and the delivery, use and disposal-related instructions for trust property.			
Measures to be Taken Where Employees Fail to Meet the Vesting Conditions	<ol style="list-style-type: none"> <li>When an employee resigns voluntarily, is dismissed or laid off, retires, passes away, takes unpaid leave or is transferred to a related enterprise during the period between the vesting date and the expiration of the vesting period, Leadtrend shall take back, without compensation payment, from the employee the stock awards that have been allocated to, but not been vested in, the employee.</li> <li>When an employee fails to achieve the threshold of the latest individual performance prior to the vesting date, Leadtrend will take back, without compensation payment, the restricted stock awards that have not been vested in the employee yet.</li> <li>Before satisfying vesting conditions for the new restricted stock awards issued under the Regulations, employees do not have the right to enjoy allocation of shares, cash bonuses and capital reserve. Other rights of a shareholder are the same as those for the common shares issued already by Leadtrend.</li> </ol>			
Number of Employee Restricted Stock Which Have Been Reclaimed	9,000			
Number of Released Employee Restricted Stock	0			
Number of Unreleased Employee Restricted Stock	411,000			
Ratio of Unreleased Employee Restricted Stock to Total Issued Shares $\square$ (%) (Note)	0.68%			
Impact on Shareholders' Interest	As for the impact of the vesting conditions and the amount amortized annually for the temporarily estimated expensed amount on earnings per share, the earnings per share for 2024, 2025, 2026, 2027 and 2028 will be probably reduced by NT\$0.06, NT\$0.28, NT\$0.15, NT\$0.06 and NT\$0.008 respectively (which are calculated based on 58,917,843 shares, plus restricted stock awards). The dilution of earnings per share is limited, so there is no significant impact on shareholders' equity.			

Note: Total issued shares is 60,431,600 based on March 31, 2025.

3.6.2 The names of the managers who have obtained restricted employee rights shares, as well as the top ten employees who have acquired shares, along with the details of their acquisitions, are provided as of the date of the publication of the annual report:

April 10, 2025

Title(Note1)		Name	No. of Employee Restricted Stock Granted	Employee Restricted Stock as a Percentage of Shares Issued (Note4)	Restrictions Released (Note2)				Restrictions Unreleased (Note2)			
					No. of Shares	Issued Price (NT\$)	Issued Amount (NT\$)	Released Shares as a Percentage of Shares Issued (Note4)	No. of Shares	Issued Price (NT\$)	Issued Amount (NT\$)	Released Shares as a Percentage of Shares Issued (Note4)
Management team	President	Heng-Chung Chi	672,900	1.11%	509,750	0	0	0.84%	163,150	0	0	0.27%
	Vice President	Ming-Nan Zhuang										
	Vice President	Chuei-Hua Chiou										
	Assistant Vice President	Jiong-Feng Zhou										
	Financial and Accounting Supervisor	Shu-Wei Yu										
Employee	Special Assistant	Hao-Ming, Lee	1,117,100	1.85%	838,250	0	0	1.39%	278,850	0	0	0.46%
	Director	Ming-Chang Tsou										
	Director	Jin- He Wu										
	Director	Meng-Jen, Tsai										
	Director	Chung-Wei Lin										
	Senior Manager	Yu-Pin Wang										
	Senior Manager	Sheng-Chun Hung										
	Director	Wei-Chen Chang										
	Director	Teng-He Wu										
	Director	Jing-Yun Li										

Note 1: Undischarged restricted rights do not include the number of shares that have been withdrawn from service and canceled before the vesting conditions have been met.

Note 2: Shares outstanding are based on 60,431,600 common shares of the Company outstanding as of March 31, 2025.

Note 3: The number of 509,750 shares for which the Manager has released the restricted rights includes 40,000 shares withdrawn for cancellation.

Note 4: The number of 838,250 shares from which employees have released their restricted rights includes 80,000 shares withdrawn for cancellation.

### 3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

### 3.8 Status of Implementation of Capital Allocation Plans: None.

## Chapter 4. Operations Overview

### 4.1 Business Overview

#### 4.1.1 Scope of Business

(1) The main contents of the Company's business:

(A) CC01080 electronic component manufacturing industry

(B) I301010 information software service industry.

(C) I501010 product design industry.

(D) I599990 other design industry.

(E) F601010 intellectual property industry.

(2) Business proportion:

Unit: NT\$ thousands; %

<div style="text-align: center;">Year Item</div>	2024	
	Amount	Proportion of revenue
Power Management IC	1,453,906	100

(3) The company's current product (services) items: Power Management IC.

(4) New products (services) planned for development:

(A) AC/DC Power Management IC

Providing a comprehensive power management solution that incorporates streamlined circuits, advanced environmental protection, and energy-saving products remains Leadtrend Technology's primary focus in research and development. The performance of the products currently developed and marketed not only meets market demand but also exceeds regulatory requirements.

- ① In the application of ACDC power management integrated circuits (ICs), products with input power levels below 75W operate in hybrid mode, while those with input power levels exceeding 75W are optimized for Power Factor Correction (PFC), Total Harmonic Distortion (THD), and Pulse Width Modulation (PWM) operation modes. This optimization significantly enhances the chip's compliance with the stringent energy efficiency standards set by Energy Star DoE-6 and CoC Tier-2, providing at least a 1% margin above the regulated efficiency. The chip is suitable for a wide range of applications, including cellular phones, NFCs, and various other electronic devices. It can be utilized in power supply systems for cell

phone/NB/TV/Network system power supply.

- ② Integrated high-voltage MOSFETs (700V) are continually being developed and have been successfully launched in a variety of products suitable for applications under 65W. Additionally, they are being adapted for high-power packages that do not require heat sink designs. Current application areas include Monitor/TV/Network.
- ③ High-density packaging is the focus of future development, driven by a new generation of packaging stacking technology and the integration of ICs and MOSFETs. In high-density packaging, samples have successfully completed temperature and other reliability certifications and have entered mass production.
- ④ A new generation of power supply products for inkjet printers has been developed to offer end-brand customers a more energy-efficient power solution. Additionally, a variety of models with different power requirements have been introduced into mass production.
- ⑤ Derivative PD IC product applications are built upon the existing PD MCU base products, which are integrated into the power supply systems of game consoles. This foundation allows for the ongoing expansion and development of next-generation products.
- ⑥ In order to enhance the conversion efficiency of power systems, synchronous rectifier integrated circuits (ICs) have become essential components for applications such as 5G mobile phones/WiFi6/NB, etc. The third generation of self-powered detector synchronous rectifier ICs, along with the associated integrated MV MOS products, which eliminate the need for additional power supply windings, have now entered the mass production phase.
- ⑦ For the Indian market, the adapter power supply has significantly simplified external wiring. Additionally, its active detection of the input power supply allows for immediate protection of the system during abnormal states, thereby enhancing overall system stability. This technology has been successfully integrated into well-known brands of adapters.
- ⑧ Miniaturized, low-power, high-frequency (>300kHz) control ICs have been successfully launched and are currently under development for integration with MOS/GaN products.
- ⑨ Optimized conductive and radiated EMI characteristics for Netcom

adapter power applications have been successfully implemented in mass production.

- ⑩ The new PFC inductor does not need the reference coil for ZCD detection method, which can greatly improve the system cost, and has been successfully introduced into mass production.
- ⑪ High-performance Primary Side Regulation (PSR) fly-back architecture, using mixed mode operation, can meet the most stringent new energy regulations, and can save PC817 and TL431 components, optimize the number of system components and plate area, and has been successfully imported into well-known adapters.
- ⑫ Power control IC for small-volume high-power chargers has been developed, with gallium nitride (GaN) field effect transistor (FET), IC operating for 250kHz application, and its sizes can be greatly reduced by about half.
- ⑬ High power integrated power management IC is developed, built in PFC and Flyback control architecture, with logical communication to optimize system efficiency and save system components.
- ⑭ New QR steep frequency technology can greatly improve the conducted EMI design in the amount of >3dB in LC resonant band, and successfully imported into the TV power board of well-known brand.
- ⑮ As per the new regulation IEC62368, improve the overcurrent protection error, in order to develop a high precision overcurrent protection, to meet the needs of the market display 3-in-1 module application.
- ⑯ Highly integrated packaging technology is developed to successfully improve the efficiency and power density of switching power supply, including from the packaging material and heat transfer optimization (such as WSOP, SOP\_EP, DNF, QFN, SPAK packaging).
- ⑰ Develop a new IC grid driver, combined with the third generation of semiconductor GaN FET direct drive, can simplify the drive circuit, reduce the system vibration to optimize EMI characteristics.
- ⑱ Develop High efficiency asymmetric half-bridge controller, Adaptive ZVS switch, to achieve efficiency optimization, output power application 65W-240W range, adaptable for PD3.1 output.
- ⑲ Develop new digital control staggered power factor corrector development, digital control to increase the circuit accuracy and adjustment degree, and

reduce its design difficulty and noise interference, in order to increase the reliability of the overall circuit.

- ②⑩ Highly integrated gallium nitride chips integrate high-performance hybrid mode flyback controllers, gallium nitride switching transistors, power supply and protection circuits into a unique heat dissipation package, greatly reducing the number of peripheral components and eliminating the influence of parasitic parameters on high-frequency switches in traditional drive wiring and achieving high conversion efficiency and high power density products.
- ②⑪ Our company has developed a brand-new AHB synchronous rectification control chip. In response to the special characteristics of ZVS and AHB architecture applications, we have added a unique patent to automatically set QR and CRM modes on the basis of traditional VD slope detection, which can effectively avoid TQR masking to avoid SR misleading communication, and a high-precision ZVS Pulse judgment mechanism to improve system efficiency.
- ②⑫ The new LD9XXX series, featuring LO SP-9 and QFN8\*8 packages along with the ICX (capacitive leakage) function, has successfully passed the CB certification for IEC 62368-1:2018 (Third Edition) regarding safety requirements.
- ②⑬ A new generation of high-power integrated power management ICs has been developed, featuring built-in Power Factor Correction (PFC) and LLC control architecture, along with a digital-analog mixed signal and current mode control. These ICs offer zero voltage switching, low electromagnetic interference, high switching frequency capability, and optimized load performance, which collectively provide excellent noise immunity. Additionally, the integrated functionality simplifies system design.
- ②⑭ We have developed a new LLC synchronous rectifier control chip that specifically addresses the unique characteristics of LLC architecture applications. This chip controls the synchronous rectifier by monitoring its drain-source voltage (VDS). Building upon traditional VD slope detection, the chip incorporates a unique and patented Adaptive VGS mode, which effectively manages the MOS shutdown to enhance system efficiency under light load conditions.

#### (B) USB charging management IC

In recent years, due to the improvement of battery density, the progress of

material system and the needs of users, all the battery applications take fast charging as the highlight in product development, especially in the mobile phone where it is developed most rapidly, including Qualcomm® Quick Charge™ or MediaTek's Pump Express Plus™, and the Power Delivery (PD) protocol published by the USB IF Institute which is becoming an industry standard, and the birth of self-reliant protocols in cell phone in the Mainland. At present, a new Universal Fast Charging Specification (UFCS) Converged fast Charging agreement is a new generation of converged fast charging agreement completed by a number of terminals and chips manufacturers and industrial partners. This protocol is intended to develop the convergence fast charging standard of mobile terminals, solve the incompatibility problem of mutual fast charging (integrated with the above-mentioned manufacturers' own protocols), and create a fast, safe and compatible charging environment for end users.

- ① As per the resolution of the European Parliament that, from the end of 2024, small and medium-sized electronic products such as mobile phones and tablet computers sold in the EU, as well as NB devices from the end of 2025, must be compatible with USB Type-C specification, which will soon become the mainstream of data transmission and charging in the market. The PD Share rate of NB will gradually increase, which has been introduced in LD6612 series in the past and even to laptop products ranging 45W to 65W, and subsequent shipment will gradually increase in the market.
- ② The USB IF Association will release the new generation of protocol specification PD3.1 in 2021 to increase the power to 240W, and then upgrade the specification to PD3.2 in 2025. Leadtrend Technology is ahead of the industry to launch the new generation of LD6617 products that comply with the PD3.2 specification and are backward compatible with the highest support up to 180W, and the LD6617 products are already imported into 140W products of various international brands, while the LD5780+LD8529x+LD6618 for 240W total solution products can provide customers with PD3.2 applications in all power bands. Leadtrend Technology is leading the industry with the new generation of LD6617 products that comply with the PD3.2 specification and are backward compatible up to 180W. has already been introduced into various international brands of 140W products, and the current LD5780+LD8529x+LD6618 for 240W total solution can provide customers with PD3.2 applications for the full power range.

③ In response to the multi-port applications in the accessory market, the LD6621x for 1A1C multi-port charging application has been mass-produced in January 2024. In addition to the multi-port, this product also carries the UFCS protocol that is currently being implemented by the mainland government, and in the future, there will be a program with the LD7300 combo packages Buck+PD IC combo program, so that the customer can be more streamlined and simpler in the application. The application is more simple.

④ Currently, the European Union has released a new version of the draft energy regulations in December 2024, which is expected to be officially released in 2025Q3 and mandatory in 2028Q3, with more stringent requirements on various voltage bands and standby efficiency, as well as the requirement that future adapters should not be equipped with wires, Leadtrend Technology is now ahead of its peers with the launch of a new generation of LD5555+ and LD8528+ LD6615x3/6935x2 series Total solutions to meet the demand for more stringent and more environmentally friendly regulations in the future.

LD8528+LD6615x3/6935x2 series total solution to meet the global demand for more stringent and environmentally friendly energy efficiency regulations in the future, in addition to the European Union's advanced bill requirements will also drive the entire PD power supply in the market share rate increased rapidly.

⑤ In response to the miniaturization and circuit simplification of fast charging products and the latest version of the EU energy regulations, the LD6935x2 integrates the PD protocol and Type\_C blocking MOSFETs, which can significantly reduce the number of external components, enabling customers to simplify the power supply circuit structure and reduce the cost of materials and processing, and has been introduced by the relevant brand vendors.

#### (C) LED Driver Power Management IC

With the popularization of LED, TV/monitor backlight driver and high quality requirements of lighting, LED has been indispensable to the mainstream, the new generation of LED solutions focus on lighting quality enhancement such as dimming depth, no flicker, high power factor and low harmonic, high efficiency and so on demand.

① THDi < 10% LED IC (PFC+SSR architecture) product LD7792SX used in



high power intelligent dimming type LED power supply products have been mass produced.

- ② It is compatible with PFC+SSR architecture for emergency power supply (175Vdc~250Vdc). IC product LD7792N/O has been introduced into mass production.
- ③ Single-stage PFC fixed voltage control IC LD7841 for high-power factor products can meet the latest standard (IEC61000-3-2 Class C Ed 5.1) of harmonic requirements for ACDC power supply unit in AI application market, featuring low harmonic, high power factor, high efficiency, and optimized system cost, and the product has been introduced into mass production.
- ④ Active high power booster type constant voltage control IC LD7597 can comply with the latest harmonic standard (IEC61000-3-2 Class C Ed 5.1), with advantages of low harmonic, high power factor, high efficiency, and high stability, and the products have been mass produced.

#### 4.1.2 Industry Overview

##### (1) The current situation and development of the industry:

IDC also predicts eight major trends in the semiconductor market in 2025:

##### (A) AI-Driven Rapid Growth Will Continue Next Year

The global semiconductor market is poised to grow by 15% in 2025. The memory segment is expected to surge by more than 24%, mainly driven by the increasing penetration of high-end products such as HBM3 and HBM3e, which are required for AI Accelerator, as well as the new generation of HBM4, which is expected to be introduced in the second half of 2025. The non-memory segment is expected to grow 13%, mainly due to the strong demand for advanced node ICs for AI servers, high-end mobile phone ICs, and WiFi7. The mature node ICs market is expected to recover supported by a rebound of the consumer electronics market.

##### (B) Asia-Pacific IC Design Market Heating Up, 15% Growth Expected in 2025

Asia-Pacific IC design product lines are rich and diversified, with applications all over the world, including Smartphone AP, TV SoC, OLED DDIC, LCD TDDI, WiFi, PMIC, MCU, ASIC, and other essential chips. With inventory levels stabilizing, personal devices demand picking up, and AI computing extending to a wide range of applications, overall demand for IC design will increase.

##### (C) TSMC Will Continue to Dominate the Foundry 1.0 and Foundry 2.0 Industry

Under the traditional Foundry 1.0 definition, TSMC's market share is projected to climb steadily from 59% in 2023 to 64% in 2024 and 66% in 2025, far outpacing competitors such as Samsung, SMIC, and UMC. TSMC's market share in Foundry 2.0 (includes foundry, non-memory IDM manufacturing, packaging and testing, and photomask manufacturing) was 28% in 2023. With the significant increase in demand for AI-driven advanced nodes, TSMC market share for Foundry 2.0 is expected to grow rapidly in 2024 and 2025, demonstrating an all-around competitive advantage across both traditional and modern industry structure.

(D) Strong Demand for Advanced Nodes and Accelerated Foundry Expansion

The expansion of advanced nodes (below 20nm) is accelerating due to the demand for AI. TSMC not only continues to build 2nm and 3nm in Taiwan but also 4/5nm in the U.S. which will soon be in mass production. Samsung is honing its 2nm in Hwaseong, Korea, capitalizing on its experience of entering the GAA generation first. Meanwhile, Intel is focusing on 18A process development under its new strategic plan and aiming to attract more external customers over the coming years. Overall, wafer manufacturing is projected to increase by 7% annually in 2025, with advanced nodes capacity rising by 12% annually. Average capacity utilization rate is expected to remain above 90% and the AI-driven semiconductor boom will continue.

(E) Mature Nodes Market is Warming Up, and the Capacity Utilization Rate Exceeds 75%.

Mature nodes (22nm-500nm) have a wide range of applications covering consumer electronics, automotive, industrial control, and other industry segments. In 2025, demand is expected to improve after this year's correction and oversupply, driven by consumer electronics and sporadic inventory replenishment in the automotive and industrial control sectors. 8-inch fabs are expected to see their average capacity utilization rate climb to 75% from 70% in 2024, while 12-inch mature nodes will see their average capacity utilization rate rise to more than 76%. Foundry capacity utilization is expected to increase by an average of 5 percentage points in 2025.

(F) 2025 Will be a Critical Year for 2nm Technology

With all three major wafer makers entering 2nm mass production, 2025 will be a critical year for 2nm technology. TSMC is actively expanding its fabs in Hsinchu and Kaohsiung, which is expected to enter mass production in the second half of the year. Samsung, following past trends, is expected to enter

production earlier than TSMC. Intel will focus on 18A, which already has Backside Power Delivery Network, BSPDN, under strategic adjustment. The above three major players will confront critical optimization challenges in balancing performance, power consumption and cost per area with the 2 nm technology. In particular, the 2nm technology will simultaneously start mass production of key products, such as Smartphone AP, Mining Chip, AI Accelerator, etc. By then, the yield rate of each company will improve, and the pace of production expansion will become the focus of market attention.

(G) Reorganization of the Packaging and Testing Industry Greatly Benefits China and Taiwan.

Under the influence of geopolitics, the global packaging and testing landscape is being restructured. Driven by the policy of “semiconductor sovereignty,” China's foundry mature nodes capacity continues to grow, and the downstream OSAT industry is expanding in parallel, forming a complete manufacturing ecosystem. Taiwan manufacturers, meanwhile, are showing a different side of their industrial advantages, not only accelerating the layout of production capacity in Taiwan and Southeast Asia, but also deeply cultivating advanced packaging technology for AI chips. In 2025, China's packaging and testing market share will continue to rise, while Taiwanese players will consolidate their packaging advantages in high-end chips such as AI GPUs. The overall packaging and testing industry is expected to grow by 9% in 2025.

(H) Advanced Packaging: FOPLP Layout and CoWoS Production Doubling

As the functionality and performance requirements of semiconductor wafers continue to improve, advanced packaging technologies are becoming increasingly important. FOPLP will grow rapidly from 2025 onwards. At present, it is mainly based on the glass base process, which is applied to PMIC, RF, and other smaller analog chips. It is expected that after a few years of technology accumulation, FOPLP will be able to enter the AI chip market, which requires a larger packaging area, and to implement the glass base products with a higher technological threshold. In addition, driven by the demand of high-performance computing customers such as NVIDIA, AMD, AWS, Broadcom, and cloud service providers (CSPs), TSMC's CoWoS production capacity continues to multiply, with the target of expanding from 330,000 wafers in 2024 to 660,000 wafers in 2025, an annual increase of 100%, with the CoWoS-L product line increasing by 470% per annum as the main driving force. Taiwan's equipment supply chain, including wet etching, dispensing, crystal picking, and other key process equipment vendors, will have more growth opportunities in this wave of

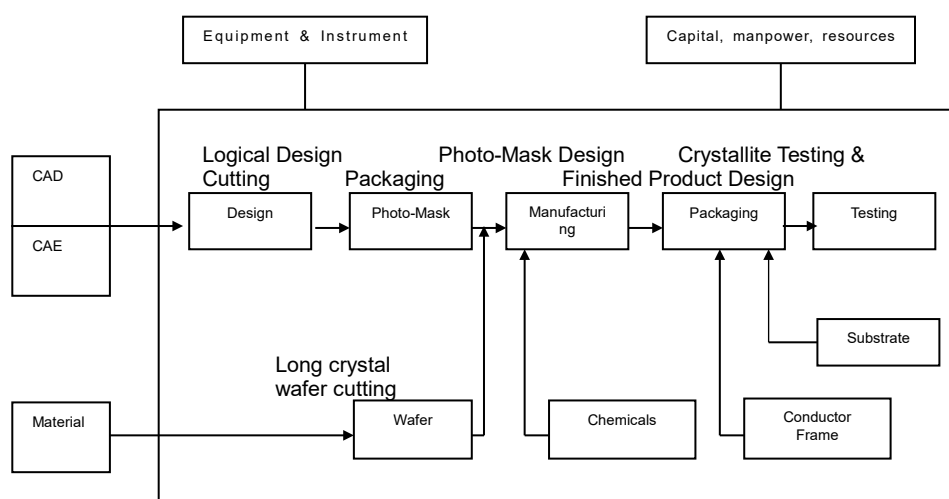
production expansion.

In summary, IDC expects double-digit growth for the global semiconductor industry in 2025 but the industry will need to navigate multiple variables, including geopolitical risks, global economic policies (including industrial subsidies, trade tariffs, currency, and interest rates), end-market demand, and changes in supply and demand due to new capacity additions – all important factors to watch in 2025.

Gartner's latest forecast shows that global shipments of artificial intelligence personal computers (AI PCs) with embedded neural processing units (NPUs) will reach 114 million units by 2025, a 165.5% jump from 2024, and these AI PCs will cover Windows on Arm, macOS on Arm, and x86 on Windows platforms. These AI PCs cover Windows on Arm, macOS on Arm, and x86 on Windows platforms, and Gartner expects AI PC shipments to top 43 million units in 2024, a 99.8% increase year-over-year. The market has changed from guessing which PCs will integrate AI features to expecting most PCs to come standard with AI NPUs, signaling that NPUs have become a new trend in the PC industry. It is expected that by 2025, the share of AI PCs in total shipments will rise significantly to 43% from 17% in 2024. Demand for AI laptops is particularly strong, with AI laptops expected to account for 51% of total laptop shipments by then, and is expected to be the only choice for laptops in large enterprises by 2026.

(2) Upstream, midstream, and downstream industry connections:

In recent years, with the evolution of vertical division of labor integration of the whole semiconductor, Chinese IC industry is developing vigorously and the division of labor system is becoming professional. Each production link has many individual manufacturers input, the division of labor is clear and each is specialized, so that the structure of the upper, middle and downstream of Chinese IC industry system is more complete. In the value chain of integrated circuit (IC) industry, IC design industry belongs to the upstream industry, IC design companies must go through professional wafer foundries or IDM factories (integrated semiconductor factories: Integrated Device Manufacturer: design, manufacturing, packaging, testing and sales are all handled by the manufacturer. ) Semi-finished wafers are manufactured, tested in the front section, then transferred to professional packaging factories for cutting and packaging, and finally tested in the back section by professional testing factories. The finished product after testing is sold to the system manufacturer for assembly and production through the sales pipeline. The relevance between upper, middle and downstream industries is given below:



Data source: Yearbook for Semiconductor Industry

### (3) Product development trends and competition:

#### (A) Product Development Trends

Our main products are AC/DC converter, USB-PD/QC4.0+ total solution and LED driver for lighting field, which are described below.

##### ● AC/DC converter

AC/DC products are still the company's development center of gravity, mainly in various electronic applications of the power supply, the main application areas are TV/MNT, PC/NB, Mobile, Networking, Home Appliance, Power Tool, Medical, Industrial, LED Lighting and Accessory applications. Due to the development of 4K/8K high-definition displays and 5G/WiFi7 commercialization in recent years, coupled with the gradual penetration of devices equipped with Type-C interfaces and supporting PD protocols as standard interfaces (including products in the Netcom and power tools, etc.), as well as Netcom products with the trend of the Internet continues to lead the growth momentum. leadtrend Technology's unique multi-mode operation CCM+QR PWM controller coupled with synchronous rectification technology is well ahead of energy saving regulations (e.g., U.S. Department of Energy (DoE) Level-6, and EU CoC Tier-2 & ErP lot7), and is well positioned to capitalize on this wave of demand to gain a head start on new applications, such as smart speakers, cell phone fast charging, laptop fast charging, netcom mini-sized products, and so on, smart speakers, fast charging for mobile phones, fast charging for laptops, and miniaturized power supplies for netcom. In addition to the Hi-power application of LLC +PFC IC & AHB, we have promoted the application from TV/MNT & NB to other terminal products and made breakthroughs in the gradual deployment of various product lines. believes that in the next few years, we will open up a new situation for the contribution to the revenue and continue to ferment.

- USB-PD3.1/China UFCS total solution

With the European Parliament's resolution that from the end of 2024, small and medium-sized electronic products such as cell phones and tablets sold in the EU, as well as devices such as NBs from the end of 2025, will be required to use USB Type-C specification, Type-C specification will become the mainstream of data transmission and charging in the market, Leadtrend Technology's PD solution of 18W~180W is ready to go. Leadtrend Technology's 18W~180W PD solution is ready, and the 240W total solution is currently in progress, and the layout of USB PD will cover from the existing PD3.0 100W to PD3.1 240W total solution.

The UFCS (Universal Fast Charging Specification) is a new generation of converged fast charging protocol completed by the joint efforts of many terminals, chip companies and industry partners. The protocol aims to establish a converged fast charging standard for mobile terminals, solve the incompatibility problem of interoperable fast charging, and create a fast, safe, and compatible charging environment for end-users. Leadtrend Technology has already planned its multi-port charging product, LD6621, to comply with the UFCS Converged Fast Charging Specification, and it will be sent to the UFCS to obtain the certificate; the subsequent new products will be planned in this direction to comply with the China Fast Charging Specification, and will be sent to China Fast Charging Service Center (CSC) to receive the UFCS certificate. Subsequent products will continue to be planned in this direction to meet the trend of China PD protocol.

- LED Driver

This LED product line includes LED related products such as smart lighting and backlight driver IC.

In terms of LED lighting product categories, demand for both light source and fixture-type products will grow in 2022, but in the long term, demand for LED light source products will slow down, mainly due to declining demand for replacements and consumers' increasing preference for fixture-type products. The global LED lighting market is forecast to grow at a CAGR of 3.9% from 2021~2026. In terms of LED lighting applications, lighting products are equipped with various types of sensors and communication modules, and the penetration rate of Connected Lighting is increasing. In order to realize the goal of "carbon neutrality", there is an increasing demand for LED energy-saving retrofit projects, and the commercial, home, outdoor and industrial lighting application markets will see new growth opportunities in the future.

Our lighting energy-saving ICs, which focus on dimming and flicker suppression while taking into account the compatibility between different interfaces, such as digital/analog, and external dimming power supply devices, have been recognized by international lighting/lighting companies. We have also developed the ACDC solution that is suitable for the smart desk lamp market by utilizing the ACDC solution for "LED eye-protecting desk lamps", and at the same time, we can also reach out to the demand for the "IoT home appliance" solution. It also meets the needs of LED applications and plant lighting market, which have been subject to increasingly stringent LED policies and regulations in recent years.

#### (B) Competition situation

When Huawei's sales ban 2.0 emerges, the supply chain industry's impact on the 2020~21 operational growth targets, compared to the pressure on TSMC, Taiwan IC design industry generally expects that the favorable impact will be slightly greater than the adverse level, after all, Huawei must be more aggressive de-amelioration actions, Taiwan chip suppliers to jump on the branch of the opportunity to increase greatly.

Again, Huawei's loss of market share may also be divided by other brands of cell phone manufacturers in China, Taiwan IC design industry chip market share can be expected to remain unaffected by the changes, and finally, unless the United States and China disagree to the final fight, once again escalating the level of trade war, affecting the global economic situation, by then, the pressure of the nest in the face of no egg, will make Taiwan IC design industry the last headache.

Taiwan-based IC design industry assessed that Huawei's ban on sales order version 2.0 probably has three general scenarios, one is that Huawei's shipments will not be affected, only the Hass was forced to stop production, forcing Huawei to change to use Qualcomm outside of MediaTek, Ziguang Zhanyui, and Samsung Electronics (Samsung Electronics) cell phone chip product lines to replace the scale of Huawei's own cell phone chips for one year, nearly 100 million units. Given the scale of Huawei's own mobile phone chips of nearly 100 million units a year, no matter how much can be shared in the end, MediaTek can be expected to receive priority benefits.

Secondly, Huawei's handset shipments will be affected, and the market share of terminal handsets will also decline, but it may still be made up by other Chinese branded handset makers such as Oppo, Vivo, Honor and Xiaomi, which will deepen the adherence to the de-glamorization campaign in China and deepen the hierarchy of the campaign.

For Taiwan IC designers, which are closely related to China's domestic demand and exported cell phone chip market, the proportion of purchases from Taiwan, including LCD driver ICs, fast charging ICs, CMOS sensors, optical sensors, fingerprint recognition chips, TDDI chips, PA chips and MEMS microphones, is expected to further increase, which in turn will help Taiwan's market share of terminal chips to grow.

The last scenario is that China and the United States to raise the level of confrontation, and take the irrational trade war tactics, at this time, since 2020, the global economy has been the first step by the impact of the epidemic, coupled with this boring stick, the chances of a downturn in the economy is once again rising pattern, the original expectations of the Taiwan-based IC design industry was dragged into the water, and must be followed by the downward revision of the company's operating growth targets.

The smart lighting market is mainly benefiting from the decline in overall smart lighting solution costs and increasing demand for smart lighting systems from end-consumers, driving the growth of the IoT lighting market, especially in the smart home lighting market. In addition, the government's investment in smart building lighting, the development of smart urbanization and the future development of industrial automation will also drive the demand for smart lighting market. TrendForce estimates that the global LED lighting market will reach US\$78.36 billion in 2026, with a compounded growth rate of 3.9% in 2021~ 2026.

#### 4.1.3 Technology and R&D Overview

- (1) Research and development expenses incurred in recent years and up to the printing date of the annual report.

Unit: NT\$ thousands ; %

Item	2023	2024	As of March 31, 2025, for the current year
R&D Expenses	267,371	282,932	69,063
Net Revenue	1,141,594	1,453,906	344,790
Percentage of Net Revenue	23.42	19.46	20.03



(2) Successful technologies or products developed in the most recent year and as of the printing date of the annual report.

Item	R&D Achievements	Applications
1	Circuit for controlling a latch mode of a pulse width modulation circuit and method	NB/NWK/MNT/TV
2	Active feedback control integrated circuit applied to an alternating current/direct current converter and operation method	NB/ Game console
3	Controller for controlling a power converter to output constant power and related method	NB/ NWK/ Storage
4	Controller for generating jitters in a constant current mode of a power converter and method	NB/ NWK/ USB Charger/ LED Lighting
5	Power controller with over power protection	NB/NWK/PC/Server Power
6	Controller for detecting an output current of a power converter, device for detecting an average output current of a power converter, method for detecting an average output current of a power converter, and method for detecting an output current of a power converter	NB/PC/Server Power/TV/MNT
7	Constant current control units and control methods for primary side control	USB Charger
8	Controller of a power converter with adjustable jitter amplitude and method of generating adjustable jitter amplitude	NB/NWK
9	Protection circuit and protection method controller for generating jitters in a quasi-resonant mode and method for generating jitters in a quasi-resonant mode	NB/NWK/USB Charger
10	Control circuit for reducing touch current of a power converter and operation method	MNT/TV
11	The active sink current of OUT pin	USB Charger/NWK
12	Adjustable green mode operation with input for high efficiency	NWK/NB/MNT
13	One-line AC OFF Protection	MNT/TV/NB/PC/Server Power
14	Low VF Diode Leakage Protection	USB Charger/NWK
15	Ultra low operation current to improve power saving at no load condition	NB/USB Charger/PC Standby/ MNT/TV
16	Multi-mode PWM QR and CCM, and can meet the scathing ENERGY STAR regulations (DoE 6)	NB/NWK/TV/MNT/USB Charger
17	Qualcomm® Quick Charge™ 2.0 compatible technology	USB Charger
18	MediaTek Pump Express™ & Pump Express Plus™ compatible technology	USB Charger
19	Synchronous rectification driver in CCM, DCM and QR (Valley lock) mode	USB Charger/NWK/NB/TV/PC/ Server Power
20	Without Comp PIN solution to reduce component count	USB Charger/LED Lighting/ NWK/ NB
21	Min. THDi controller with AC injection technical for IEC61000-3-2 Class C at $P_{in} \leq 25W$	LED Lighting/Smart Lighting
22	Ripple suppressor with system protection ( as open/ short LED ) at LED replacement lighting application	LED Lighting/Smart Lighting

Item	R&D Achievements	Applications
23	High Power Factor LED primary side regulation Flyback Controller with HV Start-up, LED lighting and dimmable by TRIAC dimmer	LED Lighting/Smart Lighting
24	Shimmer compensation during low phase dimming for TRIAC dimmer	LED Lighting
25	Analog dimming technology (1K~30KHz PWM input to amplitude output current)	TV/ MNT/LCD Backlight
26	Mixed dimming technology for LED backlight application	TV/ MNT/LCD Backlight
27	Stack power structure for LED backlight application	MNT/ TV/ LCD Backlight
28	Sensing FET of current ratio	Appliance Power/ MNT/ TV/ USB Charger
29	Compensation technology for Line / Load regulation	NB/ NWK/ TV/ MNT/ LED Lighting
30	Average current mode technology for DC/DC constant current control	LED Lighting/ Smart Lighting
31	Adjustable Power for CC/CV control technology	NB/ PC/Server Power/ USB Charger
32	COMP loop compensation technology ( Pin <0.3W at no load and full range input)	TV/ MNT
33	Robust Power Semiconductor with High Unclamp Inductive Switch (UIS/EAS) Capability	NB/ NWK/ TV/ MNT/ LED Lighting
34	Power Semiconductor Wafer Level Unclamp Inductive Switch (UIS/EAS) Volume Test.	NB/ TV/ MNT
35	Fast Dynamic Improve Technology for PSR	NB/ NWK
36	High Power Density Packing Technical for Combo IC	TV /MNT/Charger
37	ZCD Auxiliary Winding is Unnecessary	TV
38	SR Fast turn-off total delay of 30ns	USB Charger/ NWK/ NB/ TV/ PC/ Server Power
39	AC Injection Technical by HV pin for LED IC	LED Lighting
40	COMP pin Compensation for On time Variation by HV pin	LED Lighting
41	The dimming controller and correlative dimming method of the pulse width modulation signal and DC signal	LED Lighting
42	PSR operating in CCM to explore the power range.	NWK
43	Constant Current (CC) for CCM Mode. Accurate OCP $\pm 8\%$	NWK
44	Novel QR Mode Jitter to improve quasi-peak level in conduction EMI.	NWK/NB
45	Novel IC protection pause status in Flyback Controller.	NWK
46	Current mode Active clamp Flyback controller with Low CS loop Propagation delay <50ns	NB
47	Valley Synchronized Turn-on Requires No Second Winding On The Boost Inductor	TV/MNT
48	Half-bridge LLC Resonant Controller for dual output	TV/MNT
49	Drain sense pin capable of handling input voltages up to 200 V	NWK/NB
50	Self-supplying for high-side rectification without the use of an auxiliary winding	NWK/NB
51	Self-supplying for operation with low output voltage	NWK/NB
52	A control method used in asymmetric half bridge LLC topology	TV
53	Optimization and Analysis of Power Factor Corrector Controller	NB

Item	R&D Achievements	Applications
54	Novel Multi-control output (DSCP、OCP、ZVS、Vo OVP) CS PIN with Power Factor Correction Circuits	TV
55	Single stage PFC and PSR operation with dimming and thermal fold-back control	LED Lighting
56	Limited Power Source (LPS) for USB Power Delivery (PD) Application	NB
57	An adaptive Min-On-Time Method for Synchronous Rectifier	NWK/NB
58	Current mode control for LLC resonant converter with common mode detection	TV
59	A new control method of flyback with QR/ZVS mode	NWK/NB
60	AI Efficiency tacking of Flyback PWM Controller	NWK/NB
61	A enhanced PF/THDi control method of single stage PFC topology	LED Lighting
62	Hybrid dimming control method of DC Buck constant current output controller	LED Lighting
63	The Communication Mechanism Between the Flyback of PSR and SR for Sleep Mode & Fast Response	NWK
64	Power factor correction controller and operational method thereof	MNT/TV
65	A Secondary Side Flyback Control Method by Using Ripple Injection Technique	NB/NWK
66	Controller applied to a power converter is installed in a primary side of the power converter	NB
67	Flyback Converter with Forward Mode Bias of Auxiliary Winding in a Wide Output Range Application	NB/NWK
68	BCM operation in COT control for secondary side ZVS	NB/NWK
69	Active Gate drive compensation of GaN FETs	NB/NWK/TV
70	A enhanced PF/THDi control method of pre-regulation Boost topology	LED Lighting
71	Spike clamping and energy recycling for flyback converter	NB/NWK/TV
72	A ZVS Pulse Detection Method of Synchronous Rectifier (SR) for AHB Flyback System Application	NB/NWK/TV
73	Group PWM With Frequency Control	NB/NWK/TV
74	Launched a ICX function driver LD9XXYZW family in LOSP-9 and QFN8*8 package and achieved CB certification of IEC62368-1:2018 (Third Edition) safety requirements	NB/NWK/TV/MNT
75	An automatic adjustment VDS regulation method of synchronous rectifier (SR) suitable for LLC applications	TV/MNT
76	ESD Improvement of Power FETs Combo IC with Embedded Protection Circuits in PWM	NB/NWK/TV
77	X-cap discharge function available with both AC&DC input sources	NB/NWK/TV

#### 4.1.4 Long-term and short-term business development plans

##### (1) Short-term Development Plan

##### (A) R&D Strategy

- ① Taking the advantage of the future development trend of information, communication and application products and consumer electronics products and with the norms of energy laws and regulations, develop a variety of

power management IC products, so as to cut down the cost of system products, grasp the market fluctuations and customer needs, and further expand the market share of application products.

- ② Make good use of the accumulated technical knowledge of the Company, in addition to maintaining the existing products, and reduce costs and develop other product lines, introduce new products into the market, improve product quality and popularity, and strengthen product competitiveness.
- ③ Build language models and databases through AI deep learning to bring together diverse models with self-learning capabilities to save development time and reduce costs.

#### (B) Production and Marketing Strategy

- ① Utilizing Taiwan's unique semiconductor subcontracting capabilities to provide customized operational flexibility, and maintaining a good relationship and close foundry understanding with domestic foundries and packaging and testing facilities to ensure production capacity and product delivery to meet customers' specific needs and enhance customer satisfaction.
- ② To meet the needs of our customers, we utilize our system design capabilities to provide comprehensive technical support and channel agent marketing activities to increase the market share of our proprietary products with high profit margins.
- ③ Directly connecting with world-class brand customers, the company acquires first-hand information and specifications to develop customized products, increasing product hit rate and Time To Market.

#### (3) Operational and Financial Planning Strategies

Emphasis is placed on employee welfare policies and the implementation of a profit-sharing and performance bonus system to boost employee morale and increase their centripetal force.

#### (2) Long-term development plan

##### (A) R&D Strategy

- ① We provide a complete range of products to meet the market demand. We have accumulated experience in IC design and integrated technical capabilities to expand the breadth and depth of our product line, and at the same time, we develop other high-end products to diversify our product line to meet the market demand of our customers.
- ② We seek information and technology exchanges with domestic and foreign academic institutions and research units, and through strategic alliances with the IC design industry, we have built up a database of product R&D technologies in order to accumulate experience and enhance technology.

- ③ With the development of the industry trend and the pace of the trend, in addition to enterprises to keep pace with the rhythm, but also focus on the skills training of employees.

#### (B) Production and Marketing Strategy

- ① We continue to maintain long-term relationships with upstream foundries, packaging, and testing companies (including those in China), and have become strategic partners in developing special function processes to reduce production costs and develop high-quality, multi-functional, and competitive products.
- ② Mastering key technologies, focusing on IC design, and actively developing more advanced and sophisticated product integration to increase market share and become a market leader.

#### (C) Operational and Financial Planning Strategies

- ① To promote the concept of internationalization and to enhance the management capabilities of international enterprises, we will actively cultivate international talents and move towards the goal of becoming a world-class enterprise.
- ② We utilize a variety of financial instruments in the capital market to support our operations.

## 4.2 Market, Production and Sales Overview

### 4.2.1 Market Analysis

#### (1) Primary Product Sales Regions:

Unit: NT\$ thousands

Regions \ Year		2024		2023	
		Amount	%	Amount	%
Domestic Sales		743,327	51.13	598,364	52.42
Export	China	707,901	48.69	534,307	46.80
	Korea	2,678	0.18	2,187	0.19
	Other	0	0.00	6,736	0.59
Export Subtotal		710,579	48.87	543,230	47.58
Total		1,453,906	100.00	1,141,594	100.00

#### (2) Market share.

According to the Industrial Technology Research Institute (ITRI), Taiwan's integrated circuit (IC) design output value is projected to reach \$1.27 trillion in 2024. ITRI noted that as end products such as smartphones, automotive electronics, and servers gradually incorporate generative AI, semiconductor components have become increasingly vital. Furthermore, the global

semiconductor market is expected to continue its growth into 2025, with Taiwan's market performance having consistently outpaced the global average in recent years.

In the second half of 2022, as major foundries gradually opened new production capacity to alleviate the overall supply shortage, consumer integrated circuit (IC) customers began to reflect the changing dynamics of the end-consumer market, where demand is starting to slow down. Consequently, the demand pull is also beginning to decelerate, leading to an inventory adjustment phase. This wave of inventory adjustment in the consumer market is likely to persist from the first quarter through the end of the second quarter of 2024. This indicates that the inventory adjustment situation will continue until mid-2024, impacting IC design companies such as MediaTek and Renesas, as well as the related supply chain. However, the demand base remains strong, while the supply of Power Management Integrated Circuits (PMICs) on 8-inch wafers has seen minimal growth. Analyzing the consistent demand for PMICs across various end-use applications, we can anticipate that supply and demand will steadily increase throughout 2024, particularly in the first and second quarters, followed by inventory adjustments in the third and fourth quarters.

### (3) Future supply and demand and growth of the market.

In 2025, the semiconductor industry is expected to experience significant growth driven by the increasing demand for artificial intelligence (AI) and high-performance computing (HPC). This demand is fueled by the need for applications such as cloud data processing, electric vehicles, wireless communications, and various end products, as well as the rising requirement for advanced semiconductor components due to the evolution of emerging technologies. According to the KPMG 2025 Global Semiconductor Industry Survey, approximately 92% of executives anticipate revenue growth in the semiconductor sector over the coming year, with one-third (36%) expecting growth of more than 10%. This reflects a strong confidence in the industry's growth prospects.

The International Monetary Fund (IMF) projects global GDP growth of 3.2% for both 2024 and 2025. Global headline inflation is anticipated to continue its downward trend, decreasing from 6.7% in 2023 to 5.8% in 2024 and further to 4.3% in 2025.

The future growth of the end-electronics market will increasingly depend on technological innovation, product differentiation, and a thorough understanding of regional needs. In addition to maintaining competitiveness in established niche

areas, brands must intensify their efforts to develop emerging markets and secure a long-term advantage amid fierce competition by enhancing the application of artificial intelligence and implementing product upgrades.

The World Semiconductor Trade Statistics Society (WSTS) projects that the semiconductor market will grow by 11.2% by 2025, reaching a valuation of approximately US\$697 billion. This growth will be primarily driven by the logic and memory segments, which are anticipated to exceed US\$400 billion in value. Logic products are expected to experience an annual growth rate of over 17%, while memory products are projected to grow at 13% annually. Other semiconductor categories are forecasted to expand at more modest single-digit rates, suggesting that the industry as a whole is on track for steady growth through 2025, with all regions expected to continue their expansion. The Americas and Asia Pacific are anticipated to sustain double-digit annual growth rates.

MIC has released a forecast for the end-product AI PC and AI smartphone markets. For AI PCs, the global penetration rate is projected to reach 16.8% by 2025, with an estimated 44 million units shipped worldwide. Processors with arithmetic performance exceeding 40 TOPS are expected to be launched in the second half of 2024. Consequently, the AI PC penetration rate is anticipated to remain relatively low in 2024. However, with the introduction of next-generation AI processors and products based on Arm architecture, the penetration rate is expected to increase significantly in 2025, potentially exceeding 60% by 2028, with global shipments reaching 163 million units. For AI-enabled smartphones, Generative AI applications are expected to become the central focus for major smartphone brands in 2024, particularly in flagship and high-end models. It is projected that the global penetration rate of the AI smartphone market will reach 13% in 2024, with an estimated 156 million units shipped worldwide. Looking ahead to 2025, the penetration rate is anticipated to rise to 25%, with global shipments reaching 303 million units. Furthermore, it is expected that AI smartphones will extend into low- and mid-range models by 2026, with the global penetration rate surpassing 60% by 2028.

(4) Favorable and unfavorable factors and countermeasures for the competitive niche and development prospect.

(4.1) Competitive niche

① Superior Research and Development Technical Capabilities.

Since its inception, the company has specialized in the field of analog integrated circuits (ICs). The exceptional quality of its personnel is the

foundation of the company's development. Through long-term training of research and development (R&D) staff and ongoing collaboration with the academic community, the company has accumulated significant technological expertise and experience. This depth of knowledge enables the R&D team to provide a comprehensive range of design resources to IC designers and system vendors worldwide. This core technology is essential for the company's competitive edge and serves as a vital force for its operations and growth. Furthermore, the extensive applications of analog ICs and their long product lifecycles will contribute to the company's future development.

- ② Long-term collaboration with foundry sources and third-party partners is essential for success.

The competitiveness of product development and sales success relies on several important factors, including foundry process technology, quality and yield, equipment capacity, delivery speed, and pricing. Additionally, long-term cooperation with third-party testing and packaging services is essential. Our company has established enduring partnerships with suppliers, ensuring stable product quality and a consistent supply of goods.

- ③ Maintain good relationship with customers

Our business marketing team provides customers with comprehensive product development services that prioritize quality, yield, delivery, and after-sales support. We ensure competitive pricing that closely aligns with market demand while fostering strong relationships with our clients. By engaging with customers early in the process, we help expedite product development, which in turn supports their growth and the maintenance of long-term partnerships. Establishing effective marketing channels and cultivating deep-rooted customer relationships are essential for the future growth of our business. These established channels and relationships significantly contribute to the company's operational development moving forward.

#### (4.2) Favorable factors

- ① The upstream and downstream industries of semiconductors are closely interconnected and can deliver services rapidly due to the clustering effect.

The semiconductor industry in Taiwan is characterized by a vertical division of labor, which is primarily segmented into integrated circuit (IC) design, foundry services, dicing and packaging, and testing. In light of the rapidly evolving industrial landscape and the increasing scale of investment in capital



equipment, the unique model of professional labor division in the Republic of China (R.O.C.) aligns well with the industry's development trends, with many companies situated in the Hsinchu Science Park. Consequently, our company can easily maintain close contact and foster strong collaboration with these firms, enabling us to provide prompt services that enhance the market competitiveness of IC designers in the R.O.C. This competitive edge is evident in terms of cost efficiency, quality, and timely delivery. Additionally, we will continue to strengthen our relationships with suppliers in China.

② IC industry still has significant potential for growth.

With the continuous advancement of information technology, the demand for power management integrated circuits (ICs) across various applications remains exceptionally high. Although the landscape has evolved with the proliferation of portable devices such as mobile phones, notebooks, Internet of Things (IoT) devices, and automotive products, the need for digitization, high-speed internet connectivity, and advancements in semiconductor technology will further expand IC applications. This trend is poised to significantly drive the overall market demand within the integrated circuit industry. Consequently, the integration of analog and digital hybrid IC components has become mainstream, presenting substantial opportunities for future development.

With the rapid evolution of electronic products, the demand for power management integrated circuits (ICs) remains essential for ensuring efficient power supply. Whether for tablet PCs, Internet of Things (IoT) devices, laptops, or smartphones, the need for power management ICs that deliver extended standby time, minimal power consumption, and maximum conversion efficiency is an irreplaceable requirement for these technologies.

③ The analog integrated circuit (IC) market faces regional barriers to entry.

The analog integrated circuit (IC) industry lacks a definitive standard due to its diverse specifications. Research and development (R&D) encompasses both software and hardware domains, allowing agile small enterprises to respond swiftly to specific market demands. This agility enables them to target niche markets and avoid engaging in price wars over standardized products. Furthermore, the development of analog IC design products typically necessitates the accumulation of extensive experience and debugging expertise. The certification process by system vendors is often lengthy, and once a supplier is certified, altering their characteristics can be challenging. Consequently, the domestic industry is currently unable to replace

established companies as suppliers in the short term. Our technical team has been dedicated to R&D in related fields for many years, which helps to shorten the learning curve and establish significant barriers to entry.

#### (4.3) Unfavorable Factors and Countermeasures

##### ① The Increasing Labor Costs and Shortage of R&D Talent in the Domestic Analog IC Industry

In recent years, the rapid growth of the integrated circuit (IC) industry has led to a relatively high cost of professional manpower. The development of analog IC design professionals is time-consuming, and there has been a longstanding emphasis on digital over analog technologies in the domestic market. Consequently, domestic universities and research institutes are limited in their ability to train analog IC design professionals each year. Furthermore, market demands are evolving at an accelerated pace, outstripping the speed at which talent can be cultivated.

##### Future Measures:

The recruitment of talent and the implementation of education and training programs on campus, along with the enhancement of employee benefits, aim to strengthen employee engagement and reduce turnover rates. Additionally, we will focus on the development of research and development (R&D) talent to bolster our capabilities. We will also create a more advanced manufacturing process database to enhance our core competitiveness and strive for greater collaboration opportunities with our customers.

##### ② High dependence on wafer OEM

With the trend toward the vertical division of labor and the integration of semiconductors, the upstream and downstream industries can be broadly categorized into integrated circuit (IC) design, foundries, cutting and packaging, and testing facilities, all of which are inextricably linked.

##### Future Measures:

We maintain strong communication with downstream foundries to ensure adequate foundry capacity and actively seek to develop additional foundries to minimize risk.

##### ③ Competition from Foreign Companies

Domestic and international analog integrated circuit (IC) design giants are gradually expanding their operations and leveraging their cost advantages—derived from profits in wafer production, packaging, and testing—within the same company. They are implementing low-price strategies and product bundling in an effort to limit our company's

opportunities for market expansion.

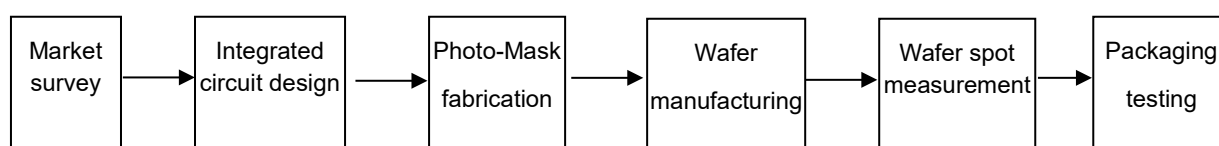
Future Measures:

- a. Enhance the research and development (R&D) capabilities of our products and reduce the time required to launch new offerings.
- b. Stabilize the quality of supply, manage production capacity, and enhance customer confidence.
- c. Enhance cooperation with domestic and international system manufacturers to develop new products.
- d. Commitment to improving production yield to reduce production and marketing costs.
- e. Strengthen marketing management and establish a global marketing network, along with an after-sales service system, to enhance customer loyalty.

#### 4.2.2 Important uses and manufacturing processes of the main products

(1) Important uses of main products: Please refer to Pages 85~87 for details.

(2) Manufacturing process



#### 4.2.3 Supply of Key Raw Materials

The company is a professional integrated circuit (IC) design firm. Wafer fabrication, packaging, and testing processes are outsourced. Currently, the company maintains strong relationships with its suppliers and enjoys a favorable supply situation.

#### 4.2.4 Names of customers who have bought or sold more than 10% of the total in the last two years, along with the corresponding amounts, percentages, and reasons for any changes

(1) Information on suppliers that account for more than 10% of total purchases over the past two years:

Unit: NT\$ thousands

Item	2023				2024			
	Name	Amount	Proportion (%) in Net Annual Purchase Amount	Relation with the Issuer	Name	Amount	Proportion (%) in Net Annual Purchase Amount	Relation with the Issuer
1	Supplier A	181,621	85.28	None	Supplier A	483,458	84.10	None
2	Supplier B	20,223	9.50	None	Supplier B	60,034	10.44	None
	Others	11,129	5.22	None	Others	31,368	5.46	None
	Net Purchase	212,973	100.00		Net Purchase	574,860	100.00	

Explanation of the Reasons for Changes:

The company selects professional foundries based on several factors, including process capability, quality and yield rates, capacity supply, and purchase price. The increase in purchases in 2024 was attributed to a rise in customer demand.

(2) Information on major customers that account for 10% or more of total sales over the past two years:

Unit: NT\$ thousands

Item	2023				2024			
	Name	Amount	Proportion (%) in Net Annual Sales	Relation with Issuer	Name	Amount	Proportion (%) in Net Annual Sales	Relation with Issuer
1	Customer A	316,301	27.71	None	Customer A	377,959	26.00	None
2	Customer B	145,125	12.71	None	Customer B	176,779	12.16	None
3	Customer C	125,569	11.00	None	Customer C	161,604	11.12	None
4	Customer D	83,463	7.31	None	Customer D	158,790	10.92	None
	Others	471,136	41.27	None	Others	578,774	39.80	None
	Net Sales	1,141,594	100.00		Net Sales	1,453,906	100.00	

Explanation of the Reasons for Changes:

The increase in sales to major customers over the past two years was primarily driven by heightened customer demand in 2024.

### 4.3 Human Resources in the Last Two Years

The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels (including the percentage of employees at each level):

Year		2023	2024	Current Year as of Mar 31, 2025
Number of Staff	Managers	5	5	5
	R&D staff	99	102	104
	Other employees	77	76	74
	Total	181	183	183
Average age		39.0	39.8	40.0
Average Length of Service		6.2	6.3	6.5
Educational Distribution Ratio (%)	PhD	1.7%	1.6%	1.7%
	Master's	46.4%	43.2%	43.7%
	Bachelor's	51.9%	55.2%	54.6%
	High school	0.0%	0.0%	0.0%
	Below high school	0.0%	0.0%	0.0%

### 4.4 Disbursements for Environmental Protection

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

### 4.5 Labor Relations

4.5.1 The employee benefit plans, ongoing education, training programs, retirement systems, and the current status of their implementation, as well as the status of labor-management agreements and measures designed to protect employees' rights and interests.

(1) Various Staff Welfare Measures:

(1.1) Employees' Working Environment and Personal Safety

The company's work environment prioritizes employee safety and incorporates strict access control security measures to ensure an optimal workplace. This includes considerations for workplace access, floors, stairs, ventilation, lighting, fire prevention, disaster preparedness, and other equipment related to employee safety and hygiene. The following table outlines the different frequencies for regular inspection and maintenance. Additionally, details regarding occupational accident compensation and related insurance are included in the job description and are also available on the internal website.

Item	Content
Access Control Security	<ol style="list-style-type: none"> <li>1. Strict access control systems are implemented for both daytime and nighttime.</li> <li>2. Security guards are stationed at night and at the entrances and exits of the building during holidays to ensure the safety of the company.</li> </ol>
Maintenance and inspection of equipment	<ol style="list-style-type: none"> <li>1. In accordance with the requirements of the Building Public Safety Inspection License and Declaration Method, a professional company is commissioned to conduct an annual public safety inspection.</li> <li>2. Fire inspections are conducted annually by an external service provider in compliance with the Fire Services Law.</li> </ol>
Disaster Preparedness and Response	Fire prevention lectures are conducted annually.
Health and Safety	<ol style="list-style-type: none"> <li>1. Employees undergo regular health checkups in accordance with the Labor Safety and Health Act.</li> <li>2. Professional physicians and nurses offer individualized health management and counseling for their colleagues. They provide care for female colleagues during pregnancy and for up to one year postpartum, assist colleagues with musculoskeletal disorders, and offer psychological counseling and referrals.</li> <li>3. Workplace Hygiene: The Business Premises are non-smoking and is cleaned by the cleaning staff.</li> <li>4. Office floors are regularly waxed.</li> </ol>
Mental health	<ol style="list-style-type: none"> <li>1. Mental Health Courses: Courses focused on mental health, including emotional management, stress relief, and stress-relief handicrafts, are offered to assist employees in maintaining their mental well-being.</li> <li>2. Expression of opinion: The Company has established a dedicated mailbox for the general manager and organized afternoon tea gatherings for employees. These initiatives aim to encourage employees to share their suggestions and proposals regarding the Company's products, quality, systems, policies, and more. The general manager will personally respond to each submission.</li> </ol>

Item	Content
Insurance and medical support	<ol style="list-style-type: none"> <li>1. In compliance with the law, we have secured labor insurance (including occupational accident insurance), health insurance, and complimentary business group insurance for our employees. This package includes life insurance, accident insurance, accidental medical insurance, and cancer insurance.</li> <li>2. In addition to group insurance, the company also offers bereavement and sickness allowances for employees and their family members.</li> </ol>

(1.2) Staff welfare measures:

- ① Company Benefits: Employees are covered by labor insurance, health insurance, and group insurance (the latter includes life insurance, accidental injury insurance, accidental medical insurance, hospitalization medical insurance, surgical medical insurance, emergency medical insurance, and cancer insurance) starting on their first day of work. Dependents are eligible for coverage at preferential rates. An annual assessment and price inquiry for group insurance are conducted, and market surveys are performed periodically to ensure that the group insurance coverage remains adequate.
- ② Provide Long Service Coins: In recognition of the hard work and dedication of our Long Service Colleagues, we are pleased to award 10 grams of gold coins for 5 and 10 years of service, and 30 grams of gold coins for 15 and 20 years of service.
- ③ Employee benefits: Employees benefit from three annual festivals, festival bonuses, childbirth subsidies, and congratulations for weddings and funerals. Additionally, the organization arranges employee travel and group activities.

(1.3) Promotion of Workplace Diversity and Gender Equality Policy

The company emphasizes and strives to promote equality, diversity, and inclusion in the workplace. It is committed to implementing measures that ensure employees are not subjected to any form of discrimination or harassment based on gender, race, religion, physical disability, age, or any other status

① Gender Multiple Indicators:

(A) Supervisory structure: Currently, the proportion of female supervisors is 15.6%, with a turnover rate of less than 11% over the past five years.

(B) Salary component: In 2024, the salary adjustment rate for female

employees was comparable to that of their male counterparts. Furthermore, in 2022, the rates of structural and project salary adjustments for female employees exceeded those of their male counterparts.

(C) Training policy: The organization maintains a uniform approach to training costs, treating all employees equally regardless of their job type or grade. In 2024, the aggregate number of training hours and the actual expenditure on external training for female employees surpassed that of their male counterparts, representing over 60% of the total investment in training.

(D) Parental leave applications: In the past two years, a total of 26 employees were deemed eligible for parental leave. Among these, 7 employees, which includes one male, submitted applications, thereby accounting for 26.9% of the total eligible workforce.

② Age and Nationality Indicators: In 2023, the company employed one middle-aged senior non-supervisory staff member and one foreign national.

③ Diversity in the workplace and promotion of gender equality: In the future, we will persist in the implementation of policies designed to mitigate the gender pay gap, enhance the representation of female employees, and promote the employment of middle-aged individuals, senior citizens, and foreign workers. Our objective is to cultivate a workplace that is equitable, diverse, and inclusive.

(2) Further studies and training system:

The company develops an annual training plan that aligns with organizational needs, including its vision and annual operating goals. This plan integrates both internal and external training opportunities to enhance employees' professional skills and improve overall competitiveness. In 2024, the total number of training hours is projected to be 3,839.6, resulting in an average of 21.2 training hours per employee.

(3) The retirement system and the circumstances of its implementation:

In accordance with the Regulations Governing the Contribution and Management of the Labor Pension Fund, the Company contributes 2% of monthly wages to the Labor Pension Fund Supervisory Committee, depositing these funds in the committee's name in a special account at the Bank of Taiwan (the former Central Trust of China merged with the Bank of Taiwan in 2007). However, the Company reached an agreement with its



employees in August 2023 to transition from the old pension payment system. The pension fund was settled in accordance with the relevant regulations and received approval from the competent authorities. Additionally, starting from July 1, 2005, all employees voluntarily opted to adopt the new labor retirement system, contributing 6% of their monthly wages according to the Labor Pension Scale, which is deposited into their individual pension accounts.

Labor Pension	New system
Source of Law	Labor Pensions Ordinance
Funding Rules	Contribute 6% to the individual account of the Bureau of Labor Insurance according to the level of insurance coverage of the employees.
Amount of Provision	In 2024, NT\$10,635 thousand was appropriated.

(4)The status of labor-management agreements and the measures implemented to safeguard employees' rights and interests:

The Company is dedicated to fostering labor-management harmony and conducts regular executive meetings focused on labor-management issues as a means of communication between the Company and its employees. The Company has developed a comprehensive plan to align the interests of its employees with those of the organization. There have been no significant labor disputes in recent years, up to the publication date of the annual report.

4.5.2 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:None.

## 4.6 Cyber Security Management

4.6.1 The framework for information security risk management encompasses information security policies, tailored management plans, and the allocation of resources dedicated to information security management.

The Information Security Committee was established in May 2012. The Chief Information Security Officer is affiliated with the Company's Computer-Aided Design Department, and the Committee consists of members from various departments. First-level supervisors from each department convene regularly to evaluate information security risks and may implement adjustments as necessary in response to the prevailing emergency situations. The report and findings pertaining to this year's information security governance were presented at the 20th meeting of the 8th Board of Directors on November 7, 2024, and are detailed as follows:

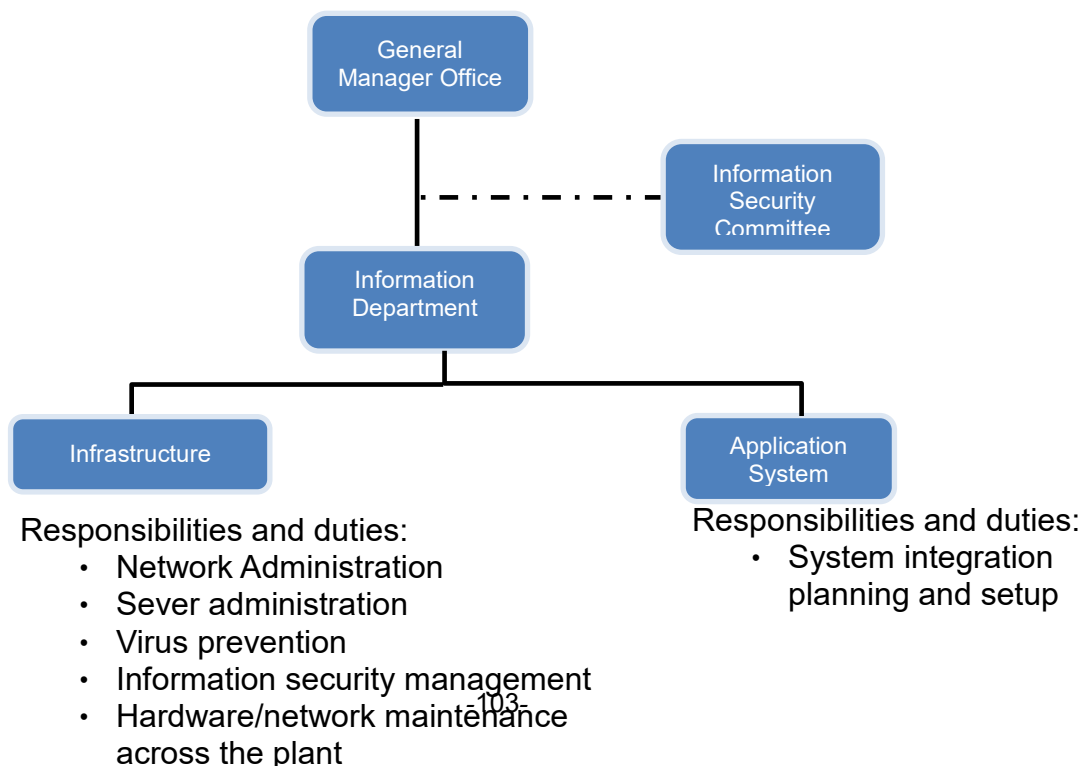
●Completed/no exceptions    △Not completed/with exceptions

Item		Execution Date	Progress Description	Status
Information Security Management Measures	Conducting information security campaigns	Q1/Q2/Q3	Completed 3 capital safety campaigns Total of 7 Advocacy Topics	●
	Disaster Recovery Exercise	2024/07	1. Exercise the process of system damage or data recovery. 2. Verify that the system and data counts are correct.	●
	File Backup Operation	Daily	1. Regular backup of documents, databases, system environment, and program code. 2. Daily review of backup scheduling execution status.	●
	Regular inspections of plant rooms	Daily	1. Environmental inspection of each district office's computer room. 2. Check the status of information equipment in each server room.	●
	Check Software License/Website	Monthly	1. Check if you are using unauthorized software and remove it. 2. View unsafe or regulated websites and block them. 3. Monthly anti-virus software version update tracking	●
	Information Security Inspection	Daily	1. Antivirus Software Detection Threat Review and Troubleshooting 2. TWCERT/CC (Taiwan Computer Network Crisis Response and Coordination Center) notification	●

Item		Execution Date	Progress Description	Status
			letter inspection and troubleshooting.	
	Information Security Update	Quarterly	1. Windows Vulnerability Update	•
	Social Engineering Exercise	2024/06	1. Social Engineering Exercise 2. Training on the hazards of social engineering	•
Information Security Incident	Investigation of Information Security Incident	Q1/Q2/Q3	No cases	•
New Import	File Backup Operation	2024/10	File Server Backup Enhancements	•

### (1) Information security management framework

The Information Security Committee (ISC) serves as the highest decision-making body for information security policy within the company. It coordinates the implementation of information security control measures and promotes information security throughout the organization by ensuring a reasonable allocation of responsibilities, effective resource management, and practical support from management. The Information Management Department holds the authority over information security, led by a Chief Information Officer and supported by a team of professional information personnel. This department is responsible for formulating internal information security policies, planning and executing information security operations, and promoting and implementing these policies. The organizational structure of information security is as follows:



## (2) Information Security Policy

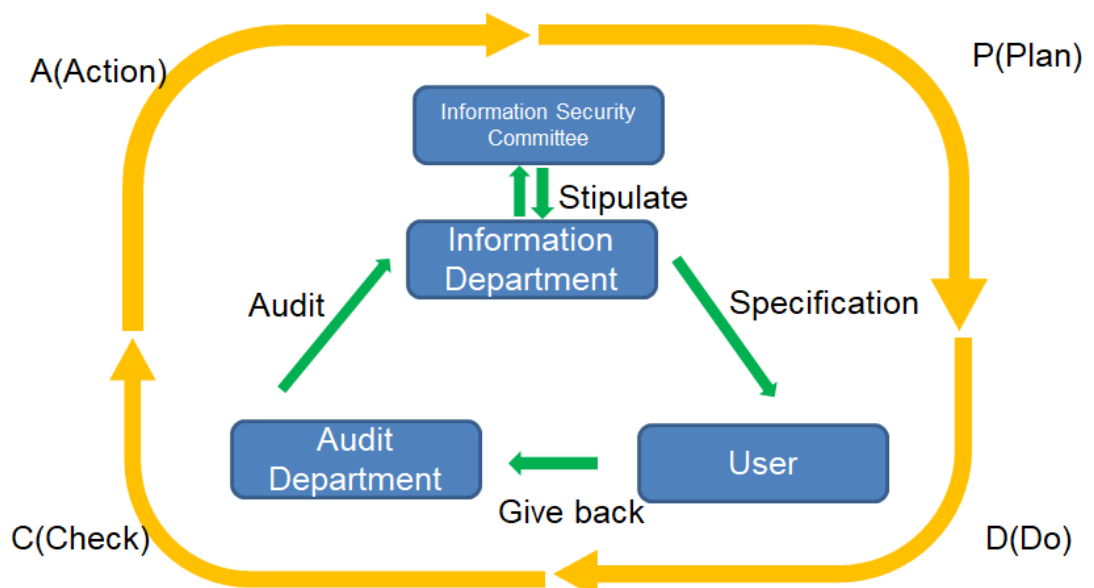
- ① Formulate security policies for network security management, personal computer management, and information system management based on information security objectives.
- ② Program and Data Access Control
- ③ Data Input and Output Control
- ④ Data Processing Control
- ⑤ Security of Server Room Equipment and File Backup Operations
- ⑥ System Recovery and Testing Operations
- ⑦ Network Security for Corporate Computer Systems

## (3) Information Security Objectives

- ① Safeguard the company's information, software, hardware, and intellectual property.
- ② Safeguard the confidentiality of the company's business operations and prevent the leakage of sensitive information.
- ③ Respect intellectual property rights and ensure that both the company and colleagues do not violate the law.
- ④ Enhance a stable and secure information operating environment to improve overall work efficiency.

## (4) Information security loop

- ① Safety Cycle



② Information Security Management Program

Information Control	Control Description
Program and Data Access Control	How programmers and developers manage both new and legacy versions of software and related specifications.
Data Output/Input Control	Data input and output systems are designed to validate and prevent erroneous data entry, along with other related specifications.
Data Processing Control	The specifications for updating and maintaining the operation manuals and electronic files.
Equipment Safety Control in the Computer Room	Specifications for Controlling the Internal and External Environment and Ensuring the Safety of Physical Equipment in the Computer Room.
File Backup Operation Control	The backup method and schedule for the critical systems associated with file production and other relevant regulations.
Data Storage Control	Specifications for Storing Important Research Results within the Company in Compliance with Relevant Laws and Regulations.
System Restoration Control	Specifications for Coping with Disasters and Minimizing Losses.
Network Security Control	Specifications for Protecting the Company's Internal and External Networks During Operations.
Operation-Related System Access Control	Specifications for Controlling Access to Information Services Available Within the Company.

③ Investing in Information Security Management Resources

Information security has become a critical concern in the company's operations. The following outlines the measures implemented for information security management and the resources allocated:

(a) Continuously increase investment in software resources by implementing two-factor authentication to enhance personnel account authority management, establishing a file encryption system, upgrading user endpoint protection capabilities, and enhancing antivirus software functionality.

(b) Educational Training

- ① Information security personnel regularly participate in various seminars focused on information security.
- ② Promote and oversee colleagues' adherence to the company's information standards.
- ③ Organizing regular training sessions and announcements for

newcomers.

- ④ Conduct regular social engineering exercises, along with tracking and management training sessions.

The company incorporates information security courses into the education and training of new employees, establishes e-learning modules, and periodically conducts information security education, training, and awareness campaigns. These initiatives aim to enhance employees' understanding of information security, foster respect for intellectual property rights, and safeguard both personal and company information. At least quarterly, information security announcements are issued to communicate important regulations and guidelines regarding information security protection. Additionally, the following information security-related training courses were organized in 2024:

Item	Hours of Class	Total Number of Trainees.
Information Security Education Courses and Promotion	21	128
Information Security Management Training Program	16	4

- (c)Customer Satisfaction: There have been no significant information security incidents, and no complaints regarding the loss of customer information have been reported.

4.6.2 In recent years, and up to the date of this report, significant losses have been incurred due to major information security incidents. This report outlines the potential impacts and response measures associated with these incidents. In cases where it is impossible to estimate the financial impact, an explanation will be provided as to why a reasonable estimate cannot be made :

Mr. Jiong-Feng Zhou, the Chairman of the Information Security Committee, delivered the annual information security management report during the board meeting held on November 7, 2024. It is noteworthy that our company did not encounter any significant information security incidents throughout the year 2024.

#### 4.7 Important Contracts

Sales and purchase contracts, technical cooperation agreements, construction contracts, long-term loan agreements, and other significant contracts impacting stockholders' equity that were in effect as of the printing date of the annual report and have expired in recent years are as follows:

Nature of Contract	Contractor	Term of Contract	Main Contents	Restrictive Clauses
Lease	Aiban Xinji Co. Ltd.	12/01/2024~11/30/2027	Lease of 16/F of Pangyo office	-
Lease	Liu Zhi-hui	02/01/2022~07/31/2026	Lease of Shenzhen Office	-
Lease	Nan Shan Life Insurance Company, Ltd.	03/24/2023~03/23/2028	Lease of 7/F of Tainan Office	-
Lease	Wuxi Henglong Real Estate Co. Ltd.	02/18/2024~02/17/2027	Lease of Room 3504, Block #1 of Wuxi Office	-

## Chapter 5. Review of Financial Conditions, Operating Results, and Risk Management

### 5.1 Financial Status

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	1,555,386	1,359,959	195,427	14.37
Property, Plant, and Equipment	462,119	477,962	(15,843)	(3.31)
Intangible Assets	7,130	11,132	(4,002)	(35.95)
Other Assets	43,740	29,036	14,704	50.64
Total Assets	2,068,375	1,878,089	190,286	10.13
Current Liabilities	242,666	224,739	17,927	7.98
Non-current Liabilities	59,917	10,389	49,528	476.74
Total Liabilities	302,583	235,128	67,455	28.69
Capital Stock	604,421	589,178	15,243	2.59
Capital Surplus	396,293	389,835	6,458	1.66
Retained Earnings	800,788	700,537	100,251	14.31
Other Equity	(35,710)	(36,589)	879	2.40
Total Shareholders' Equity	1,765,792	1,642,961	122,831	7.48
<p>Analysis of Deviations Exceeding 20% and Changes Amounting to NT\$10,000 Thousand in Earlier and Later Periods:</p> <ol style="list-style-type: none"> <li>1. The increase in other assets was primarily attributed to the rise in assets recognized under the right of use.</li> <li>2. The increase in non-current liabilities and total liabilities was primarily attributed to the rise in long-term loans obtained at government-preferred interest rates in 2024 for Ministry of Economic Affairs assists SMEs in low-carbon and smart transformation and development and manages factories and optimizes infrastructure for specific factories with special loan projects. These activities are part of the company's normal operations and do not significantly impact its financial position.</li> </ol>				



## 5.2 Financial Performance

### 5.2.1 Financial Performance Analysis

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Operating Revenue	1,453,906	1,141,594	312,312	27.36
Gross Profit	901,475	712,066	189,409	26.60
Gross operating profit	552,431	429,528	122,903	28.61
Net operating profit (loss)	84,953	(5,705)	90,658	1,589.10
Non-operating Income and Expenses	26,475	30,427	(3,952)	(12.99)
Net profit before tax	111,428	24,722	86,706	350.72
Income Tax Benefit	461	4,142	(3,681)	(88.87)
Net profit for the year	111,889	28,864	83,025	287.64
Other Comprehensive Incomes (losses)	10,757	(6,388)	17,145	268.39
Total Comprehensive Income for the Year	122,646	22,476	100,170	445.68
Analysis of Deviations Exceeding 20% and Changes Amounting to NT\$10,000 Thousand in Earlier and Later Periods:				
<p>1. In 2024, we launched several high-performance products to address market demand for low-power, high-efficiency, and high-power density solutions. These products were highly trusted by our brand-name customers and significantly contributed to our financial growth. As a result, we experienced strong overall financial performance, including notable increases in operating revenues, operating costs, gross profit, operating profit, net income, net income before income tax, net income for the year, and total consolidated loss for the year compared to the previous year.</p> <p>2. The increase in other comprehensive (loss) income was primarily attributed to the rise in exchange differences resulting from the translation of financial statements of foreign operating entities.</p>				

### 5.2.2 Sales Volume Forecast and Related Information

In response to industry developments and customer product demands, the Company has consistently focused on cultivating relationships with brand-name customers and collaborating closely with major power supply companies. Furthermore, the Company has invested in research and development resources to create a variety of power supply system designs. It has also enhanced the conversion efficiency of its power supply systems year after year while maintaining strong relationships with its suppliers to

ensure a secure supply chain. These efforts are expected to continue driving revenue growth in the future.

5.2.3 It is possible that the company's financial position and business operations may be impacted in the future :

The company will remain attentive to changes in market demand, actively expand into new markets, enhance profitability, and maintain a stable and sound financial position.

### 5.3 Cash Flows

#### 5.3.1 Liquidity analysis for the last two years

Item \ Year	2024	2023	Increase (Decrease) Ratio (%)
Cash Flow Ratio (%)	27.00%	141.45%	(114.45%)
Cash Flow Adequacy Ratio (%)	50.82%	46.44%	4.38%
Cash Reinvestment Ratio (%)	2.70%	12.09%	(9.39%)
Analysis of Changes in the Ratio of Increase to Decrease: The decline in the cash flow ratio and the cash reinvestment ratio can be attributed to a decrease in net cash inflow from operating activities compared to 2023, primarily resulting from an increase in inventories.			

5.3.2 Improvement Plan for Liquidity Shortfall: There has been no liquidity shortfall in the Company's cash flow in recent years.

5.3.3 Cash Flow Projection for the Next Year:

Unit: NT\$ thousands

Beginning Cash Balance(1)	Net Cash Flows generated from Operating activities(2)	Cash flows of investing and financing activities(3)	Ending Cash Balance (1)+(2)+(3)	Contingency plans for insufficient cash position	
				Investing activities	Financing activities
493,439	292,225	(139,987)	645,677	-	-
1. The net cash inflow from operating activities was primarily attributed to the anticipated growth in revenue and operating profit in 2025.					
2. The net cash outflow from investing and financing activities was primarily attributable to capital expenditures and cash dividends paid to shareholders.					

**5.4 Major Capital Expenditure Items on Financial Performance in Businesses Over the Past Year: None.**

**5.5 Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year**

5.5.1 The Company's Reinvestment Policy

The company focuses on its core business, and its reinvestment policy is guided by investment targets related to this primary area of operation. The relevant executive departments adhere to the provisions outlined in the internal control system, including the and the for the Acquisition or Disposal of Assets. the "Regulations on the Supervision and Management of Subsidiaries" and the "Operating Procedures for Transactions with Group Enterprises, Specified Companies, and Affiliated Persons" have been established to provide a framework for controlling and supervising reinvestment. These regulations aim to create a risk management mechanism for subsidiary operations, thereby maximizing overall performance.

#### 5.5.2 Main Reasons for Profit or Loss in the Reinvestment and Improvement Plan :

Unit: NT\$ thousands

Company	Main Operations or Business Activities	Holdings Ratio	Investment income	Principal reasons for profit or loss	Improvement Plan
Leadtrend Technology (Shenzhen) Limited	Computer software design services, computer system integration services, integrated circuits and related electronic products wholesale, agent and import and export business activities.	100%	\$85,263	Business Growth	NA

#### 5.5.3 Investment Plans for the Upcoming Year:

The company's future investments will be assessed based on market demands and operational requirements.

### 5.6 Analysis and Assessment of Risks in the Most Recent Year to the Day this Report Was Printed

5.6.1 The impact of fluctuations in interest rates, exchange rates, and inflation on the company's profit or loss, along with potential response measures to be implemented in the future.

Unit: New Taiwan dollars (NT\$) thousand, %

Year Item	2024	Ratio to Net Operating Revenue (%)
Net Operating Revenue	1,453,906	100.00
Interest Income	6,684	0.46
Interest Expense	557	0.04
Profit on foreign exchange	13,663	0.94

#### (1) Changes in Interest Rates

The impact of interest rate risk on the Company's profit or loss can be categorized into two components: income and cost of capital. Regarding interest income, the Company's idle funds are invested with a focus on low-risk and high-liquidity options, such as time deposits and bonds under repurchase agreements. In terms of interest expense, this primarily arises from the amortization of interest on lease liabilities calculated using the effective interest method over the lease term, as well as interest on bank borrowings, which has increased due to the addition of long-term loans amounting to \$35 million. The Company's operations are primarily funded through its own capital, supplemented by bank loans. Although a new long-term loan of \$35 million was issued in fiscal year 2024, it was specifically designated for the low-carbon and intelligent transformation and development of small and medium-sized enterprises, as well as for the optimization of nanotubular factories and specific factory infrastructure projects. This initiative aligns with the "Key Points of the Loan Project for Assisting SMEs in Intelligent Transformation and Development and Nanotubular Factory Optimization by the Ministry of Economic Affairs, and it qualifies for a government-subsidized interest rate, thereby limiting the interest expense. Overall, changes in interest rates did not significantly affect the Company's profit or loss in the most recent year or up to the publication date of the annual report.

#### Future Measures:

The Company regularly assesses interest rates on bank deposits, engages in bond transactions under repurchase agreements to utilize idle funds for periods of less than one month, and fosters strong relationships with banks. This strategy enables the Company to secure more favorable interest rates in the future when it needs to raise funds

for business development, thereby mitigating the impact of interest rate fluctuations on the Company's profits or losses.

## (2) Exchange rate changes

The integrated circuit (IC) design industry typically uses the U.S. dollar as its standard unit of measurement. In fiscal year 2024, the company's domestic sales of IC chips accounted for approximately 51% of total sales. The company takes exchange rate fluctuations into account when quoting prices to customers and negotiating purchase terms. Additionally, it utilizes sales revenues in the same currency to cover purchasing expenditures, thereby achieving a natural hedging effect. In recent years, up to the date of the annual report, the impact of exchange rate changes on the company's profit or loss has been minimal.

### Future Measures:

The Company emphasizes the professional skills and training of its financial officers in risk hedging. In addition to remaining informed about the international economic landscape to effectively assess the dynamics of the foreign exchange market, the Company will enhance its interactions with financial institutions. When necessary, it will implement hedging strategies by selecting appropriate auxiliary instruments, such as derivatives, in accordance with the "Procedures for Derivative Transactions" established by the Company. This approach aims to minimize the impact of exchange rate fluctuations on the Company's profits and losses.

## (3) Inflation

There were no inflationary events that significantly impacted the Company's profit or loss for the most recent year and up to the date of the annual report.

### Future Measures:

The company monitors market price trends, fosters strong relationships with customers and suppliers, and negotiates adjustments to sales and purchase prices when necessary to mitigate the impact of inflation on the company's profits or losses.

## 5.6.2 Policies for Engaging in High-Risk, Highly Leveraged Investments, Lending Funds to Others, Endorsements and Guarantees, and Derivative

Transactions: Key Factors Influencing Profits or Losses and Future Strategies:

The Company adopts a conservative and prudent financial management policy, prioritizing the development of its business. In recent years, up to the date of this annual report, the Company has refrained from engaging in high-risk, highly leveraged investments, lending funds to others, providing endorsements and guarantees, or participating in derivative transactions. As a result, its risk exposure remains limited.

Future Measures:

In the future, if the Company engages in high-risk, highly leveraged investments, loans to others, endorsements and guarantees, or derivative transactions, it will adhere to the "Procedures for Acquisition or Disposal of Assets," "Procedures for Derivative Transactions," "Procedures for Endorsements and Guarantees," and "Procedures for Loans to Others" to safeguard the interests of the Company and its shareholders.

#### 5.6.3 Future Research and Development Plans and Estimated Research and Development Expenses:

The company's research and development (R&D) program for the upcoming year will concentrate on creating energy-efficient and environmentally friendly products that minimize energy consumption and promote a cleaner planet. The company is committed to maintaining the highest standards in energy-saving power management integrated circuits (ICs) through innovative technologies. It is projected that R&D expenses for the entire year of 2025 will represent 17% of net operating revenues, primarily comprising salaries for R&D personnel and other related expenses.

#### 5.6.4 The impact of significant domestic and foreign policy changes, as well as legal modifications, on the Company's financial operations and the measures implemented to address these impacts:

The Company conducts its business in accordance with relevant domestic and international policies and laws, remaining vigilant to changes in these areas. This proactive approach enables the Company to respond promptly to shifts in the market environment and implement appropriate countermeasures to address its operational needs. In recent years, and up to the printing date of the annual report, there have been no significant changes in domestic or international policies and laws that have impacted the Company's finances or operations.

5.6.5 The impact of technological advancements, including information security risks, and industry changes on the company's financial operations, as well as the measures implemented to mitigate such impacts:

The Company places significant emphasis on enhancing its research and development capabilities. In addition to staying informed about industry market trends and technological advancements, the Company will continue to develop new products related to power management integrated circuits (ICs) and energy efficiency. This will be achieved by leveraging its established systematic R&D technologies, strengthening its product quality management system and R&D process management, and building a comprehensive marketing organization and strategy to provide customers with tailored and complete power supply solutions. Alongside a continuous increase in R&D investment, we also maintain stable and flexible financial management to effectively address the challenges posed by technological changes.

The Information Security Committee of the Company was established in 2012 and is led by a Chief Information Security Officer. The Committee comprises first-level supervisors from each department. It holds regular meetings to discuss information security and can be adjusted as needed in response to emergency situations. This Committee serves as the highest decision-making body for the organization's information security policies, coordinating the implementation of security control measures and promoting internal security through the reasonable distribution of responsibilities and effective resource management. Additionally, it receives practical support from the management level.

The Company places a high priority on preventing information security and network risks. It has established a comprehensive multi-layered defense network that includes firewalls, intrusion detection systems, antivirus software, vulnerability scanning, and patch management, all designed to protect against external and internal threats. Additionally, the Company has implemented an information security management system and conducts regular information security risk assessments, as well as internal and external audits, on an annual basis. These measures ensure the effectiveness of the management system and compliance with applicable laws and regulations. Consequently, information security risk is not considered a significant operational risk for the Company. Furthermore, there have been no technological advancements or industry changes, including those related to information security risk, that would

impact the Company's financial operations in recent years, up to the publication date of the annual report.

5.6.6 The Impact of Corporate Image Change on Crisis Management and Countermeasures:

The Company is dedicated to the operation and development of its business while adhering to the principles of integrity and professionalism. It actively strengthens its internal management to enhance both the quality and efficiency of its operations. In recent years, and up to the date of this annual report, the Company has not encountered any operational crises related to changes in its corporate image. The Company will continue to comply with and implement various corporate governance requirements to minimize the potential for such risks.

5.6.7 The anticipated benefits, potential risks, and corresponding countermeasures of the merger and acquisition (M&A) process:

There have been no mergers or acquisitions in recent years, up to the printing date of the annual report. Should any mergers or acquisitions occur in the future, they will be conducted in accordance with applicable laws and regulations, as well as the relevant policies established by the Company, to protect the interests of the Company and the rights of its shareholders.

5.6.8 Expected Benefits, Potential Risks, and Mitigation Strategies for Plant Expansion:

The Company is a professional IC design firm that operates under a fabless model. As of the publication date of the annual report, the Company has no plans to expand its fabrication facilities in the coming years.

5.6.9 Risks Associated with the Concentration of Purchases or Sales and Measures to Mitigate These Risks:

(1) Purchases

To maintain product quality and cost competitiveness, we must consider equipment capacity, process technology, quality and yield rates, and lead times of the foundry. Integrated circuit (IC) designers typically select suitable foundries as their long-term supply sources, and there has been no significant increase or decrease in the number of major suppliers over the past two years. In addition to fostering strong relationships with current foundries, the company will seek



collaborations with other foundries in the future, based on the demand for product manufacturing processes and cost considerations. This strategy aims to ensure a reliable supply of production capacity and to minimize the risk associated with supply concentration.

(2) Sales

The Company sells its products to end customers through agents; therefore, the sales targets may be more concentrated. The collaborative and symbiotic relationship between integrated circuit (IC) designers and agents is a common practice in the industry. The major agents with whom the Company partners are either publicly listed companies or wholly owned subsidiaries of listed companies, allowing the Company to access various financial information from the Market Observation Post System (MOPS). Additionally, the Company conducts both regular and irregular credit evaluations of its customers' financial status and establishes allowances for doubtful accounts based on the recoverability and aging of overdue accounts. There were no uncollected overdue accounts recorded in the Company's books for the most recent fiscal year and up to the date of publication of the annual report.

5.6.10 The implications, risks, and mitigation strategies related to a significant transfer or substitution of shareholdings by directors or major shareholders possessing more than 10% of the Company's shares are outlined as follows: None.

5.6.11 The impacts, risks, and countermeasures of the change in operating rights on the Company:

(1) The Chairman of our company plays an active role in its management.

The management team possesses a robust sense of mission and regards the management of the company as a lifelong commitment. Our organization has established a comprehensive structure that clearly delineates the responsibilities and authorities of each department. This framework facilitates the implementation of management strategies, ensures operational efficiency, and guarantees favorable business outcomes. Furthermore, employees align with the company's developmental trajectory and progress in tandem with the organization. In conclusion, there is minimal risk of substantial equity transfer or alterations that could result in a shift in management rights.

## (2) Succession Planning and Operational Management

(2.1) On May 2, 2023, the board of directors of our company unanimously approved the promotion of Mr. Heng-Chung Chi to the position of President. This decision is part of the implementation of the succession plan for the management team and aims to establish a clear delineation of responsibilities between the Chairman and the President. The board believes that this strategic move will guide the company towards its objective of achieving world-class excellence.

(2.2) To foster the requisite management talent, the Administrative Resources Department is orchestrating the development of annual training programs that offer a variety of courses aimed at enhancing management capabilities and strategic thinking. This initiative is intended to establish a robust foundation for sustainable business operations. In 2024, we will implement a high-potential talent program that involves the identification and assessment of competencies through talent identification processes, as well as the development of individual nine-box grids. This approach will facilitate the establishment of a talent pool from which we will select exceptional candidates for future succession.

### 5.6.12 Litigious and non-litigious matters:

Litigation or non-litigation shall include material litigation, non-litigation or administrative litigation which have been decided or are pending between the Company and its directors, general managers, actually persons in charge, major shareholders holding more than 10% of the Company and its subsidiaries, the result of which may have a material impact on shareholders' equity or the price of securities, so the Company shall disclose the facts of the dispute, the target amount, the date of filing the lawsuit, the main litigants and the handling up to the date of issuing the annual report: None.

### 5.6.13 Other important risks and countermeasures:

#### (1) Intelligent Property Management

According to Article 37-2 of the Corporate Governance Practice Code for Listed and Over-the-Counter Companies, as well as the stipulations outlined in the corporate governance evaluation indicator 2.27, our company has adopted the Taiwan Intellectual Property

Management Standards (TIPS) in 2023. We have developed a management cycle based on the "Plan-Do-Check-Action" (PDCA) and established an intellectual property management system that is informed by risk assessment principles.

Measures for Implementation:

Following a comprehensive evaluation of the internal and external factors affecting the management of the Company's intellectual property, as well as the expectations and requirements of stakeholders regarding its development, the Company has identified and confirmed the associated risks and opportunities that necessitate attention. Furthermore, appropriate countermeasures have been established. The Intellectual Property Office has collaborated with the research and development unit, along with other relevant units, to create, promote, and implement the Company's intellectual property management system, ensuring adherence to the Taiwan Intellectual Property Management Standards. Concurrently, the Office is committed to enhancing employees' awareness of confidentiality and intellectual property issues while fortifying the patent portfolio and monitoring processes. This proactive strategy enables the Company to take timely actions to safeguard its rights and interests in the event of potential infringements of its intellectual property rights or claims of infringement by third parties.

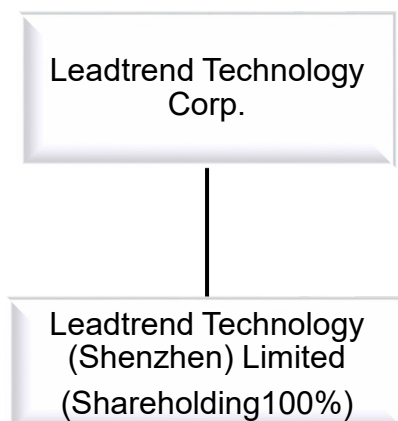
**5.7 Other Important Matters: None.**

## Chapter 6. Special Disclosure

### 6.1 Summary of Affiliated Companies

#### 6.1.1 Subsidiaries chart

As of December 31, 2024



#### 6.1.2 Information about the subsidiaries

Unit: NT\$ (USD) thousands

Company	Date of Incorporation	Place of Registration	Capital Stock	Main Operations or Business Activities
Leadtrend Technology (Shenzhen) Limited	11/07/2011	Rm10B, Benyuan building, No.6015 Shennan Road, The juncture of Shennan Road and Tairan Nine Road, Southeast, Shatou Street, Futian District, Shenzhen Guangdong Province, China	9,900	Computer software design services, computer system integration services, integrated circuits and related electronic products wholesale, agent and import and export business activities.

6.1.3 Information on the same shareholders as those presumed to be in a controlling and subordinate relationship: None.

#### 6.1.4 Overview of the operations of affiliated companies

December 31, 2024

Unit: NT\$ thousands unless otherwise indicated

Company	Capital Stock	Assets	Liabilities	Net Worth	Operating Revenue	Operating Income	Profit or Loss (after tax)	Earnings per share (NT\$) (after tax)
Leadtrend Technology (Shenzhen) Limited	324,572	521,149	129,871	391,278	619,008	84,476	85,263	-

Remark: Exchange rate based on data at December 31, 2024.

Assets and liabilities: NT\$: US\$ =32.7850 : 1      NT\$:RMB =4.4780 : 1

Profit or loss:      NT\$: US\$ =32.1120 : 1      NT\$:RMB =4.4543 : 1

6.1.5 Information on directors, supervisors and general managers of affiliated companies

Unit: thousands shares

Company Name	Title	Name or representative	Shareholding	
			Shares (Investment Amount)	% (Investment Holding %)
Leadtrend Technology (Shenzhen) Limited	Executive Director  Supervisor	Leadtrend Technology Co., Ltd. Representative: Teng-He Wu Leadtrend Technology Co., Ltd. Representative: Jiong-Feng Zhou	0	100.00%

**6.2 Privately Offered Securities in the Most Recent Year as of the Publication Date of the Annual Report: None.**

**6.3 Other Necessary Supplement: None.**

**6.4 Any Events and as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Act: None.**

Leadtrend Technology Corp.

Chairman: Yu- Kun Kao