



Stock Code: 3038

Emerging Display Technologies Corp. Annual Report 2024

Notes to Readers

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

- ◆ **Annual Report is available at:**
Taiwan Stock Exchange Market Observation Post System: <https://emops.twse.com.tw/server-java/t58query>
The Company's website: <https://www.edtc.com>
- ◆ **Printed on April 18, 2025**

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Overseas Securities Exchange

Not Applicable.

Corporate Website

<https://www.edtc.com>

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I. Letter to Shareholders

Dear Shareholders,

First and foremost, I would like to thank you for taking time from your busy schedule to attend this shareholders' meeting. On behalf of **edt**, I would like to express my upmost appreciation for your support and encouragement.

The results of our operating performance in 2024 and outlook for the future are as following:

2024 Business Report

1. Operating performance

In recent years, long-term orders driven by global supply chain imbalances caused by the COVID-19 pandemic contributed to the Company's revenue and profit growth. However, in 2024, as the effect of these long-term orders diminished, and the European market weakened significantly, shipment momentum was affected. As a result, the Company's consolidated net operating revenue for 2024 was NT\$3,605,552 thousand, representing a 17.81% decrease from NT\$4,386,724 thousand in the previous year. Despite a more favorable exchange rate in 2024, consolidated net profit still declined by 21.62%, with earnings per share (EPS) of NT\$2.21.

In individual products, LCD modules (LCM) accounted for around 38% of total sales. Sales of Capacitive Touch Panels (CTP) and modules dropped slightly to 62% from the previous year due to lower customer demand, resulting in a decline in overall revenue. The Company has continuously improved cost structures and enhanced operational efficiency to maintain strong profitability, resulting in only a slight decrease in gross profit margin compared to the previous year.

Looking back on the past year, although there were still many unfavorable macro-environmental elements, we continued to enhance and improve the touch function of Capacitive Touch Panel (CTP) for diverse small niche markets to service the market demand of various emerging applications that accompany the growth of the "Internet of Things" and expect to achieve stable profit growth.

Combining CTP and TFT-LCD were generally called "Touch Display" which had the diverse development of touch function and will be deepened with the growth of emerging application markets. Encouraged by the improvement of various wireless information transmission technologies and medium-high end mobile computing products, aesthetically simple and intuitive user interface design has become the mainstream for interactive information display system. Innovation in projected capacitive technology still awaits the touch panel industry to research and develop.

In the competitive environment of the diversified customized demand market, we have corresponded material application and software design with manufacturing process innovation, implemented professional and technical services, and is committed to the improvement of production yield rate and efficiency as well as effective operating cost control. Holding up to the support of our shareholders, we facilitate the best allocation of company resources and strive to achieve the set operating goals.

2. Consolidated financial results & profitability analysis

Unit: NT\$ thousands

	2024	2023
Operating profit	232,302	449,918
Non-operating income and expenses	161,101	55,065
Profit before tax	393,403	504,983
Net profit	328,092	418,595
Return on assets	8.29%	10.15%
Return on shareholders' equity	12.28%	16.89%
Pre-tax income to paid-in capital	24.99%	32.08%
Profit ratio	9.09%	9.54%
Earnings per share (NT\$)	2.21	2.81

3. Research and development Status

(1) From the establishment of **edt**, the research and development of new technology has been highly valued. We spare no effort in improving product quality and developing new varieties. Research and development results of 2024 are as following:

Item	R&D Results	Description of Benefits
1	Development of Night Vision Imaging System (NVIS) display	We have developed a patented backlight structure for NVIS-compatible displays. Unlike traditional methods that rely on external NVIS filters, our design features a dual-mode backlight system with switchable LED light sources for day and night modes, allowing night vision goggle users to clearly read display information without interference. Our NVIS dual-mode displays meet the requirements of MIL-STD-3009, minimizing red and near-infrared radiation emissions to avoid affecting NVG performance.
2	Development of projected capacitive touch display module with pressure sensing and vibration feedback functions	Enhance the safety of projected capacitive touch functionality by designing a capacitive pressure sensing mechanism to prevent accidental touches. Furthermore, design a pressure feedback mechanism that requires the user to apply a certain amount of pressure on the panel before activating the LRA vibration signal in order to improve the tactile feedback sensation of pressing a mechanical button.
3	Development of touch display integrated with NFC technology	Propose a new structure design of touch display that directly molds the NFC antenna into the touch sensor or cover lens. It can remove antenna space to simplify the structure design, reduce costs and improve production yield without assembling the antenna especially, and sense easier between sensing object and NFC antenna placed on the frontal surface of module.

4	Development of touch display modules with arbitrary dielectric materials and undulating surfaces	Integrate different materials and high-relief bezels with touch display modules and leverage projected capacitive sensing technology to develop an intelligent surface-guided user-machine interaction solution.
5	Development of interactive guidance technology for flat panel displays by applying AI edge computing to embedded platforms	We obtain raw data from the environment through sensors, and use AI models for training to classify and process information. Then the results are provided to the microcontroller (MCU) for immediate application. Through those category labels trained by AI, the MCU can perform more appropriate operation such as gesture recognition, proximity touch sensing or dynamic interactive applications. The core advantages of this technology are low latency, high performance, and edge computing capabilities which can analyze the sensing data instantly to improve the interaction accuracy and response speed and to provide a more intuitive interactive experience for smart display devices.
6	Development of device for separation of Tin welding situation by applying AI deep learning knowledge	Develop the AOI instrument with AI deep learning function to automatically inspect Tin welding situation of FPC so as to reduce human error and improve the accuracy of welding inspection.
7	Intellectual Property Rights (include Patents and Trade Secret)	Number of intellectual property right proposals totaled 27, which include 17 patent proposals and 10 trade secret proposals. Number of intellectual property rights granted totaled 18 (proposals accumulated in the previous years).

(2) Future research and development projects and corresponding budget

In addition to sparing no effort in the research and development of existing areas, we are also quite prepared for new application related software / hardware technologies, such as touch function, somatosensory technology, and embedded system software in response to the vast market of increasingly popular interaction displays. We plan on investing NT\$180,800 thousand for below research and development projects in 2025:

- ◆ Development of projected capacitive touch display module with multi-mode physical control interfaces driven by a single touch IC
- ◆ Development of smart sensor fusion-driven UWB Reader and projected capacitive touch display module
- ◆ Development of high vibration-resistant touch display products
- ◆ Development of touch display with resilient-failure tech
- ◆ Development of wide angle naked-eye 3D touch display products with levitation interaction function
- ◆ Development of efficient touch display system supporting OTA remote update and module expansion
- ◆ Development of colorful glass cover lens product with ESD and wi-fi function

Summary of Business Plan for 2025

1. Business objectives

- (1) Develop new technologies to expand market.
 - ① Develop sensor integration control.
 - ② Optimize the integration efficacy of touch display.
- (2) Develop innovative business model for touch display solution.
 - ① Promote new channel for smart embedded product.
 - ② Enhance the service ability of software / firmware.
- (3) Upgrade digital production information and construct intelligent factory.
 - ① Intellectualization of manufacturing process to lower human factors.
 - ② Make good use of data for process backtracking and early management.
- (4) Enhance efficacy of research and development.
 - ① Develop human-machine interaction technology.
 - ② Promote and use the ability of machine learning technology.

2. Expected sales numbers and its basis

- (1) Expected sales numbers for 2025:
 - ① LCD modules 2,000 thousand units
 - ② CTP and its modules 1,000 thousand units
- (2) Basis for expected sales numbers of 2025:
 - ① With the emerging trend of various pan-intelligent products, applications for internet of things, smart home, and wearable devices, the future market demand and application of touch panels will continue to grow.
 - ② The considerable growth potential for various small and medium size TFT panels in intelligent application and pan-industrial electronic products will drive up the sale of TFT modules.
 - ③ Integrated touch display design has become the mainstream gradually with various application market and the customization requirements are relatively high. We believe that there will be a yearly double-digit growth for solutions of touch function combined with display panel.
 - ④ Global geopolitical conflicts and tariff trade wars have created uncertainties in both macroeconomic and microeconomic environments, slowing down overall growth momentum.

3. Key sales strategies

- (1) Continuously developing application technology of the CTP, such as lamination technology / surface treatment / free form cutting technology of related touch sensors and display panels. Also, continuously developing and optimizing the optical bonding technology of touch module and display module, and touch feedback technology that enhances the user-machine interaction experience.

- (2) Actively developing new high value-added products and markets, such as large size products and small and medium size displays with embedded systems, and combined with optical bonding, UV resistance for outdoors, water tolerance, antibacterial touch, contactless gesture control and so on.
- (3) Both business model of low-volume high-mix and high-volume low-mix has pros and cons. Under the principle of 50/50, we will adopt the sales strategy with most appropriate percentage of above two business models according to supply chain and new technology appliance.

Future Development Strategies

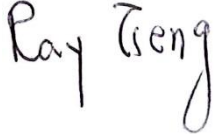
1. Focus on the innovative technology development of user-machine interaction of Capacitive Touch Panel (CTP) and continuous proportional increase of niche type Capacitive Touch Panel product structure.
2. Enhance differentiation design ability of TFT-LCD module, develop diversified application markets, and satisfy the different customized needs of clients.
3. Continuously enhance design development of pan-industrial control and medical application products to maintain future growth and profitability. Develop embedded system solution, assist the customer in integrated software, firmware and hardware design, and further differentiate and provide high value-added.
4. Actively build IP strategies and invest in research and development to develop futuristic product technology such as 3D gesture, water / conductive liquid tolerance touch and intelligent algorithm, so as to seize prior opportunity into high margin markets.
5. Improve the localized and immediate service quality for major clients via the technical service function of overseas channels.

The Impact of the External Competitive Environment, Regulatory Environment and Macroeconomic Conditions

1. In an attempt to cope with the global climate changes and the international net-zero tendency, we spare no efforts to replace low-energy-consuming equipment, select low-carbon materials and manufacturing processes, and evaluate energy-saving and carbon-reducing measures such as renewable energy, energy management systems and energy storage. With reference guidelines and relevant regulations of the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies” issued by the Financial Supervision Commission in March 2022, we continue to control the completion status of our greenhouse gas inventory and verification disclosure schedule. By doing this, we expect to learn where reduction can be improved, so as to upgrade energy efficiency, reduce greenhouse gas emissions, and strive towards the commitment and goals of net-zero carbon emission.

2. In response to geopolitics and tariff trade wars, we will cooperate with clients to effectively readjust and reallocate production lines in each area so as to lower related influence to zero.
3. Facing the continuously changing market environment such as the impact of the global epidemic, trade barriers from major countries, and supervision of trade policies, we still maintain long-term and stable cooperative relationships with our customers. In addition, by providing an optimized product sales mix, improving manufacturing processes, strengthening the supply chain communication and effective management, our revenue and profit growth are just around the corner.
4. Over 90% of our operating revenue is export in 2024. Since exchange rate fluctuations have a significant impact on us, efficient and stable financial operations will be used for risk aversion.

With dedication to becoming the leading brand with the most complete solutions of interactive user-machine interface displays, **edt** stride to hold up to shareholders' expectations and achieve the basis for sustainability and stable development.

Chairman 

II. Corporate Governance Report

2.1 Directors and management team

2.1.1 Information on directors

As of March 30, 2025

Job Title	Nationality or Place of Registration	Name	Gender, Age (Years)	Date of Election / Appointment to current term	Term of Office (Years)	Commencement Date of First Term	No. of Shares Held at Time of Election		No. of Shares Currently Held		Shares Currently Held by Spouse & Minor Children		Shares Held Through Nominees		Principal Work Experience and Academic Qualifications	Positions Held Concurrently in the Company and/or in Any Other Company	Other Officer(s) or Director(s) with which the Person Has a Relationship of Spouse or Relative within the Second Degree			Remarks (Note 2)
							No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio			Job Title	Name	Relationship	
Chairman	R.O.C.	Tseng, Jui-Ming	Male 61~70	Jun. 13, 2024	3	Sep. 14, 1994	11,043,723	7.02%	11,043,723	7.02%	256,759	0.16%	0	0.00%	MBA, CSU, Taiwan / Hitachi / Sharp	None	Director	Hsieh, Hui-Tai	In-law Siblings	None
Director	R.O.C.	Hsieh, Hui-Tai	Female 61~70	Jun. 13, 2024	3	Jun. 8, 2006	6,097,867	3.87%	6,097,867	3.87%	0	0.00%	0	0.00%	San Sin High School, Taiwan / Director of Jen Da Transportation	None	Chairman	Tseng, Jui-Ming	In-law Siblings	None
Director	R.O.C.	Wang, Tai-Kuang (Note 1)	Male 61~70	Jun. 13, 2024	3	Jul. 26, 2021	1,666,487	1.06%	1,666,487	1.06%	1,802,813	1.15%	0	0.00%	Master, Physics and Astronomy, NCU, Taiwan / Business Manager class of Taiwan AI Academy / Solomon Technologies Corp.	President & CEO of the Company	None	None	None	None
Director	R.O.C.	Yu, Cheng-Chung	Male 51~60	Jun. 13, 2024	3	Jul. 26, 2021	1,002,000	0.64%	1,002,000	0.64%	0	0.00%	0	0.00%	Bachelor, International business, CYCU, Taiwan / Citizen Watch / Grand Pacific Optoelectronics Corp.	Executive Vice President of the Company	None	None	None	None
Director	R.O.C.	Ying Dar Investment Development Corp.	None	Jun. 13, 2024	3	Jun. 8, 2006	5,346,672	3.40%	5,346,672	3.40%	0	0.00%	0	0.00%	None	None	None	None	None	None
Representative of Director	R.O.C.	Ying Dar Investment Development Corp.: Huang, Hsiu-Wen	Female 51~60	Jun. 13, 2024	3	Jul. 26, 2021	220,862	0.14%	220,862	0.14%	17,404	0.01%	0	0.00%	MBA, CUNY, Baruch College, USA / Yuanta Securities Corp.	Vice President & Financial Executive & Accounting Supervisor of the Company	None	None	None	None
Director	R.O.C.	Bae Haw Investment Development Corp.	None	Jun. 13, 2024	3	Jun. 8, 2006	3,447,716	2.19%	3,447,716	2.19%	0	0.00%	0	0.00%	None	None	None	None	None	None
Representative of Director	R.O.C.	Bae Haw Investment Development Corp.: Hsieh, Wen-Hsiung	Male 51~60	Jun. 13, 2024	3	May 2, 2013	261,253	0.17%	261,253	0.17%	0	0.00%	0	0.00%	Bachelor, Accounting, FCU, Taiwan / Yuanta Securities Corp.	Vice President & Corporate Governance Officer of the Company	None	None	None	None
Independent Director	R.O.C.	Huang, Hui-Ling	Female 51~60	Jun. 13, 2024	3	Jul. 26, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master, Accounting, NCCU, Taiwan / DBS Bank / Ta Chong Bank / KPMG / Deloitte / Partner of Legence Accounting Firm	None	None	None	None	None
Independent Director	R.O.C.	Li, Chi-Cheng	Male 61~70	Jun. 13, 2024	3	Jun. 2, 2015	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D, MBA, NCKU, Taiwan / Professor of Cheng Shiu University / Representative of supervisor of Yung Chi Paint & Varnish Mfg. Co., Ltd.	None	None	None	None	None
Independent Director	R.O.C.	Ting, Hung-Hsun (Note 1)	Male 61~70	Jun. 13, 2024	3	Jun. 13, 2024	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor, Accounting, CCU, Taiwan / Partnership Accountant of Baker Tilly Clock & CO / Director & Accountant of Kensei Accounting Firm / Independent Director of M-Power Information Co., Ltd. & ShunSin Technology Holdings Limited / Director of CEN LINK Co., Ltd.	None	None	None	None	None

Note 1: Wang, Tai-Kuang has served as the representative of Ying Dar Investment Development Corp. during June 8, 2006 to July 25, 2021. Ting, Hung-Hsun has served as the supervisor of the Company during June 18, 2003 to June 1, 2015 and June 12, 2018 to July 25, 2021.

Note 2: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

Form 1: Major shareholders of corporate shareholders

Name of Institutional Shareholders	Major Shareholders of the Corporate Shareholder
Ying Dar Investment Development Corp.	Emerging Display Technologies Corp. (100%)
Bae Haw Investment Development Corp.	Emerging Display Technologies Corp. (100%)

Form 2: If any major shareholder listed in Form 1 is a corporate / juristic person, list its major shareholders in this form

Name of Corporate / Juristic Person	Major Shareholders of the Corporate / Juristic Person	
Emerging Display Technologies Corp.	Tseng, Jui-Ming	7.02%
	Hsieh, Hui-Tai	3.87%
	Employee Stock Ownership Trust Account of Taishin International Bank Entrusted by edt	3.62%
	Ying Dar Investment Development Corp.	3.40%
	Bae Haw Investment Development Corp.	2.19%
	Lin, Yu-Fen	1.15%
	Wang, Tai-Kuang	1.06%
	Business Department of Standard Chartered International Commercial Bank, entrusted with the custody of the Construction Workers' Union Annuity Fund Investment Account	0.80%
	Citibank, entrusted with the custody of Berkley Capital SBL/PB Investment Account	0.73%
HSBC (Taiwan) Commercial Bank Co., Ltd., entrusted with the custody of the investment account of Arcadia Emerging Markets Small Capital Stock Fund	0.72%	

Disclosure of information regarding the professional qualifications and experience of directors and the independence of independent directors:

Name	Qualification	Professional Qualifications and Experience	Independence Analysis	No. of Other Public Companies at which the Person Concurrently Serves as An Independent Director
Tseng, Jui-Ming		<ul style="list-style-type: none"> Once worked at Hitachi and Sharp, then established the Company. Continuously served as the Chairman until now, and has more than five years of experience in manufacturing and operation management. Not having any of the conditions defined in Article 30 of the Company Law. 	<ul style="list-style-type: none"> Not an employee of the Company nor any of its related companies. Not a director, supervisor or employees of other companies controlled by the same person had shares over half of the Company's director seats or voting rights. Not a director, supervisor or employees of other companies or institutions whom or his/her spouse is also the chairman, general manager or employee of equivalent position in the Company. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has financial or business relations with the Company. Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies with cumulative remuneration less than NT\$500,000 in the past two years. 	0
Hsieh, Hui-Tai		<ul style="list-style-type: none"> Graduated from San Sin High School in Taiwan. Served as the Director of Jen Da Transportation for many years, and has more than five years of experience in financial accounting. Not having any of the conditions defined in Article 30 of the Company Law. 	<ul style="list-style-type: none"> Not an employee of the Company nor any of its related companies. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the Company or that ranks among the top-5 in shareholding or the representatives served as directors or supervisors appointed in accordance with Article 27, Paragraph 1 or 2 of the Company Act. Not a director, supervisor or employees of other companies controlled by the same person had shares over half of the Company's director seats or voting rights. Not a director, supervisor or employees of other companies or institutions whom or his/her spouse is also the chairman, general manager or employee of equivalent position in the Company. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has financial or business relations with the Company. Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies with cumulative remuneration less than NT\$500,000 in the past two years. 	0

Wang, Tai-Kuang	<ul style="list-style-type: none"> Once worked at Solomon, and served as the Marketing Executive for many years after the Company was established. Also advanced study in Business Manager class of Taiwan AI Academy. Concurrently the Company's President and CEO, and has more than five years of experience in marketing, manufacturing and operation management. Not having any of the conditions defined in Article 30 of the Company Law. 	<ul style="list-style-type: none"> Not a spouse, relative within the second-degree of kinship, of the employees, directors, supervisors of the Company nor any of its related companies. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the Company or that ranks among the top-5 in shareholding or the representatives served as directors or supervisors appointed in accordance with Article 27, Paragraph 1 or 2 of the Company Act. Not a director, supervisor or employees of other companies controlled by the same person had shares over half of the Company's director seats or voting rights. Not a director, supervisor or employees of other companies or institutions whom or his/her spouse is also the chairman, general manager or employee of equivalent position in the Company. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has financial or business relations with the Company. Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies with cumulative remuneration less than NT\$500,000 in the past two years. Not a spouse or a relative within the second degree of kinship to any other director of the Company. 	0
Yu, Cheng-Chung	<ul style="list-style-type: none"> Once worked at Citizen Watch and Grand Pacific Optoelectronics Corp.. Concurrently the Company's Executive Vice President in charge of the Global Business Development Dept. and has more than five years of experience in marketing and operation management. Not having any of the conditions defined in Article 30 of the Company Law. 	<ul style="list-style-type: none"> Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranking as one of the top-10 shareholders. Nor a spouse, relative within the second-degree of kinship, of the aforementioned shareholder. Not a spouse, relative within the second-degree of kinship, of the employees, directors, supervisors of the Company nor any of its related companies. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the Company or that ranks among the top-5 in shareholding or the representatives served as directors or supervisors appointed in accordance with Article 27, Paragraph 1 or 2 of the Company Act. Not a director, supervisor or employees of other companies controlled by the same person had shares over half of the Company's director seats or voting rights. Not a director, supervisor or employees of other companies or institutions whom or his/her spouse is also the chairman, general manager or employee of equivalent position in the Company. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has financial or business relations with the Company. Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies with cumulative remuneration less than NT\$500,000 in the past two years. Not a spouse or a relative within the second degree of kinship to any other director of the Company. 	0
Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen	<ul style="list-style-type: none"> Once worked at Yuanta Securities in charge of underwriting, and has served as Internal Audit Supervisor of the Company for many years. Concurrently the Company's Vice President, Financial Executive and Accounting Supervisor and has more than five years of experience in securities insurance, financial accounting, and operation management. Not having any of the conditions defined in Article 30 of the Company Law. 	<ul style="list-style-type: none"> Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the Company or that ranks among the top-5 in shareholding or the representatives served as directors or supervisors appointed in accordance with Article 27, Paragraph 1 or 2 of the Company Act. Not a director, supervisor or employees of other companies controlled by the same person had shares over half of the Company's director seats or voting rights. Not a director, supervisor or employees of other companies or institutions whom or his/her spouse is also the chairman, general manager or employee of equivalent position in the Company. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has financial or business relations with the Company. Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies with cumulative remuneration less than NT\$500,000 in the past two years. Not a spouse or a relative within the second degree of kinship to any other director of the Company. 	0
Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	<ul style="list-style-type: none"> Once worked at Yuanta Securities in charge of underwriting, and has served as Financial Executive of the Company for many years. Concurrently the Company's Vice President and Corporate Governance Officer, and has more than five years of experience in securities insurance, financial accounting, and operation management. Not having any of the conditions defined in Article 30 of the Company Law. 	<ul style="list-style-type: none"> Not a director, supervisor or employees of other companies or institutions whom or his/her spouse is also the chairman, general manager or employee of equivalent position in the Company. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has financial or business relations with the Company. Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies with cumulative remuneration less than NT\$500,000 in the past two years. Not a spouse or a relative within the second degree of kinship to any other director of the Company. 	0
Huang, Hui-Ling (Independent Director / the convener of Audit Committee)	<ul style="list-style-type: none"> Master of Accounting at NCCU in Taiwan. Once worked at DBS Bank, Ta Chong Bank, KPMG, Deloitte. Concurrently the partner of Legence Accounting Firm, and has more than five years of experience in financial accounting and operation management. Not having any of the conditions defined in Article 30 of the Company Law. 	<ul style="list-style-type: none"> The independent director or their spouse or any relative within the second degree did not serve as a director, supervisor, or employee of the Company or any of its affiliates. The independent director or their spouse or any relative within the second degree (or through nominees) did not held any share of the Company. The independent director or their spouse or any relative within the second degree did not serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies, so did not receive any pay from the Company or its related companies. 	0
Li, Chi-Cheng (Independent Director / the member of Audit Committee)	<ul style="list-style-type: none"> Ph.D of MBA at NCKU in Taiwan. Once served as Chair of Business Administration Dept. and Director of the Institute of Business Management of Cheng Shiu University. Concurrently a full-time professor of Business Administration Dept. (Institute) of Cheng Shiu University, and has more than five years of experience in operation management. Not having any of the conditions defined in Article 30 of the Company Law. 	<ul style="list-style-type: none"> The independent director or their spouse or any relative within the second degree did not serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies, so did not receive any pay from the Company or its related companies. 	0
Ting, Hung-Hsun (Independent Director / the member of Audit Committee)	<ul style="list-style-type: none"> Bachelor of Accounting at CCU in Taiwan. Once worked as Partnership Accountant of Baker Tilly Clock & CO. Concurrently the Director and Accountant of Kensei Accounting Firm, Independent Director of M-Power Information Co., Ltd. and ShunSin Technology Holdings Limited, Director of CEN LINK Co., Ltd., and has more than five years of experience in financial accounting and operation management. Not having any of the conditions defined in Article 30 of the Company Law. 	<ul style="list-style-type: none"> Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies, so did not receive any pay from the Company or its related companies. 	2

Diversity and independence of the Board of Directors:

1. Diversity of the Board of Directors

The Company has set up the policy of diversified members of the Board under Article 20 of the “Corporate Governance Practice Principles”, including considerations of the basic condition and value of the members of the Board (e.g. gender, age, nationality, and culture) and the professional knowledge and skills (e.g. law, accounting, industry, finance, marketing, or technology). Also, the Board shall possess the ability to make operational judgments, ability to perform accounting and financial analysis, ability to conduct management administration, ability to conduct crisis management, knowledge of the industry, an international market perspective, ability to lead, ability to make policy decisions, and so on. In accordance with the provisions of the Articles of Incorporation and considering the aforementioned diversity policy, the Company’s Board of Directors shall review the academic qualifications, professional ability, integrity, independence, etc. of each director candidate, and propose an appropriate list of director candidates, which will be then submitted to the Shareholders’ Meeting for election. This expects to strengthen the corporate governance and promote the sound development of composition and structure of the Board of Directors.

Of nine directors in the Company’s 11th session of Board of Directors, Chairman Tseng, Jui-Ming and President Wang, Tai-Kuang have served as chairman and general manager to lead the development of the Company for a long period of time, and are fully equipped with operational judgment, management, industry knowledge, international market outlook, and leadership decision-making skills, etc. Director Yu, Cheng-Chung has also been in charge of the Company’s Global Business Development Dept. for many years, not only has an international market view, but also has a solid understanding of product marketing and industrial development. Huang, Hsiu-Wen and Hsieh, Wen-Hsiung, two representatives of corporate directors, are the current and former Financial Executives and Accounting Supervisors of the Company, respectively. The latter also serves as the Corporate Governance Officer. Both of them have high accounting and financial analysis capabilities, crisis management, and leadership decision-making capabilities. Director Hsieh, Hui-Tai also has the financial accounting profession required for the Company’s business. Among the three independent directors, Huang, Hui-Ling is currently the partner of Legence Accounting Firm, and also worked as a financial consultant in the past. Independent Director Ting, Hung-Hsun has been the Partnership Accountant of an accounting firm for many years and has also served as an independent director of a number of public companies. Both of them have considerable accounting and financial analysis capabilities, business management and leadership, and decision-making capabilities. Independent Director Li, Chi-Cheng is a Ph.D of MBA, and served as Chair of the Business Management Dept. and Director of the Institute of Business Management of Cheng Shiu University. He is currently a full-time professor of Business Management Dept. (Institute), and has rich experiences in business management and leadership decision-making.

Currently, four directors (including their representatives) with employee status account for 44%, three independent directors account for 33%, and only one independent director has served for more than 9 years. There are three female directors (including representatives of corporate directors), accounting for 33%, with one of them serving as an independent director. All directors are 60 years old in average and in their prime of life. Specific management objectives of diversity policy: The Company pays attention to gender equality in the composition of the Board of Directors, and aims to account for 30% of the seats of female directors. In order to make a sound structure, the Company also aims for more than half of the independent directors serve less than three terms (nine years). In the 11th Board of Directors, there are three female directors (including representatives of corporate directors), accounting for 33%. Furthermore, only one independent director has served for more than 3 terms (9 years), thus achieving the set target.

The composition of members of the Board of Directors is listed as below:

Job title and name of director		Core items of diversified policy		Basic composition						Professional knowledge and skills									
				Nationality	Gender	As employees concurrently	Age		Seniority of independent director			Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions
							51~60 years old	61~70 years old	Under 3 years	3~6 years	Over 9 years								
Chairman	Tseng, Jui-Ming	R.O.C.	Male		✓					✓	✓	✓	✓	✓	✓	✓	✓		
Director	Hsieh, Hui-Tai	R.O.C.	Female		✓					✓	✓	✓	✓	✓	✓	✓	✓		
Director	Wang, Tai-Kuang	R.O.C.	Male	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓		
Director	Yu, Cheng-Chung	R.O.C.	Male	✓	✓						✓	✓	✓	✓	✓	✓	✓		
Director	Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen	R.O.C.	Female	✓	✓						✓	✓	✓	✓		✓	✓		
Director	Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	R.O.C.	Male	✓	✓						✓	✓	✓	✓		✓	✓		
Independent director	Huang, Hui-Ling	R.O.C.	Female		✓				✓		✓	✓				✓	✓		
Independent director	Li, Chi-Cheng	R.O.C.	Male		✓					✓	✓	✓				✓	✓		
Independent director	Ting, Hung-Hsun	R.O.C.	Male		✓	✓					✓	✓				✓	✓		

2. Independence of the Board of Directors

It has been stipulated by the Company in Article 21 of the “Corporate Governance Practice Principles” that, unless approved by the competent authority, more than half of the seats among directors shall not have spouses or relatives within the second degree of kinship. Currently there are three independent directors, accounting for 33% of all directors in compliance with the regulations of the Financial Supervisory Commission on independent directors at the time of election and during the term of office. Except for Chairman Tseng, Jui-Ming and Director Hsieh, Hui-Tai, who are second-degree relatives, all the other directors (including independent directors) are not spouses or relatives within the second degree, which complies with Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. Therefore, the Board of Directors of the Company is independent. Regarding the independence and kinship of directors, please refer to the aforementioned descriptions of “Information on Directors” and “Disclosure of information regarding the professional qualifications and experience of Directors and the independence of Independent Directors”.

2.1.2 Information on the management team

As of March 30, 2025

Job Title	Nationality	Name	Gender	Date of Appointment to Position	Shares held		Shares held by spouse and minor children		Shareholding by Nominee Arrangement		Principal Work Experience and Academic Qualifications	Positions Concurrently Held in Other Companies at Present	Other Managerial Officer(s) with which the Person Has a Relationship of Spouse or Relative within the Second Degree			Remarks (Note)
					No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio			Job Title	Name	Relation-ship	
President & CEO	R.O.C.	Wang, Tai-Kuang	Male	Mar. 10, 2004	1,666,487	1.06%	1,802,813	1.15%	0	0.00%	Master, Physics and Astronomy, NCU, Taiwan / Business Manager class of Taiwan AI Academy / Solomon Technologies Corp.	None	None	None	None	None
Executive Vice President	R.O.C.	Yu, Cheng-Chung	Male	Mar. 1, 2014	1,002,000	0.64%	0	0.00%	0	0.00%	Bachelor, International Trade, CYCU, Taiwan / Citizen Watch / Grand Pacific Optoelectronics Corp.	None	None	None	None	None
Vice President & Corporate Governance Officer	R.O.C.	Hsieh, Wen-Hsiung	Male	Mar. 8, 2017	261,253	0.17%	0	0.00%	0	0.00%	Bachelor, Accounting, FCU, Taiwan / Yuanta Securities Corp.	None	None	None	None	None
Vice President	R.O.C.	Kao, Neng-Sen	Male	Mar. 1, 2018	43,459	0.03%	0	0.00%	0	0.00%	Master, Material Science and Engineering, ISU, Taiwan / Yu-Chun Corp.	None	None	None	None	None
Vice President	R.O.C.	Huang, Shih-Pin	Male	Mar. 1, 2022	5,000	0.00%	0	0.00%	0	0.00%	Bachelor, Mechanical Engineering, CSU, Taiwan / Hitachi	None	None	None	None	None
Vice President	R.O.C.	Chen, Chien-Lung	Male	Oct. 31, 2022	126,796	0.08%	0	0.00%	0	0.00%	Master, Material Science and Engineering, ISU, Taiwan / Indah Kiat Pulp & Paper Group / Formosa Plastics Corp.	None	None	None	None	None
Vice President & Financial Executive & Accounting Supervisor	R.O.C.	Huang, Hsiu-Wen	Female	Mar. 8, 2017	220,862	0.14%	17,404	0.01%	0	0.00%	MBA, CUNY, Baruch College, USA / Yuanta Securities Corp.	None	None	None	None	None

Note 1: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

Note 2: Starting from August 6, 2024, the position of Accounting Supervisor has been transferred from Kuo, Kun-He to the Financial Executive, Huang, Hsiu-Wen, who will assume the role concurrently.

Ranges of remuneration paid to each of the Company's directors	Name of directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities	The Company	All consolidated entities
Less than NT\$ 1,000,000	Ying Dar Investment Development Corp. / Huang, Hsiu-Wen / Bae Haw Investment Development Corp. / Hsieh, Wen-Hsiung / Huang, Fu-Di	Ying Dar Investment Development Corp. / Bae Haw Investment Development Corp. / Huang, Fu-Di	Ying Dar Investment Development Corp. / Bae Haw Investment Development Corp. / Huang, Fu-Di	Ying Dar Investment Development Corp. / Bae Haw Investment Development Corp. / Huang, Fu-Di
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Hsieh, Hui-Tai / Wang, Tai-Kuang / Yu, Cheng-Chung / Huang, Hui-Ling / Li, Chi-Cheng / Ting, Hung-Hsun	Hsieh, Hui-Tai / Wang, Tai-Kuang / Yu, Cheng-Chung / Huang, Hsiu-Wen / Hsieh, Wen-Hsiung / Huang, Hui-Ling / Li, Chi-Cheng / Ting, Hung-Hsun	Hsieh, Hui-Tai / Huang, Hui-Ling / Li, Chi-Cheng / Ting, Hung-Hsun	Hsieh, Hui-Tai / Huang, Hui-Ling / Li, Chi-Cheng / Ting, Hung-Hsun
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	None	None	Huang, Hsiu-Wen / Hsieh, Wen-Hsiung	None
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	None	None	None	Huang, Hsiu-Wen / Hsieh, Wen-Hsiung
NT\$5,000,001 (inclusive) ~ NT\$10,000,000 (exclusive)	None	None	Yu, Cheng-Chung	Yu, Cheng-Chung
NT\$10,000,001 (inclusive) ~ NT\$15,000,000 (exclusive)	Tseng, Jui-Ming	Tseng, Jui-Ming	Tseng, Jui-Ming / Wang, Tai-Kuang	Tseng, Jui-Ming / Wang, Tai-Kuang
NT\$15,000,001 (inclusive) ~ NT\$30,000,000 (exclusive)	None	None	None	None
NT\$30,000,001 (inclusive) ~ NT\$50,000,000 (exclusive)	None	None	None	None
NT\$50,000,001 (inclusive) ~ NT\$100,000,000 (exclusive)	None	None	None	None
NT\$100,000,000 or above	None	None	None	None
Total	12	12	12	12

Note: Ting, Hung-Hsun took office on June 13, 2024, and Huang, Fu-Di resigned on the same day.

2.2.2 Remuneration to general manager and assistant general managers

Unit: NT\$ thousands

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President & CEO	Wang, Tai-Kuang	19,314	19,314	678	678	8,192	8,192	4,040	None	4,040	無	32,224 9.83%	32,224 9.83%	None
Executive Vice President	Yu, Cheng-Chung													
Vice President & Corporate Governance Officer	Hsieh, Wen-Hsiung													
Vice President	Kao, Neng-Sen													
Vice President	Huang, Shih-Pin													
Vice President	Chen, Chien-Lung													
Vice President & Financial Executive & Accounting Supervisor	Huang, Hsiu-Wen (Note)													

Note: Huang, Hsiu-Wen was appointed as the Vice President on April 1, 2024, and also appointed as the Accounting Supervisor on August 6, 2024.

Ranges of remuneration paid to each of the Company's general manager and assistant general managers	Names of general manager and assistant general managers	
	The Company	All consolidated entities
Less than NT\$ 1,000,000	None	None
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	None	None
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Hsieh, Wen-Hsiung / Kao, Neng-Sen / Huang, Shih-Pin / Chen, Chien-Lung / Huang, Hsiu-Wen	Hsieh, Wen-Hsiung / Kao, Neng-Sen / Huang, Shih-Pin / Chen, Chien-Lung / Huang, Hsiu-Wen
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	None	None
NT\$5,000,001 (inclusive) ~ NT\$10,000,000 (exclusive)	Wang, Tai-Kuang / Yu, Cheng-Chung	Wang, Tai-Kuang / Yu, Cheng-Chung
NT\$10,000,001 (inclusive) ~ NT\$15,000,000 (exclusive)	None	None
NT\$15,000,001 (inclusive) ~ NT\$30,000,000 (exclusive)	None	None
NT\$30,000,001 (inclusive) ~ NT\$50,000,000 (exclusive)	None	None
NT\$50,000,001 (inclusive) ~ NT\$100,000,000 (exclusive)	None	None
NT\$100,000,000 or above	None	None
Total	7	7

Names and distributions of employee profit-sharing compensation to managerial officers

Unit: NT\$ thousands

	Job title	Name	Amount in stock	Amount in cash	Total	As a % of net profit
Managerial officers	President & CEO	Wang, Tai-Kuang	None	4,040	4,040	1.23%
	Executive Vice President	Yu, Cheng-Chung				
	Vice President & Corporate Governance Officer	Hsieh, Wen-Hsiung				
	Vice President	Kao, Neng-Sen				
	Vice President	Huang, Shih-Pin				
	Vice President	Chen, Chien-Lung				
	Vice President & Financial Executive & Accounting Supervisor	Huang, Hsiu-Wen (Note)				

Note: Huang, Hsiu-Wen was appointed as the Vice President on April 1, 2024, and also appointed as the Accounting Supervisor on August 6, 2024.

2.2.3 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

	Year 2024	Year 2023	The analysis of the ratio variation / The policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure
Ratio of total remuneration paid to directors, supervisors, general managers and assistant general managers to net income (%)	17.52%	14.50%	<p>1. The total amount of remuneration paid by the Company in 2024 slightly decreased compared to that in 2023. Since the net income in the parent-company-only financial report is lower than that in 2023 by 21.58%, the proportion of total remuneration in the net income has increased.</p> <p>2. In accordance with Article 22-1 of the “Articles of Incorporation”, the Company shall allocate 5 percent or more as employees’ compensation and 3 percent or less as remuneration for directors when there is profit for the current year. The Company’s combination of remuneration shall be determined in accordance with the organizational regulations of the Compensation Committee, including cash remuneration, stock options, dividends, retirement benefits or resignation payments, various allowances and other measures with substantial incentives. Its scope is consistent with the remuneration of directors and managerial officers stated in “Regulations Governing Information to be Published in Annual Reports of Public Companies”.</p> <p>3. On a regular basis, the Company evaluates the remuneration of directors, and authorizes the Board of Directors to negotiate in accordance with the degree of participation and contribution value of individual directors. It is also negotiated with reference to the industry standard, the Company’s operating conditions and performance evaluation results, and the performance evaluation is put into implementation in accordance with the Company’s “ Evaluation Regulations of the Board’s Performance”. The evaluation items include six major parts: alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director’s professionalism and continuing education, and internal control. The performance evaluation bases of chairman are operation performance, corporate governance and achievements of yearly KPI which include earnings per share, corporate governance evaluation, and so on. The general manager, assistance general managers and other managerial officers will use the performance evaluation results implemented by the “Codes for assessment” as a reference for bonus distribution. The evaluation project of manager performance is divided into four parts: leadership ability, team performance, innovation ability, and coordination and cooperation. It also comprehensively considers the industry standard, professional ability, goal achievement rate, contribution degree, company operation status, etc., and gives reasonable remuneration accordingly. Starting from 2024, the Company has introduced sustainability performance indicators for the President and Vice Presidents, linking their compensation to the execution of sustainability-related strategies (such as regulatory compliance, risk management, employee safety, patent management, customer communication, supplier management, etc.), as well as efforts to mitigate and adapt to climate change (such as greenhouse gas inventory and certification, energy-saving and carbon reduction measures). The weight of these factors will account for 10% to 20% of their total compensation evaluation. Directors and managerial officers in the event of major negative events (such as improper internal management or personnel fraud, etc.) will also affect the measurement of remuneration. The important decision of the management level is made after balancing various risk factors, and the performance of relevant decision-making is reflected on the Company’s profitability. Thus, the remuneration of the management level is related to the performance of risk control. The performance appraisal and remuneration rationality of the aforementioned directors and managerial officers are all reviewed by the Compensation Committee and the Board of Directors, and this remuneration system is reviewed in a timely manner based on the actual operating conditions and relevant laws and regulations, an effort to seek the balance between the Company’s sustainable operation and risk control.</p>

Note: In accordance with the laws, the Company has established the Audit Committee and repealed the setup of supervisors after re-electing the Board of Directors on July 26, 2021.

2.3 Implementation of corporate governance

2.3.1 Operation of the Board of Directors

The number of board meetings held in the most recent fiscal year was: 5 (A)

The attendance by the directors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remarks
Chairman	Tseng, Jui-Ming	5	0	100%	Re-elected on June 13, 2024
Director	Hsieh, Hui-Tai	2	0	40%	Re-elected on June 13, 2024
Director	Wang, Tai-Kuang	5	0	100%	Re-elected on June 13, 2024
Director	Yu, Cheng-Chung	5	0	100%	Re-elected on June 13, 2024
Director	Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen	5	0	100%	Re-elected on June 13, 2024
Director	Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	5	0	100%	Re-elected on June 13, 2024
Independent Director	Huang, Hui-Ling	5	0	100%	Re-elected on June 13, 2024
Independent Director	Li, Chi-Cheng	4	1	80%	Re-elected on June 13, 2024
Independent Director	Ting, Hung-Hsun	3	0	100%	Newly elected on June 13, 2024
Independent Director	Huang, Fu-Di	2	0	100%	Resigned on June 13, 2024

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(1) Any matter under Article 14-3 of the Securities and Exchange Act.

(2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution.

The dates of the meetings and sessions	Contents of motion and the company's responses	Matters under Article 14-3 of the Securities and Exchange Act	Matters involving objections or expressed qualified opinion by independent directors
March 7, 2024 14 th of 10 th session	♦ The remuneration adjustments of 2024 for the Chairman and managerial officers. Independent directors' opinions: None. The company's responses: None. Resolution: The motion was passed unchanged by all directors present excluding those directors avoiding of motions in conflict of interest on above motion.	✓	
	♦ All remunerations of 2024 for directors and managerial officers. Independent directors' opinions: None. The company's responses: None. Resolution: The motion was passed unchanged by all directors present excluding those directors avoiding of motions in conflict of interest on above motion.	✓	
August 6, 2024 2 nd of 11 th session	♦ To engage the Compensation Committee members.	✓	
	♦ Personnel change of Accounting Supervisor.	✓	
	♦ The amendment to "Rules of Procedure for Board of Directors Meetings" and "Procedures of Prohibiting Company Insiders From Trading Securities". Independent directors' opinions: None. The company's responses: None. Resolution: All motions were passed unchanged by all directors present excluding those directors avoiding of motions in conflict of interest on above 1 st and 2 nd motions.	✓	

November 5, 2024 3 rd of 11 th session	♦ All remunerations of 2025 for directors and managerial officers.	✓	
	♦ The year-end remunerations and bonuses to the Chairman and managerial officers for 2024.	✓	
	♦ The amendment to the internal control system, version 23, and internal audit system and rules, version 12.	✓	
	♦ To establish the "Risk Management Committee" and to engage the Risk Management Committee members..	✓	
	Independent directors' opinions: None. The company's responses: None. Resolution: All motions were passed unchanged by all directors present excluding those directors avoiding of motions in conflict of interest on above 1 st , 2 nd and 4 th motions.		

2. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest:

The dates of the meetings and sessions	Contents of motion	The directors' names	Causes for avoidance	Voting
March 7, 2024 14 th of 10 th session	♦ The remuneration adjustments of 2024 for the Chairman and managerial officers.	Tseng, Jui-Ming / Wang, Tai-Kuang / Yu, Cheng-Chung / Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	Because the aforementioned directors served as the Chairman or managers of the Company, they should be avoidance in accordance with the "Rules of Procedure for Board of Directors Meetings".	This motion was approved by the remaining directors.
April 30, 2024 15 th of 10 th session	♦ All remunerations of 2024 for directors and managerial officers.	Tseng, Jui-Ming / Wang, Tai-Kuang / Yu, Cheng-Chung / Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen / Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	Because the aforementioned directors served as the Chairman or managers of the Company, they should be avoidance in accordance with the "Rules of Procedure for Board of Directors Meetings".	This motion was approved by the remaining directors.
August 6, 2024 2 nd of 11 th session	♦ To engage the Compensation Committee members.	Huang, Hui-Ling / Li, Chi-Cheng	Because the aforementioned independent directors were the members of the "Compensation Committee" to be engaged for the current term, they should be avoidance in accordance with the "Rules of Procedure for Board of Directors Meetings".	This motion was approved by the remaining directors.
	♦ Personnel change of Accounting Supervisor.	Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen	Because the aforementioned representative was a candidate for the Accounting Supervisor in this case, she should be avoidance in accordance with the "Rules of Procedure for Board of Directors Meetings".	This motion was approved by the remaining directors.
November 5, 2024 3 rd of 11 th session	♦ All remunerations of 2025 for directors and managerial officers. ♦ The year-end remunerations and bonuses to the Chairman and managerial officers for 2024.	Tseng, Jui-Ming / Wang, Tai-Kuang / Yu, Cheng-Chung / Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen / Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	Because the aforementioned directors served as the Chairman or managers of the Company, they should be avoidance in accordance with the "Rules of Procedure for Board of Directors Meetings".	This motion was approved by the remaining directors.
	♦ To establish the "Risk Management Committee" and to engage the Risk Management Committee members.	Huang, Hui-Ling / Li, Chi-Cheng / Ting, Hung-Hsun	Because the aforementioned independent directors were the members of the "Risk Management Committee" to be appointed for the current term, they should be avoidance in accordance with the "Rules of Procedure for Board of Directors Meetings".	This motion was approved by the remaining directors.

3. Implementation of evaluations of the Board of Directors:

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Once a year	January 1, 2024 ~ December 31, 2024	Overall Board	Internal evaluation of the Board	<ul style="list-style-type: none"> ◆ Participation in the operation of the company ◆ Improvement of the quality of the board of directors' decision making ◆ Composition and structure of the board of directors ◆ Election and continuing education of the directors ◆ Internal control
		Each director	Self-evaluation by each director	<ul style="list-style-type: none"> ◆ Alignment of the goals and missions of the company ◆ Awareness of the duties of a director ◆ Participation in the operation of the company ◆ Management of internal relationship and communication ◆ The director's professionalism and continuing education ◆ Internal control
		Compensation Committee	Self-evaluation by each Compensation Committee member	<ul style="list-style-type: none"> ◆ Participation in the operation of the company ◆ Awareness of the duties of the compensation committee ◆ Improvement of quality of decisions made by the compensation committee ◆ Makeup of the compensation committee and election of its members ◆ Internal control
		Audit Committee	Self-evaluation by each Audit Committee member	<ul style="list-style-type: none"> ◆ Participation in the operation of the company ◆ Awareness of the duties of the audit committee ◆ Improvement of quality of decisions made by the audit committee ◆ Makeup of the audit committee and election of its members ◆ Internal control

4. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof:

(1) Enhancement for function of the Board of Directors

After the re-election of directors on June 13, 2024, all directors have neither a spousal relationship nor a relationship within the second degree of kinship with any other director, with the exceptions of director Tseng, Jui-Ming and director Hsieh, Hui-Tai (in-laws siblings). Thus, the independence of the Board was improved. "Procedures for Election of Directors" and "Rules of Procedure for Board of Directors Meetings" were adopted to elect the directors in accordance with the Company's diversity policy, then smooth the operation of the Board and follow the regulations. "Evaluation Regulations of the Board's Performance" was also continuously amended and the Corporate Governance Officer was appointed to implement corporate governance and enhance the Company's board functions.

In 2024, all Directors of the Company have completed the recommended minimum of six hours of training annually in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies" to enhance their knowledge and skills.

(2) Establishment of the Risk Management Committee

In order to improve the risk management mechanism and strengthen corporate governance to achieve the goal of sustainable operation, the Company has established a "Risk Management Committee" by resolution of the Board of Directors on November 5, 2024, and engaged three independent directors as the members of Risk Management Committee. The functions of the Risk Management Committee are reviewing risk management policies and procedures, the adequacy of the risk management framework and the implementation of risk management, implementing the risk management decisions of the Board, making necessary improvement recommendations, and so on.

2.3.2 Operation of the Audit Committee

The number of Audit Committee meetings held in the most recent fiscal year was: 4 (A)

The attendance by the independent directors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remarks
Independent Director	Huang, Hui-Ling	4	0	100%	Re-elected on June 13, 2024
Independent Director	Li, Chi-Cheng	3	1	75%	Re-elected on June 13, 2024
Independent Director	Ting, Hung-Hsun	2	0	100%	Newly elected on June 13, 2024
Independent Director	Huang, Fu-Di	2	0	100%	Resigned on June 13, 2024

Other information required to be disclosed:

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

(1) Any matter under Article 14-5 of the Securities and Exchange Act.

(2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors.

The dates of the meetings and sessions	Contents of motion and the company's responses	Matters under Article 14-5 of the Securities and Exchange Act	Matters that were not approved by the Audit Committee
March 7, 2024 11 th of 1 st session	♦ The Company's 2023 business report, parent-company-only financial statements and consolidated financial statements.	✓	
	♦ The Company's self-assessment result in 2023 and its statement on internal control.	✓	
	Independent directors' opinions: None. Resolution of the Audit Committee: All motions were passed unchanged by all members present. The company's responses: None.		
August 6, 2024 1 st of 2 nd session	♦ Personnel change of Accounting Supervisor.	✓	
	♦ The amendment to "Rules of Procedure for Board of Directors Meetings" and "Procedures of Prohibiting Company Insiders From Trading Securities".	✓	
Independent directors' opinions: None. Resolution of the Audit Committee: All motions were passed unchanged by all members present. The company's responses: None.			
November 5, 2024 2 nd of 2 nd session	♦ The amendment to internal control system, version 23, and internal audit system and rules, version 12.	✓	
	Independent directors' opinions: None. Resolution of the Audit Committee: All motions were passed unchanged by all members present. The company's responses: None.		

2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: None.

3. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.)

Date / Communication ways	Attendance	Communication points	Results of communication
March 7, 2024 Forum	Independent Director: Huang, Hui-Ling / Li, Chi-Cheng / Huang, Fu-Di CPA: Yung Hsiang, Chen Chief Internal Auditor : Liu, Ying-Lan	<ul style="list-style-type: none"> ◆ The evaluation of independence. ◆ Auditors' responsibilities for auditing financial statements, audit opinions, scope of audit and audit findings. ◆ KPMG's quality management system. ◆ Important revision of audit principles and their influence. ◆ Important revision of laws and regulations. 	No comment
November 5, 2024 Forum	Independent Director: Huang, Hui-Ling / Li, Chi-Cheng / Ting, Hung-Hsun CPA: Yung Hsiang, Chen Chief Internal Auditor : Liu, Ying-Lan	<ul style="list-style-type: none"> ◆ Summary of reviewing the interim financial report. ◆ Important revision of audit principles. ◆ Annual audit plan. ◆ Important revision of laws and regulations. 	No comment

2.3.3 Corporate governance – implementation status and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the Corporate Governance Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". The information has been disclosed on the Market Observation Post System website and the Company's website.	None.
2. Shareholding structure and shareholders' rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		The Company has designated a spokesperson and deputy spokesperson responsible for the handling of issues such as suggestions or dispute from shareholders.	None.
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		Stock related divisions handle related matters and accurately perceive significant shares transactions of shareholders.	None.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		The Company and its affiliated companies operate independently. Codes for the establishment and management of subsidiaries have been set forth. Regular and timely auditing will be conducted by audit office, finance department or CPA.	None.
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		The “Codes for Ethical Management” and “Procedures for Preventing Insider Trading” implemented, regulates the Company’s employees to follow provision of the Securities and Exchange Act and not to use undisclosed information to engage in insider trading.	None.
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		<p>The Company has set up the policy of diversified members of the Board under Article 20 of the “Corporate Governance Practice Principles”, including considerations of the basic condition and value of the members of the Board (e.g. gender, age, nationality, and culture) and the professional knowledge and skills (e.g. law, accounting, industry, finance, marketing, or technology). In order to reach the ideal goal of corporate governance, the Board shall have the overall capability of operation management, leadership and decision making, knowledge in the industry, and financial accounting.</p> <p>The management objective, achievement of objective and implementation of this policy are listed in “Diversity and independence of the Board of Directors”(page 10 in this report) and disclosed on the Company’s website.</p>	None.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✓		<p>In order to improve the risk management mechanism and strengthen corporate governance to achieve the goal of sustainable operation, the Company has voluntarily established a “Risk Management Committee” by resolution of the Board of Directors on November 5, 2024. In accordance with the “Practice Principles of Risk Management for TWSE/GTSM Listed Companies” and our “Organizational Regulations of the Risk Management Committee”, the functions of the Risk Management Committee are as follows:</p> <ul style="list-style-type: none"> A. Review risk management policies and procedures. B. Review the adequacy of the risk management framework. C. Review the implementation of risk management, make necessary improvement recommendations, and report to the Board of Directors at least once a year. D. Implement the risk management decisions of the Board. <p>The members of the Risk Management Committee are appointed by the Board of Directors, currently composed of 3 independent directors. The term of office of the 1st Risk Management Committee is from November 5, 2024, (the date on which the Board of Directors resolves to establish the Committee) to June 12, 2027 (the same as the term of the 11th session of the Board of Directors). All the Committee members possess the required professional competence which are listed in independent directors’ professional qualifications and experience of “Disclosure of information regarding the professional qualifications and experience of directors and the independence of independent directors”(page 9 in this report).</p> <p>The Committee held its first meeting on December 10, 2024, and all members were present. The content of the proposal is to report on the implementation of risk management in the current year and the implementation plan for the next year (including measures related to energy conservation and carbon reduction, cyber security and operation strategy).</p>	None.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		<p>“Evaluation Regulations of the Board’s Performance” were implemented and stated that evaluation of the Board’s performance shall be completed before the end of the first quarter of the following year, including the overall Board performance, each director, Compensation Committee and Audit Committee. Evaluation method includes self-evaluation of the Board, each director/Compensation Committee member/Audit Committee member.</p> <p>The deliberative unit of Board of Directors is responsible for the performance evaluation which was conducted by questionnaire survey. First, the deliberative unit collects information related to Board of Directors and conducts an overall evaluation, then each director/Compensation Committee member/Audit Committee member would make a self-evaluation. The result of performance evaluation will also be a criterion for review and improvement of directors/Compensation Committee members/Audit Committee members, and a reference for remuneration, nomination and re-appointment.</p> <p>2024 evaluation (covered the period from January 1 to December 31, 2024) of the Board’s performance including the overall Board, each director, Compensation Committee and Audit Committee was completed in the beginning of 2025, and its result was proposed at the Board meeting on February 27, 2025. The measurement items and evaluation result are listed in Note 1 and disclosed on the Company’s website.</p>	None.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(4) Does the Company regularly evaluate its external auditors' independence?	✓		<p>On a regular basis, an evaluation for the independence and eligibility of certified public accountant is conducted once per year. Evaluation results will be submitted to the Audit Committee for review and then to the Board of Directors. The latest evaluation was completed on February 27, 2025, and after being reviewed by the Audit Committee, it was reported to the Board of Director for approval on the same day. The evaluation mechanism is as follows:</p> <p>A. To confirm that the certified public accountant is not a related party of the Company.</p> <p>B. To confirm that the rotation of certified public accountant complies with the requirements of "Corporate Governance Practice Principles".</p> <p>C. To obtain the "Declaration of Independence" issued by the certified public accountant.</p> <p>D. To obtain the audit quality indicators (AQIs) report provided by certified public accountant, and refer to the "Guidelines for Interpretation of Audit Quality Indicators by the Audit Committee" issued by the competent authority to evaluate the audit quality of the accounting firm and the audit team.</p> <p>According to the Company's recent evaluation, both accountants Chen, Yung-Hsiang and Su, Yen-Ta have met the independence and eligibility requirements in 2025. Main evaluation results are as follows:</p> <p>A. Except for the fees of certification and financial/tax cases, the two certified public accountants have no other financial interests or business relationship with the Company, and their family members do not violate the independence requirements.</p>	None.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>B. The auditing experience of accountants and accounting firm, training hours and the proportion of professional hours spent on cases involving TWSE/TPEX Listed Companies are higher than the average level of other peers.</p> <p>C. The accounting firm has successively optimized the audit methodology and introduced digital audit tools and procedures to improve its audit efficiency and quality.</p>	
<p>4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?</p>	✓		<p>The Board of Directors approved to appoint Hsieh, Wen-Hsiung, Vice President, as the "Corporate Governance Officer" who is mainly responsible for below items:</p> <p>A. Handling matters relating to board meetings and shareholders' meetings according to laws.</p> <p>B. Producing minutes of board meetings and shareholders' meetings.</p> <p>C. Furnishing information required for business execution by directors.</p> <p>D. Assisting directors with onboarding, continuous development and legal compliance.</p> <p>E. Reporting to the Board of Directors whether the qualification of independent directors is in accordance with relevant laws and regulations when independent directors are nominated, elected or during their tenure.</p> <p>F. Dealing with related affairs about the change of directors.</p> <p>That officer was with a minimum of three year experience in financial management in a public company, and has participated in appropriate educational training courses to comply with the stipulations of the regulations (as Note 3). Another corporate governance personnel was not deployed yet.</p> <p>The corporate governance operation status of year 2024 was listed below and proposed at the Board meeting on February 27, 2025:</p>	None.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>A. Assisting directors for business execution, furnishing information required by them, and assisting them for continuous education.</p> <ul style="list-style-type: none"> • Irregularly revising the internal procedures in accordance with the latest corporate governance-related laws and regulations and furnishing those to directors as references when they took office. • Furnishing information required for business execution by directors. Keeping a smooth communication channel between directors and the Company's staff. • Arranging communication forums with independent directors, chief internal auditor and CPAs. (Communication status is disclosed on the Company's website and "2.3.2 Operation of the Audit Committee" in this report.) • Furnishing education information to directors. <p>B. Handling matters relating to board meetings and shareholders' meetings.</p> <ul style="list-style-type: none"> • Confirming the convention of board meetings and shareholders' meetings in accordance with related laws and Corporate Governance Practice Principles. • Preparing the meeting notice, handbook, and meeting minutes of shareholders' meeting before the deadline. • Planning the agenda for a Board meeting and send notice to all Board members seven days before the meeting. Conducting the meeting and provide meeting data. Sending notice ahead on proposal items with conflicts of interest and completing the meeting minutes with twenty days after the meeting. • Reporting corporate governance operation status to directors. <p>C. Performance evaluation of the Board for year 2024.</p>	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>D. Noticing the Board members immediately after releasing important message to make sure the Board members were informed immediately of the Company's important message.</p> <p>E. Purchasing the "Directors Liability Insurance" for directors.</p> <p>F. Assisting directors with legal compliance by irregularly sending related laws and regulations.</p>	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		<p>The Company respects the rights of the stakeholders. By identifying the stakeholders and with proper communication and involvement of stakeholders, the Company can understand the reasonable expectations and needs and therefore response properly to the major corporation social responsibility issue that concerned the stakeholders. The Company has set up a section for the stakeholders on the official website to disclose main communication channels and frequency, major issues, and communication performance, and submitted the communication status with stakeholders to the Board meeting periodically. The recent report to the Board of Directors is scheduled before the end of April 2025, and its details is in Note 2.</p> <p>Besides, the Company has posted phone number and email contact information of the spokesperson and deputy spokesperson on the Market Observation Post System and the Company's website for communication with the stakeholders. Also yearly prepare the "Sustainability Report" on the Company's website of reference for the stakeholders.</p>	None.
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has commissioned the professional stock affairs agent - Yuanta Securities Stock Transfer Agent to handle matters of shareholders' meetings.	None.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
7. Information disclosure				
(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		The Company has established a website where information on financial operations and corporate governance is disclosed timely.	None.
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		The Company has websites in Chinese and English. In addition to a designated specialist responsible for the collection and disclosure of company information, persons with comprehensive understanding of the company's finance and business or are able to coordinate departments to provide relevant information are chosen as the spokesperson and deputy spokesperson and provide statements on behalf of the Company. Besides, the movie of investor conference was put on the Company's website. All above measures are to insure the timely and full disclosure of information that may influence the decisions of shareholders and stakeholders.	None.
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	✓		The Company has already announced and reported the annual financial report within two months after the end of the fiscal year, and also announced and reported the first, second and third quarter financial reports and operation of each month in advance before the prescribed period.	None.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		<p>A. Suitable educational courses are selected by directors and managerial officers (including corporate governance officer) according to their time and professional background. Status of continuing education in recent years is listed in Note 3.</p> <p>B. The Company's risk management policy and procedure are listed as "5.7 Other important matters" in this report and disclosed on the Company's website.</p> <p>C. The Company annually purchased liability insurance for directors. Current insurance has a compensation limit of US\$5 million, and its period is one year starts from January 18, 2025. The details of liability insurance has been submitted to the Board meeting held on February 27, 2025.</p>	None.
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)				
Index		Evaluation results		Improvement instructions
Does the company hold an ordinary shareholders' meeting before the end of May?		The Company's 2024 ordinary shareholders' meeting was held on June 13, 2024, and the target was not reached.		The Company's 2025 ordinary shareholders' meeting is expected to be brought forward to May 28, 2025.

Note 1: The measurement items and evaluation result of the Board's performance in year 2024 are listed as below:

Evaluation scope	Measurement items	Evaluation result	Items to be improved	Improvement plan or actions
Overall Board	<ul style="list-style-type: none"> Participation in the operation of the company Improvement of the quality of the board of directors' decision making Composition and structure of the board of directors Election and continuing education of the directors Internal control 	The achieving rate is 98%. It still looks great.	The selection process for the Board of Directors is based on the Company's Board Diversity Policy.	There are multiple high-level management talents within the Company, allowing us to have a plentiful talent pool to meet the needs of future director succession. As for independent directors, they shall be independent and meet the necessary work experience required for business, legal, finance, accounting, or corporate operations. There is no shortage of such professionals in the domestic market. We plan to focus on professionals familiar with our industry from the government, academia, and industry.
			Directors have participated in diversified training courses in areas beyond their professional competence and completed appropriate training hours each year.	<ul style="list-style-type: none"> Actively provide board members with diversified course information and class channels (such as online video teaching or physical courses), strengthen advance notification and planning of education and training, and increase willingness and hours of further study. All directors are required to complete at least six hours of training each year in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies" to enhance their knowledge and skills.

Evaluation scope	Measurement items	Evaluation result	Items to be improved	Improvement plan or actions
Individual director	<ul style="list-style-type: none"> ◆ Alignment of the goals and missions of the company ◆ Awareness of the duties of a director ◆ Participation in the operation of the company ◆ Management of internal relationship and communication ◆ The director's professionalism and continuing education ◆ Internal control 	The achieving rate is 98%. It looks great.	There were no items for improvement after the assessment.	None.
Compensation Committee	<ul style="list-style-type: none"> ◆ Participation in the operation of the company ◆ Awareness of the duties of the compensation committee ◆ Improvement of quality of decisions made by the compensation committee ◆ Makeup of the compensation committee and election of its members ◆ Internal control 	The achieving rate is 98%. It looks great.		
Audit Committee	<ul style="list-style-type: none"> ◆ Participation in the operation of the company ◆ Awareness of the duties of the audit committee ◆ Improvement of quality of decisions made by the audit committee ◆ Makeup of the audit committee and election of its members ◆ Internal control 	The achieving rate is 99%. It looks great.		

Note 2: The main communication channels and frequency, major issues, and communication performance with the stakeholders are listed as below:

Stakeholder	Main communication channels and frequency	Major issues	Communication with the stakeholders in year 2024
Employee	<ul style="list-style-type: none"> • Employee Benefits Committee (ad hoc) • Labor-management Meeting (quarterly) • Occupational Safety and Health Committee (quarterly) • Company internal and external website (ad hoc) • Cafeteria Committee (once every two to three months) • Sustainability Report (annually) • Contact person: Ms. Lo, Administration Dept. (E-mail: may@edt.com.tw) 	<ul style="list-style-type: none"> • Economic performance • Market presence • Procurement practices • Indirect economic impacts • Energy • Employment • Occupational health and safety • Diversity and equal opportunity • Training and education 	<ul style="list-style-type: none"> • Encouraged employees to appreciate the arts and cultural performances, and there were 203 people who were subsidized for this purpose with a total amount of NT\$210 thousand. • Subsidized employees for leisure travel activities with a total of 1,362 people, or an amount of NT\$720 thousand. • Issued scholarships to employees and their dependents with a total of 149 people, or an amount of NT\$170 thousand.
Customer	<ul style="list-style-type: none"> • Customer Satisfaction Survey (annually) • Email, meetings, and audits (ad hoc) • Company external website (ad hoc) • Sustainability Report (annually) • Contact person: Mr. Wu, Global Business Development Division (E-mail: service@edt.com.tw) 	<ul style="list-style-type: none"> • Economic performance • Market presence • Procurement practices • Indirect economic impacts • Supplier environmental assessment • Materials • Emissions • Waste • Employment • Occupational health and safety 	<ul style="list-style-type: none"> • Participated "Embedded World 2024" in Germany, "Embedded World North America 2024" in USA and "Electronica" in Germany to adequately communicate with customers. • Customer satisfaction acceptance index reached 4.23 (full mark is 5).

Stakeholder	Main communication channels and frequency	Major issues	Communication with the stakeholders in year 2024
Supplier	<ul style="list-style-type: none"> • Supplier evaluation and on-site audit (ad hoc) • Company external website (ad hoc) • Sustainability Report (annually) • Contact person: Mr. Sheng, Procurement Division (E-mail: kenny@edt.com.tw) 	<ul style="list-style-type: none"> • Economic performance • Procurement practices • Supplier environmental assessment • Emissions • Waste • Employment • Occupational health and safety • Supplier social assessment 	<ul style="list-style-type: none"> • Total 254 suppliers have signed "edt Supplier Quality and Transportation Agreement", which contains responsibility of society and environment, and compliance of laws and regulations requested by the Company. 93.04% of main suppliers have signed this agreement. • Total 263 suppliers have completed "Conflict Minerals Reporting Template" (CMRT) submissions, representing 100% of all suppliers. Due diligence on conflict minerals has been implemented.
Government	<ul style="list-style-type: none"> • Report relevant data as required by government agencies (ad hoc) • Audit the compliance of regulations • Participate related union or association (ad hoc) • Sustainability Report (annually) • Contact person: Ms. Liu, Administration Dept. (E-mail: molly@edt.com.tw) 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Energy • Emissions • Water and effluents • Waste • Employment • Public policy • Occupational health and safety • Customer health and safety 	<ul style="list-style-type: none"> • Participated in the on-line forums held by the competent authority, including the Prevention of Insider-Trading Conference, the Corporate Governance Evaluation Conference, etc. • Irregularly cooperated with the TWSE to check the routine requirements according to laws and regulations. • Irregularly met the request of the TWSE to fill in various online questionnaire.
Stockholder / Investor	<ul style="list-style-type: none"> • Stockholders' Meeting and investor conference (annually) • Hotline and email of spokesperson (ad hoc) • Market Observation Post System (ad hoc) • Company external website (ad hoc) • Sustainability Report (annually) • Contact person: Mr. Hsieh, spokesperson (E-mail: frank@edt.com.tw), Mr. Kuo, deputy spokesperson (E-mail: ryankuo@edt.com.tw), and Ms. Liu, stock affairs (E-mail: molly@edt.com.tw) 	<ul style="list-style-type: none"> • Economic performance • Market presence • Energy • Emissions • Waste • Labor/management relations • Occupational health and safety • Diversity and equal opportunity 	<ul style="list-style-type: none"> • Total 48 announcements of material information in Chinese and English. • Held two investor conference. • Received over 35 analysts from domestic institution.
Community resident	<ul style="list-style-type: none"> • Telephone (ad hoc) • Company external website (ad hoc) • Sustainability Report (annually) • Contact person: Ms. Liu, Administration Dept. (E-mail: molly@edt.com.tw) 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Energy • Emissions • Waste • Employment • Occupational health and safety • Diversity and equal opportunity • Training and education 	<ul style="list-style-type: none"> • Responded to blood donation and parent-child road running activities, held a charitable event on Moon Festival Holiday, donated air conditioners to nearby fire stations, etc. There were total 269 employees participated and 747 gifts and around NT\$380 thousand donated. • Sponsored the "Nibun Chorus" to participate in 2024 World Choir Games (WCG) and the exhibition –"Capturing the Moment" held by Kaohsiung Museum of Fine Arts with a total of NT\$250 thousand to promote art and cultural appreciation. • The Company attaches great importance to the "biodiversity" in Kaohsiung, so donated NT\$50 thousand to the "Conservation Project of Pheasant-tailed Jacana in Meinong Lake" of the Kaohsiung Wild Bird Society.

Note 3: Continuing education of directors and managerial officers (including Corporate Governance Officer):

Job title	Name	Time of education	Sponsoring organization	Name of course	Hours
Chairman	Tseng, Jui-Ming	Jul. 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
Director	Hsieh, Hui-Tai	Jul. 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
Director	Wang, Tai-Kuang	Jul. 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
Director	Yu, Cheng-Chung	Jul. 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
Representative of Director / Vice President / Financial Executive / Accounting Supervisor	Huang, Hsiu-Wen	Apr. 12, 2024	Taiwan Investor Relations Institute	At the Helm of the Voyage of Enterprise Wisdom, Corporate Governance Leads the Way	3
		Jul. 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
		Nov. 21, 2024	Accounting Research and Development Foundation	Trends in China's Fiscal and Taxation Development	3
		Nov. 21, 2024	Accounting Research and Development Foundation	Personal Data Privacy Protection and Internal Control Management	3
		Nov. 22, 2024	Accounting Research and Development Foundation	Practical Analysis of Regulatory Review of Financial Reports and Material Information	3
		Nov. 22, 2024	Accounting Research and Development Foundation	ESG and Climate Protection-related Tax Law Topics	3
Representative of Director / Vice President / Corporate Governance Officer	Hsieh, Wen-Hsiung (Note)	Apr. 12, 2024	Taiwan Investor Relations Institute	At the Helm of the Voyage of Enterprise Wisdom, Corporate Governance Leads the Way	3
		Apr. 17, 2024	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3
		Jul. 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
		Oct. 18, 2024	Securities and Futures Institute	Propaganda for preventing insider trading 2024	3
		Nov. 8, 2024	Securities and Futures Institute	Propaganda for the legal compliance of insider stock transactions 2024	3
Independent Director	Huang, Hui-Ling	Jul. 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
Independent Director	Li, Chi-Cheng	Apr. 12, 2024	Taiwan Investor Relations Institute	At the Helm of the Voyage of Enterprise Wisdom, Corporate Governance Leads the Way	3
		Jul. 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
Independent Director	Ting, Hung-Hsun	Jul. 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
		Oct. 14, 2024	CPA Associations R.O.C.	Greenhouse Gas Management Systems and Regulatory Updates	3
		Oct. 25, 2024	Securities and Futures Institute	Propaganda for the legal compliance of insider stock transactions 2024	3
		Nov. 6, 2024	Taiwan Investor Relations Institute	Carbon Linkage—Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3

Note: In compliance with the regulation of "corporate governance office" that must attend at least 12 hours of advanced study per year.

2.3.4 Composition, responsibilities and operations of the Compensation Committee

- A. Approved by the Company's Board of Directors on August 6, 2024, independent directors Mr. Li, Chi-Cheng, Ms. Huang, Hui-Ling, and Mr. Hung, Kuang-Te were appointed as members of the 6th Compensation Committee. After the board meeting on that day, Mr. Li, Chi-Cheng was mutually recommended by the members as the convener of the committee.
- B. The responsibility of the Compensation Committee is to evaluate the payment policies and systems of the Company's directors and managerial officers in a professional and objective position, and makes recommendations to the Board of Directors for its decision making references.

C. Information on Compensation Committee members

As of March 30, 2025

Position	Qualifications		Independence analysis	Number of other public companies at which the person concurrently serves as compensation committee member
	Name	Professional qualifications and experience		
Independent Director (Convener)	Li, Chi-Cheng	Please refer to "Disclosure of information regarding the professional qualifications and experience of directors and the independence of independent directors"(page 9 in this report). Once worked at Calderys Taiwan Co., Ltd. as factory manager and manager of export dept. more than 15 years, and has experience required for the Company's business.	<ul style="list-style-type: none"> ● The independent director or their spouse or any relative within the second degree did not serve as a director, supervisor, or employee of the Company or any of its affiliates. ● The independent director or their spouse or any relative within the second degree (or through nominees) did not held any share of the Company. ● The independent director or their spouse or any relative within the second degree did not serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). ● Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies, so did not receive any pay from the Company or its related companies. 	0
Independent Director	Huang, Hui-Ling			0
Other	Hung, Kuang-Te			0

D. Operation of the Compensation Committee

(1) The Company's Compensation Committee has a total of 3 members.

(2) The term of the current members is from June 13, 2024 to June 12, 2027.

The number of Compensation Committee meetings held in the most recent fiscal year was: 3 (A). The attendance by the members was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remarks
Convener	Li, Chi-Cheng	3	0	100%	Re-elected on August 6, 2024
Member	Hung, Kuang-Te	3	0	100%	Re-elected on August 6, 2024
Member	Huang, Hui-Ling	3	0	100%	Re-elected on August 6, 2024

Other information required to be disclosed:

1. If the board of directors does not accept, or amends, any recommendation of the Compensation Committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the Compensation Committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the Compensation Committee, specify the difference(s) and the reasons): None.
2. With respect to any matter for resolution by the Compensation Committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the Compensation Committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

3. The contents of motion, resolutions, and the Company's responses to Compensation Committee were listed as below:

The dates of the meetings and sessions	Contents of motion	Resolutions	The Company's responses
March 7, 2024 9 th of 5 th session	♦ The distribution of 2023 employees' compensation and remuneration for directors.	Passed unchanged by all members present.	Submitted to the Board meeting and passed unchanged by all directors present.
	♦ The remuneration adjustments of 2024 for the Chairman and managerial officers.	Passed unchanged by all members present.	Submitted to the Board meeting and passed unchanged by all directors present excluding 4 directors avoiding of motions in conflict of interest.
April 30, 2024 10 th of 5 th session	♦ The distribution details of 2023 employees' compensation and remuneration for directors.	Passed unchanged by all members present.	Submitted to the Board meeting and passed unchanged by all directors present.
	♦ All remunerations of 2024 for directors and managerial officers.	Passed unchanged by all members present.	Submitted to the Board meeting and passed unchanged by all directors present excluding 5 directors avoiding of motions in conflict of interest.
November 5, 2024 1 st of 6 th session	♦ All remunerations of 2025 for directors and managerial officers.	Passed unchanged by all members present.	Submitted to the Board meeting and passed unchanged by all directors present excluding 5 directors avoiding of motions in conflict of interest.
	♦ Year-end remunerations and bonuses to the Chairman and managerial officers for 2024.	Passed unchanged by all members present.	Submitted to the Board meeting and passed unchanged by all directors present excluding 5 directors avoiding of motions in conflict of interest.

2.3.5 Promotion of sustainable development – implementation status and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>The Company has established "Sustainable Development Committee" with President & CEO serving as the highest principal to irregularly hold meetings with ranking executives of different fields from several departments, including Chairman's Office, Finance, Administration, Industrial Safety & Business Planning, Procurement, and the Employee Benefits Committee so as to review the company's core operation ability together, and map out a medium and long-term sustainable development plan.</p> <p>Through irregular meetings and setting up of ad hoc groups based on issues, the Sustainable Development Committee identifies sustainable issues related to the company operations and concerns of stakeholders and formulates its strategies and work guidelines accordingly. This committee integrates each department's resources and budgets to promote various sustainable development operations. Meanwhile, it tracks the implementation effect to ensure that the sustainable development strategy is fulfilled in the daily operations of the Company.</p>	None.

Item	Implementation status		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
			<p>The duties of the Committee are as following:</p> <p>A. Set the goal and implementation plan for sustainable development of the Company.</p> <p>B. In the beginning of every year, propose the execution plan of the year on sustainable development and the execution result of the previous year to the Board of Directors.</p> <p>C. Identify the sustainable issues need to be concerned, then set the adaptive strategies.</p> <p>D. Consolidate comments of the stakeholders and assist in communication with them.</p> <p>E. Compile the “Sustainability Report” (The Sustainability Reports for 2023 in Chinese and English were made public on the Company’s website. The Sustainability Report for 2024 is expected to complete before the end of August, 2024, and submitted to the Board meeting. Its English version will be issued before the end of 2025.)</p> <p>At the beginning of each year, the Sustainable Development Committee holds a meeting to discuss and proposes the implementation plan for the current year. It then summarizes the implementation results after the end of the year, and reports the implementation results of sustainable development and future work plans to the Board of Directors at least once per year. The most recent report to the Board of Directors was made on February 27, 2025. Directors offered suggestions and guidance on the implementation of the Company’s sustainable development and future strategies, cared about the implementation progress, and urged the management team to make adjustments, if needed.</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
2. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>The Company's business base was mainly the operational headquarters located in Kaohsiung, Taiwan. The subsidiaries, include Dong Guan Emerging Display Limited, Emerging Display Technologies Corp., U.S.A., EDT-Europe ApS, Emerging Display Technologies Korea, and EDT-Japan Corp., were also incorporated into the risk assessment boundary. However, considering the operational scale of each base and the overall impact on the Company's operations, below disclosure in this Report only covers the sustainable development performance of Taiwan headquarters and Dong Guan Emerging Display Limited from January, 2024 to December, 2024.</p> <p>According to the materiality principle of the "Sustainability Report", the Company's Sustainable Development Committee conducts analyses and communicates with internal and external stakeholders. Through the review of domestic and foreign research reports, literature and the integration of evaluation data from various departments and subsidiaries, it evaluates the material ESG issues and formulates effective identifications, measurement, evaluation, supervision, and control of risk management policies. It also takes specific action plans in order to reduce the impact of related risks. The details were listed as Note 1.</p>	None.
3. Environmental issues (1) Has the Company set an environmental management system designed to industry characteristics?	✓		<p>The Company follows the environmental regulations established by the Ministry of Environment (such as the Air Pollution Control Act, Water Pollution Control Act, and Waste Disposal Act) to establish operational guidelines for production process exhaust treatment, wastewater treatment, and industrial waste management. Additionally, the ISO14001 Environmental Management System has been implemented at the Kaohsiung plant to fulfill its corporate responsibility for environmental protection and employee safety and health.</p>	None.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		<p>A total of five environmental management initiatives were completed in 2024. Among these, in pollution control, a zeolite wheel regenerative incinerator was added to treat production exhaust gases, preventing air pollution. In terms of energy and resource conservation, energy-consuming equipment was replaced, solar power systems were installed, and production processes were optimized to reduce energy consumption. Regarding waste management, efforts were made to reduce plastic packaging and minimize the use of chemicals, thus reducing waste generation at the source.</p> <p>The Company's Kaohsiung factory has certified by the ISO14001 on November 4, 2005, then certified by the ISO14001 2015 revision on 2017 (validity period is from October 22, 2023 to October 21, 2026). Includes RoHS cleaner production in IECQ QC080000 system on 2006, so it can set up goals for sustainable environment and review regularly. To be in line with the international net-zero trend and the requirements of the competent authority's "Sustainable Development Roadmap for TWSE/TPEX Listed Companies", the Company started carrying out the ISO 14064-1: 2018 version inspection guidance in 2022, and completed its 2022 greenhouse gas inventory in October 2023.</p> <p>The Company has established medium- and long-term goals for energy reduction, along with various energy-saving strategies and specific measures. Each year, energy-consuming equipment is gradually replaced with high-energy-efficiency and energy-saving designed equipment to reduce energy consumption. Additionally, a solar power system has been installed at the Taiwan headquarters to increase the use of renewable energy, optimizing energy usage efficiency.</p>	None.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>As of now, the Company has invested approximately NT\$31,400 thousand in the construction of a self-consumption solar power solution. In 2024, the system generated nearly 111.83 MWh of electricity, resulting in a carbon reduction of 54.4 metric tons.</p> <p>In 2024, the electricity usage at the Taiwan headquarters was 14,532.63 MWh, a 29.74% reduction compared to the baseline year of 2020 (20,683.05 MWh). Compared to the previous year, electricity usage decreased by 3,492.27 MWh, a reduction of 19.37%. The Company has achieved its annual reduction target of 2% and has also reached the short-term reduction target of 10% by 2025, ahead of schedule. The goal for 2026 to 2030 is to reduce electricity usage by 50% by 2030 compared to the baseline year of 2020, and to achieve 100% renewable energy usage by 2050. To reach this goal, the Company plans to implement an Energy Management System (EMS), install additional solar power systems across the plant, purchase green electricity certificates, and actively explore other economically scalable renewable energy sources to increase the renewable energy usage ratio year by year.</p> <p>Additionally, the Company values the concept of a circular economy, prioritizing resource reuse, waste reduction, and minimizing waste across all stages—from product design, raw material procurement, production processes, and finished product packaging, to goods transportation. The Company is committed to reducing resource waste and carbon emissions. The Company has prioritized the introduction of green packaging, utilizing recycled materials and trays made from 50% recyclable corner-cut waste, which comply with environmental standards.</p> <p>The detailed information about energy usage status and energy-saving plan will be disclosed in the Company's Sustainability Report.</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons																								
	Yes	No	Summary description																									
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		Ranked as the Company's highest organization for climate change management, the Sustainable Development Committee entitles President & CEO as the top leader. According to the framework of the TCFD proposal published by the Financial Stability Board, the committee assesses the risks and opportunities of climate change to the Company, and takes measures to respond to related issues. It also reviews the Company's climate change strategies and goals, manages climate change risks/opportunities/actions, and reviews the implementation status and discusses future plans every year, and a full assessment is restarted every three years thereafter. Details are disclosed in the Company's Sustainability Report.	None.																								
(4) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		<p>The Company has collected statistics on the greenhouse gas emission, water consumption and total waste weight of the main business bases - headquarters located in Kaohsiung, Taiwan and Dong Guan Emerging Display Limited (hereinafter referred to as Dong Guan factory) in the past two years, and formulated relevant management policies. Details are disclosed in the Company's Sustainability Report. An overview is as follows:</p> <p>A. Greenhouse gas: The greenhouse gas emissions in 2024 and 2023 are shown in the table below. If Scope 3 is not considered, most of the emissions come from electricity emissions in Scope 2, accounting for 96.64% of the emissions. At present, only the Taiwan headquarters has completed the Scope 3 inventory.</p> <table border="1"> <thead> <tr> <th>Item / Year</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Scope 1 (mt)</td> <td>302.44</td> <td>98.00</td> </tr> <tr> <td>Scope 2 (mt)</td> <td>8,687.70</td> <td>10,492.69</td> </tr> <tr> <td>Total of Scope 1&2</td> <td>8,990.14</td> <td>10,590.69</td> </tr> <tr> <td>mtCO₂e/Kpcs</td> <td>1.23</td> <td>1.01</td> </tr> <tr> <td>Scope 3 (mt)</td> <td>38,265.07</td> <td>50,520.01</td> </tr> <tr> <td>Total emissions</td> <td>47,255.21</td> <td>61,110.70</td> </tr> <tr> <td>mtCO₂e/Kpcs</td> <td>6.45</td> <td>5.85</td> </tr> </tbody> </table>	Item / Year	2024	2023	Scope 1 (mt)	302.44	98.00	Scope 2 (mt)	8,687.70	10,492.69	Total of Scope 1&2	8,990.14	10,590.69	mtCO ₂ e/Kpcs	1.23	1.01	Scope 3 (mt)	38,265.07	50,520.01	Total emissions	47,255.21	61,110.70	mtCO ₂ e/Kpcs	6.45	5.85	None.
Item / Year	2024	2023																										
Scope 1 (mt)	302.44	98.00																										
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Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>(a) Taiwan headquarters produced 7,468.58 metric tons and 9,011.24 metric tons of carbon in 2024 and 2023 respectively, a decrease of 17.12% in two-year comparison. The target of carbon production in 2024 reduced by 2% compared with the previous year, and the target was achieved. The annual carbon production of Dong Guan factory in 2024 and 2023 were 1,521.55 metric tons and 1,579.45 metric tons respectively, a decrease of 3.67% in two-year comparison. The target of carbon production in 2024 reduced by 0.5% compared with the previous year, and the target was achieved. Specific reduction measures include replacing equipment (such as chiller units and box-type air conditioners), cleaning and maintaining air blowers, replacing exhaust treatment equipment, and consolidating production to reduce the number of production days.</p> <p>Based on 2020, Taiwan headquarters and Dong Guan factory set their targets to achieve 10% and 2.5% carbon reduction in 2025, and a 50% and 5% reduction by 2030, respectively. The strategies and action plans to achieve these goals include implementing an Energy Management System (EMS), gradually replacing energy-consuming equipment, developing low-energy products, installing additional solar power systems across the plant, and purchasing green electricity certificates, etc.</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons									
	Yes	No	Summary description										
			<p>(b)The Taiwan headquarters completed the scope 1, 2, and 3 inventories in October 2023 according to the ISO 14064-1:2018 version. The Company plans to complete the greenhouse gas verification for the Taiwan headquarters (parent company) by June 2026 for the year 2025, as well as the greenhouse gas inventory for the subsidiaries included in the consolidated financial statements. It is also planned to complete the greenhouse gas inventory and verification for the Taiwan headquarters (parent company) and consolidated subsidiaries by June 2029 for the year 2028.</p> <p>B. Water consumption: The statistical water consumption in 2024 and 2023 is shown as follows.</p> <table border="1"> <thead> <tr> <th>Item / Year</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Total water consumption (mt)</td> <td>204,719</td> <td>279,236</td> </tr> <tr> <td>The water consumption per thousand units of output (mt/Kpcs)</td> <td>47.69</td> <td>43.94</td> </tr> </tbody> </table> <p>Taiwan headquarters consumed 174,765 and 246,397 metric tons of water in 2024 and 2023 respectively, a decrease of 29.07% in two-year comparison. As it set the target of water consumption to reduce by 0.5% in 2024 compared with the previous year, so it achieved the target. The water consumption of Dong Guan factory were 29,954 and 32,839 metric tons in 2024 and 2023 respectively, a decrease of 8.79% in two-year comparison. This Dong Guan factory's water consumption was set to reduce by 0.5% in 2024 compared with the previous year, and the target achieved accordingly. Specific reduction measures include replacing pure water system membrane tube, eliminating water-consuming process, toilet installation of water savers.</p>	Item / Year	2024	2023	Total water consumption (mt)	204,719	279,236	The water consumption per thousand units of output (mt/Kpcs)	47.69	43.94	
Item / Year	2024	2023											
Total water consumption (mt)	204,719	279,236											
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Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons															
	Yes	No	Summary description																
			<p>Based on 2020, both Taiwan headquarters and Dong Guan factory set a target to reduce water by 2.5% in 2025, and a 45% and 15% reduction by 2030, respectively.</p> <p>C. Wastes: The statistical wastes in 2024 and 2023 are shown as follows.</p> <table border="1"> <thead> <tr> <th>Item / Year</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Hazardous waste (mt)</td> <td>26.19</td> <td>37.86</td> </tr> <tr> <td>Non-hazardous waste (mt)</td> <td>178.88</td> <td>215.25</td> </tr> <tr> <td>Total</td> <td>205.07</td> <td>253.11</td> </tr> <tr> <td>The wastes per thousand units of output (mt/Kpcs)</td> <td>0.028</td> <td>0.024</td> </tr> </tbody> </table> <p>Taiwan headquarters turned out 152.35 and 198.42 metric tons of waste in 2024 and 2023 respectively, a decrease of 23.22% in two-year comparison. In 2024, the target of waste output set to reduce by 0.5% compared with the previous year, so the target was achieved. The total amount of waste is large in 2023 because some of the waste glass to be scrapped in 2022 were scrapped and cleared in January 2023. In 2024, there was no such cross-year situation. Dong Guan factory turned out 52.72 and 54.69 metric tons of waste in 2024 and 2023 respectively, a decrease of 3.60% in two-year comparison. In 2024, the target was set to reduce waste by 0.5% compared with the previous year, and the target achieved accordingly. Specific reduction measures adopted: To reduce plastic use in packaging materials and minimize the use of chemicals, continuously improve the production process, and to strengthen the promotion of touch products that use less raw materials, an effort to reduce waste output relatively.</p> <p>Based on 2020, both Taiwan headquarter and Dong Guan factory set a target to reduce water by 2.5% in 2025, and a 15% and 5% reduction by 2030, respectively.</p>	Item / Year	2024	2023	Hazardous waste (mt)	26.19	37.86	Non-hazardous waste (mt)	178.88	215.25	Total	205.07	253.11	The wastes per thousand units of output (mt/Kpcs)	0.028	0.024	
Item / Year	2024	2023																	
Hazardous waste (mt)	26.19	37.86																	
Non-hazardous waste (mt)	178.88	215.25																	
Total	205.07	253.11																	
The wastes per thousand units of output (mt/Kpcs)	0.028	0.024																	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
4. Social issues				
(1) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		The Company strictly observes all local laws and regulations in each global location, and sets up human rights policy in reference to the recognized standards such as Universal Declaration of Human Rights (UDHR), International Labour Organization (ILO), and Ethical Trading Initiative (ETI). This policy applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. It covers six sections: prohibition of forced labor, young workers, working hours, wages and benefits, non-discrimination/non-harassment/humane treatment, and freedom of association and collective bargaining. The Company has minutely disclosed the human-rights policy, human-rights assessment, human rights risk mitigating measures and other related educational training on the Company's website.	None.
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		The Company has complied with the "Labor Standards Act" and the relevant laws and regulations to establish and implement the provisions such as the Codes for Salary, Codes for Performance Assessment, and Codes for Work Attendance. There is an Employee Welfare Committee with an expenditure of more than NT\$7 million in 2024 to provide employees with various welfare measures that are reasonable or even better than those stipulated by laws and regulations, including employee travel subsidies, cultural appreciation subsidies, birthday gift coupons, marriage allowances, maternity allowances, and funeral allowances, etc. In addition, there is a free health check program to take care of the health of employees. Details are disclosed in the Company's Sustainability Report.	None.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>The Company pays attention to workplace diversity and equality, insists on equal pay and equal promotion for men and women, and maintains more than 16% of female supervisor positions. In 2024, the average proportion of female employees was 64.00%, and the average proportion of female supervisors was 16.28%.</p> <p>In an attempt to attract and keep outstanding talented employees to share the operating results, the Company has combined with various business objectives and personal performances and reflected the achievement of actual operating results in the remuneration of employees through a comprehensive salary structure, including a fixed monthly salary and performance bonus, year-end bonus, employees' compensation, and other variable salaries. Among this, the monthly salary is mainly awarded by the past experience of employees, abilities possessed, and job values. The performance bonus is granted according to the work contribution and absence status of individuals in each month, and year-end bonus is awarded according to the Company's operating performances and individual annual assessment performance of employees. Meanwhile, the salary is adjusted every year according to the profit level. As far as the Taiwan region is concerned, the average salary increase for both supervisory and non-supervisory positions ranged between 3% and 5% in 2024, with the highest individual salary increase standing at 11% during the same year.</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		<p>According to Article 22-1 of the Company's "Articles of Incorporation", if there is a profit for the year, no less than 5% shall be allocated for employee compensation. On February 27, 2025, the Board of Directors approved an amendment to the Company's "Articles of Incorporation", which specifies, in accordance with the Financial Supervisory Commission's Order No. 1130385442 issued on November 8, 2024, that a certain percentage of annual profits will be allocated to adjust salaries or distribute compensation to frontline employees. This will be submitted for approval at the 2025 Annual Shareholders' Meeting.</p> <p>As an attempt to improve employee benefits, the Company launched the "Employee Stock Ownership Trust" beginning in 2021. For the employees who join the trust, the Company relatively contributes 50% of their monthly withdrawal to the trust account.</p> <p>The Company has not yet established a labor union and only holds a labor-management meeting once a quarter. Since the labor side has not made any request for a group agreement to the Company so far, the two parties have not signed any group agreement.</p> <p>The Company follows the Occupational Safety and Health Act and the related requirements of stakeholders regarding occupational safety and health, and has established the Company's Environmental, Health, and Safety (EHS) policy. The following commitments and declarations are made regarding EHS operations and management:</p> <p>A. Compliance with EHS-related regulatory requirements.</p> <p>B. Prevention of occupational accidents, diseases, and pollution incidents.</p> <p>C. Enhancement of EHS awareness.</p> <p>D. Implementation of EHS communication and consultation.</p> <p>E. Continuous improvement of EHS performance.</p> <p>F. Execution of EHS risk management.</p> <p>G. Implementation of green product design.</p>	None.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>The Company has established the “Industrial Safety and Business Planning Department” to regularly review the implementation of environmental, safety, and fire prevention of all internal divisions. Please refer to “4.5.4 Protection measures for the work environment and personal safety of employees” in this report. “Regulations on Employee Physical Examination Management” and “Regulations for Emergency Response Procedures” have been adopted to regularly holds physical examinations for employees and to minimize damage in the event of an emergency situation. The Company infirmary is equipped with on-site nurses and occupational doctors to provide the appropriate medical assistance.</p> <p>In 2024, there were five occupational accidents, involving five employees or accounting for 0.60% of the total number of employees at the end of same year. The frequency of incapacitating injuries was 0.71. After a thorough review, multiple improvement measures have been formulated to ensure safety. In the event of a machine malfunction, the operator must first report to the supervisor and turn off the power before allowing maintenance personnel to perform repairs, to prevent injury when attempting to fix the issue independently. To avoid foot injuries from work cart wheels, it is strictly prohibited to stand in front of the cart while pulling it forward. Motorcycles should be turned off before being parked in the parking area to avoid the risk of the vehicle surging forward and causing injury. After parking, employees should walk in pedestrian pathways and avoid crossing vehicle parking zones to prevent accidental falls. Additionally, motion-sensor lights have been installed in factory stairways to prevent falls caused by poor lighting, ensuring the safety of employees during their work shifts. The work safety education, training, and publicity for employees were 916 people/2,748 hours and 915 people/2,856 hours in 2024 and 2023, respectively, in order to strengthen the awareness of work safety of employees.</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(4) Has the Company established effective career development training programs for employees?	✓		<p>In 2024, there was an incident of smoke escaping from the storeroom at the Company's headquarters, and after the emergency evacuation of all employees, no one was injured, and the scene of the incident was immediately controlled. There were no fire cases in the remaining subsidiaries. The Company thoroughly reviewed the cause of the incident to put forward improvement measures, first of all, strengthen the control of electrical appliances and batteries and the frequency of 6S audits in the workplace, increase the number of fire education and training and escape drills, and improve the specifications of fire building materials to repair the damaged place, so as to eliminate the possibility of recurrence of the incident.</p> <p>The Company's Taiwan factory has obtained ISO45001: 2018 certification for occupational safety and health. The latest certificate is valid from February 23, 2024 to February 22, 2027.</p> <p>The "Codes for Employee Education and Training" have been adopted to offer complete functional training for supervisors and employees at all levels, including new employee training, management training, professional functional training, and quality promotion training, etc. In addition to periodic knowledge sharing and experience transmission sessions led by senior internal employees, the Company regularly facilitates the annual performance evaluation process, where supervisors and employees collaboratively discuss the new knowledge and skills required for individual job roles. This process helps establish personal annual training and development plans to support employees in continuous learning and growth through various learning methods. In 2024, a total of 831 people underwent career training, with a total of 3,193 hours.</p>	None.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(5) Does the Company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		<p>The Company complies with related laws and regulations as well as quality certifications such as ISO9001 and IECQ QC080000. The use of environmentally hazardous substances is prohibited in all company products. Restrictions of dangerous substances and other hazardous substances follow EU standards for product regulation to suppress the environmental and social harm caused in the product life cycle. To ensure the consumer rights of clients, company products are all passed by quality inspection before being shipped to clients.</p> <p>The Company has signed employment contracts with all employees, the contents of which include the employee's confidentiality agreement at work in order to protect customer privacy and intellectual property rights.</p> <p>To enhance customer service satisfaction, the Company has established "Codes for the Management of Customer Demand", "Codes for the Management of External Communication" and "Codes for the Management of Sales Return", which clearly define processes for handling customer complaints, hazardous substance-related requirements, special customer needs, and customer service. Through diverse and immediate customer feedback channels, including emails, phone calls, and communication software, the Company not only focuses on developing new customers but also maintains strong customer relationships, continuously building communication bridges and responding promptly to customer needs. In addition, a customer satisfaction survey is conducted annually to understand the level of affirmation for the Company from clients as well as to receive opinions and issues from clients to understand the gap between customer needs and expectations. This is used as the basis for improving the quality system, thus achieving a more harmonious relation between the Company and its client and a win-win situation.</p>	None.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(6) Has the Company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		<p>The Company has adopted “Codes for Management of Contractors” and “edt Social and Environmental Responsibility (SER) Code of Conduct”, which contains labor rights, occupational safety and health, environment, corporate ethics, prohibitions of conflict minerals, anti-corruption, etc. Before interacting with suppliers, the Company will conduct evaluations based on “Codes for Management of Contractors” and assess the environmental and social impact of the supplier. Once qualified, the materials supplier must sign a “edt Supplier Quality and Transportation Agreement” and commit to strictly follow request from “edt Social and Environmental Responsibility (SER) Code of Conduct” / Responsible Business Alliance(RBA) Code of Conduct / Responsible Minerals Initiative(RMI) to jointly preserve human rights and protect the environment.</p> <p>Total 254 suppliers (including 93.04% of main suppliers) has signed “edt Supplier Quality and Transportation Agreement” as of December 31, 2024.</p>	None.
5. Does the Company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		<p>The Company’s “Sustainability Report” has followed Global Reporting Initiative (GRI) Universal Standards 2021, and referred international sustainability standards such as the United Nations Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB) Standards and the Task Force on Climate-related Financial Disclosures (TCFD). In addition, it has been compiled with the “Preparation and Filing of Sustainability Reports by TWSE Listed Companies” required by the relevant government authorities, so as to align with “Financial Supervisory Commission - Corporate Governance 3.0” and the “Climate Change Response Act”. Our goal is to provide transparent and comprehensive information on environmental, social, and economic aspects. However, the Company did not obtain third party assurance or certification for the reports above yet.</p>	None.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
6.				If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has revised the "Sustainable Development Practice Principles" irregularly in accordance with the latest laws and regulations and internal operating conditions. There is no significant departure between implementation and the principles. The most recent revision was made on March 10, 2022.
7.				<p>Other important information to facilitate better understanding of the Company's promotion of sustainable development: In response to environmental protection and reduce the waste of resources, the Company requests employees to use digital documents whenever possible, use tablets instead of paper in the cleanroom, reuse the blank backside of obsolete documents, and also encourages employees to bring their own tableware. The Company' headquarters is located in the Cianjhen District, Kaohsiung, and regularly gives back to the public. Activities in 2024 were as follows:</p> <p>(1) The Company enthusiastically participates in a blood donation event initiated by the Health Center of Cianjhen Industrial Parks and provides exquisite gifts. A total of 365 people donated blood including 26 colleagues, and raising around 130,000 c.c. The Company has sponsored a total of 556 gifts, hoping to attract more people sharing great love to help others.</p> <p>(2) Sponsoring the "Nibun Chorus" to participate in the 13th World Choir Games (WCG) held in New Zealand in 2024 with a funding of NT\$200,000. The chorus not only won a number of medals in the competition, let the world know about Taiwan, but also encourage rural students to participate in art activities through music, so that local youth can focus on their hometown and give back to their hometown.</p> <p>(3) The Company purchased a total of NT\$50,000 in tickets to sponsor the exhibition –"Capturing the Moment" held by Kaohsiung Museum of Fine Arts, and encouraged employees to request tickets to visit the exhibition to promote art and cultural appreciation.</p> <p>(4) The Company has been invited to participate in the blood donation event hosted by the neighboring company and provided 191 exquisite gifts, including 23 blood donations from colleagues. It attracted 119 people to donate blood, and a total of 43,500 c.c. of blood were donated. We look forward to working with our partners in the industrial park to make a contribution to the society through the participation of public welfare affairs.</p> <p>(5) The Company has donated four air conditioners amounting NT\$174,100 to the Cianjhen Branch of the Kaohsiung City Government Fire Department to improve the comfort of the firefighters' rest environment and comfort the firefighters for their hard work in carrying out various disaster rescue and rescue work.</p> <p>(6) The Company called on 112 colleagues to raise a total of NT\$100,000 to purchase 350 boxes of Mid-Autumn Festival gifts from the Kaohsiung Branch of Genesis Social Welfare Foundation and then donate them to the Social Affairs Bureau of the Kaohsiung City Government to be passed on to citizens in need of care in response to the subscription of social welfare groups Mid-Autumn Festival gift charity event.</p> <p>(7) Since the Company is headquartered in Kaohsiung and attaches great importance to the "biodiversity" (animal and plant restoration plan) in Kaohsiung, the Company has donated NT\$50,000 to the "Conservation Project of Pheasant-tailed Jacana in Meinong Lake" of the Kaohsiung Wild Bird Society, and indirectly helped more Pheasant-tailed Jacana to take root in Meinong through the adoption and management of habitats by the Wild Bird Society.</p> <p>(8) The "2024 Rotary Cup Parent-Child Road Run" is an ESG-oriented event that focuses on low carbon, care and friendliness, encouraging adults to join hands with children in outdoor sports, so as to strengthen the emotional communication between parents and children and shape a happy family. In addition to donating about NT\$110,000 to the Rotary Club, the organizer of the event, the Company also participated in the road run with 108 colleagues to promote the sports culture of the whole society and improve the public health.</p>

Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Board of Directors serves as the highest climate governance decision-making body in the Company. The directors are responsible for overseeing the company's governance performance and goal achievements on climate-related issues. They also review annual corporate sustainability performance reported by the "Sustainability Development Committee" at the Board of Directors meeting every year, including the current governance status of climate-related issues and the achievement of goals.</p> <p>The "Sustainable Development Committee" is responsible for promoting and executing sustainability initiatives. It is headed by the President & CEO, along with high-level executives from various departments, such as Finance, Administration, Industrial Safety & Business Planning, Procurement, and Employee Welfare Committee. They hold irregular meetings, integrate resources from different departments, drive various sustainability projects, and formulate medium and long-term sustainability development plans. Committee members are responsible for gathering and consolidating trends related to climate issues both domestically and internationally. They regularly develop and implement the company's overall climate risk and opportunity management policies and response strategies. This ensures that the company's climate governance aligns with appropriate practices, and they report on climate-related risk and opportunity management performance to the Board of Directors annually.</p> <p>The "Greenhouse Gas Inventory Management Committee" is mainly responsible for collecting greenhouse gas activity data, proposing energy conservation and carbon reduction plans, completing greenhouse gas inventory reports, and regularly reporting the implementation results of relevant work to the "Sustainable Development Committee".</p> <p>The other functional committees under the Board of Directors include the "Risk Management Committee" and the "Compensation Committee", both of which are also responsible for governing certain climate-related issues. The "Risk Management Committee" conducts an annual risk assessment and has incorporated climate change and environmental risks into the Company's overall risk management process, regularly updating the identification of climate-related risks and opportunities. The "Compensation Committee" is responsible for evaluating the performance of the Company's managerial personnel. Since 2024, the Company has linked managerial compensation to the execution of sustainability-related strategies and actions to mitigate and adapt to climate change (such as greenhouse gas inventory and certification, energy-saving and carbon-reduction measures). By linking compensation to climate change management outcomes, the committee monitors the progress of related targets and encourages the management team to balance the company's profitability with its sustainable development goals.</p>
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>The Company follows the climate risk and opportunity factors recommended by TCFD, evaluate short-, medium-, and long-term risk values and opportunity values based on occurrence probability, frequency, and possible impact, and identify physical risks and transition risks which have priority to be concerned. Then, based on the professional experience of each department, the potential operational and financial impacts of the identified climate-related risks and opportunities on the Company are evaluated.</p>

Item	Implementation status				
	Risk and opportunity categories	Short term (0 to 3 years)	Medium term (3 to 10 years)	Long term (over 10 years)	
	Risks	Transition risks: Focus on the risks arising from the transition to a low-carbon economy, including policies and regulations, market trends and technological innovation risks.	The Company must introduce different system certifications and invest additional promotion and management costs to ensure that customer and regulatory requirements are met; carbon tax or carbon fees will be imposed due to the degree of carbon reduction is not as expected. Both of them will lead to increased operational costs.	R&D technological innovation cannot keep up with market demand, and products will be replaced by other innovative technologies with higher energy efficiency and lower environmental footprint.	
		Immediate physical risk: Weather-related events such as storms, floods, droughts or heat waves are increasing in severity and frequency.	Production bases or suppliers may experience power outages, flooding, and equipment and facilities may be damaged by strong winds or flooding. This will lead to increased maintenance costs at the operating base, operational interruptions, or production shortages.	Increased floods and droughts disrupt supply chains.	The rise in average temperature increases the incidence of diseases and affects human health.
	Opportunities	Resource utilization efficiency: Use more efficient production and distribution processes, more efficient buildings and equipment, and recycle resources.	To conduct equipment-based production process assessments for processes that consume labor or experienced labor to reduce resource consumption and waste caused by manual errors, while improving production efficiency and reducing operating costs. It is also necessary to replace or improve old and high-energy-consuming equipment, install renewable energy facilities, and improve energy efficiency. In addition, packaging materials and waste resource are recycled to reduce waste disposal costs or increase revenue.	Incorporating “green design” elements into factories or warehouses reduces energy use and pollution emissions. In addition to reducing operational costs, it also increases asset value.	Improve the efficiency of resource use.
		Products and services: To develop or expand energy-saving and low-carbon products and services.	Continuous investment in research and development of innovative technologies will enable products to meet customer needs, improve energy-saving efficiency, increase product competitiveness, respond to market demand, and increase company revenue at the same time.	The Company has gained a reputation for responding appropriately to climate change.	Enhance the image of the Company for sustainable development.

The Company has assessed the above-mentioned risks and identified climate-related risks and opportunities that could have a significant financial impact, along with corresponding strategies as follows:

Transformation Risks / Climate Opportunities		
Risk (R) / Opportunity (O)	Financial Impact - / +	Countermeasures
R: Carbon tax or carbon fees imposed R: Renewable energy regulation revisions	<ul style="list-style-type: none"> - Introduction of different system certifications, resulting in increased operational costs. - Payment of carbon taxes or fees, resulting in increased operational costs. - Installation of solar power generation systems, purchase of green electricity certificates, or other renewable energy sources, resulting in increased operational costs. - Fines for violating greenhouse gas inventory regulations, resulting in increased operational costs. 	<ul style="list-style-type: none"> • Introduce ISO 14064-1 Greenhouse Gas Inventory Management System. • Prioritize resource reuse, reduce waste, and minimize waste across all stages—from product design, raw material procurement, production processes, and finished product packaging, to goods transportation. Commit to reducing resource waste and carbon emissions. • Implement an Energy Management System (EMS), install additional solar power systems across the plant, purchase green electricity certificates, and actively explore other economically scalable renewable energy sources.

Item	Implementation status		
	<p>R: Insufficient carbon reduction to meet customer standards or net-zero emissions goals</p>	<p>- Replacement of energy-consuming equipment, resulting in increased operational costs.</p> <p>- Installation of solar power generation systems, purchase of green electricity certificates, or other renewable energy sources, resulting in increased operational costs.</p>	<ul style="list-style-type: none"> • Continue to monitor and respond to climate change-related issues, specifically set energy usage and carbon reduction targets that align with customer requirements or net-zero emissions goals. Carbon reduction plans and actions are implemented in stages. • Regularly undergo audits by customers on climate change and ESG-related matters, actively take corrective actions as needed. • Purchase green electricity certificates, and actively explore other economically scalable renewable energy sources. • Collaborate with suppliers to jointly implement energy-saving and carbon-reduction actions.
	<p>R: Market demand shift</p> <p>O: Development and innovation of energy-saving, low-carbon products</p>	<p>- Reduction or cancellation of orders, resulting in decreased revenue (R)</p> <p>+ Increased sales share of energy-saving, low-carbon products, resulting in increased revenue (O)</p>	<ul style="list-style-type: none"> • Master market trends and customer needs for technology development, implement patent applications to ensure the Company's R&D results. • Establish the department with embedded product core technology to prepare for future trends and development of low-carbon products in advance. • Evaluate the increased use of raw materials with a lower carbon footprint.
	<p>O: Enhancing the Company's image and reputation</p>	<p>+ Attracting customers who value corporate image and carbon reduction achievements, resulting in increased revenue.</p> <p>+ Improved fundraising feasibility and reduced capital costs, leading to decreased operational costs.</p>	<ul style="list-style-type: none"> • Regularly publish an annual sustainability report to provide a detailed and transparent disclosure of the actions in response to climate change. • Strengthen corporate governance and establish a culture that values climate-related issues. • Improve sustainability performance ratings and build a positive reputation.
Physical Risks / Climate Opportunities			
Risk (R) / Opportunity (O)	Financial Impact - / +		Countermeasures
<p>R: Production base or suppliers facing disruptions due to water or drought-related events, leading to operational interruptions or material shortages</p>	<p>- Operational interruptions leading to reduced output, resulting in decreased revenue.</p> <p>- Equipment damage requiring repairs, resulting in increased operational costs.</p> <p>- Shortage of raw materials causing price increases, leading to increased operational costs.</p>		<ul style="list-style-type: none"> • Assess the water and drought risks at existing operational sites and implement risk mitigation measures. Future new operational sites should also consider water and drought risks. • Continuous investment in disaster prevention equipment and drainage system maintenance. • Formulate "Disaster Recovery Plan Management Measures" so that the Company can quickly and effectively resume operations after an accident occurs. • Continue to promote dual-sourcing for critical material and actively evaluate alternative suppliers to reduce the risk of material shortages. • Use common materials for product development and adjust material usage parameters to achieve optimization and minimization.
<p>R: Rising average temperatures increase the likelihood of disease outbreaks</p> <p>O: Improving resource efficiency</p>	<p>- Insufficient manpower leading to reduced output, resulting in decreased revenue or increased operational costs. (R)</p> <p>- Increased electricity usage, leading to increased operational costs. (R)</p> <p>+ Green building designs can reduce operational costs and increase asset value. (O)</p> <p>+ Increasing production automation rates to reduce labor impact, resulting in increased revenue or decreased operational costs. (O)</p> <p>+ Decreased electricity costs. (O)</p>		<ul style="list-style-type: none"> • Incorporate green design into the construction or renovation of factories or warehouses to reduce energy usage and pollution emissions. • Continuously introduce automated production equipment and optimize production processes. • Optimize packaging methods and reduce packaging materials, while strengthen waste management measures and increase the reuse rate. • Implement an Energy Management System (EMS), install additional solar power systems across the plant, purchase green electricity certificates, and actively explore other economically scalable renewable energy sources.

Item	Implementation status
<p>3. Describe the financial impact of extreme weather events and transformative actions.</p>	<p><u>The financial impact of extreme weather events</u> The Company identifies potential risks to production or transportation stages due to water and drought events through internal discussions, inventories, and evaluations. During periods of extended dry spells, the Company may face water shortages that impact normal production line operations. In such cases, the Company must implement measures such as reducing water usage or transporting water across regions to maintain stable production, which increases operational costs. If the water supply is insufficient in the Company, production will be reduced or suspended. This not only causes operational losses, but also greatly affects annual revenue due to insufficient production capacity. In addition, strong typhoons and floods may cause damage to the Company’s equipment, or suspension of work due to typhoons and heavy rains may increase the Company’s losses.</p> <p><u>The financial impact of transformative actions</u> Under the transition risks, the low-carbon economic transformation needs to face more extensive changes in policies and regulations, technology and market. The Company has introduced the “Energy Saving and Carbon Reduction” project to reduce the impact of energy consumption, water consumption and waste on the climate. At the same time, it meets customer needs by improving energy efficiency, investing in green energy equipment, and developing and innovating green products. and responding to transition risks. However, due to the implementation of energy conservation and carbon reduction projects, the Company’s capital expenditures and operating costs increased.</p>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>To improve risk management mechanisms, the Company established a "Risk Management Committee" under the Board of Directors in 2024, responsible for reviewing the Company’s risk management policies and procedures, the adequacy of the risk management framework, and reporting the implementation of risk management to the Board at least once a year. In the Company’s “Risk Management Policies and Procedures”, it is clearly stated that the Board of Directors is responsible for approving the overall risk management policy and major decisions, making it the highest decision-making body for establishing an effective risk management mechanism, and ultimately accountable for the Company’s overall risk management. Each risk management unit, based on its department’s business scope, has identified 12 categories of risks, including climate change and environmental risks. These units or the Audit Office set necessary management procedures and regularly produce risk management reports for the “Risk Management Committee” and update the climate risk and opportunity matrix. The "Risk Management Committee" reports on the execution of risk management to the Board of Directors at least once a year, allowing the Board to supervise and review the performance of the management team’s risk management, with the aim of strengthening the Company’s resilience.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p><u>Transformation Risk Scenario Analysis</u> To assess the impact on the company and its adaptive and responsive capacity under a scenario in which the global temperature rise is limited to below 1.5°C, the Company employs strategies to mitigate risk impacts through improved operational efficiency, additional green energy installations, the replacement of high-energy-consumption equipment, and collaboration with customers and suppliers on developing low-carbon and energy-efficient products to meet the demand for green products in the market.</p>

Item	Implementation status
	<p><u>Physical Risk Scenario Analysis</u></p> <p>The global temperature rise resulting from climate change is expected to increase the risk of heavy precipitation and flooding at all operational sites of the Company. The Kaohsiung factory has assessed these risks using the National Science and Technology Center for Disaster Reduction's (NCDR) Hazard-Vulnerability Assessment. The assessment was conducted based on the baseline period (1976-2005) and a future scenario of temperature rise at 4.3°C under RCP 8.5 (projected for 2036-2065). According to the analysis, the Kaohsiung factory's geographical location was identified as having a moderate hazard-vulnerability level for flooding during the baseline period, classified as a Level 3 flood hazard potential. However, it is projected to escalate to a Level 5 flood hazard potential 30 years from now. Despite experiencing heavy rainfall exceeding the capacity of the urban drainage system within the last three years, the Kaohsiung factory has not experienced any flooding incidents causing operational losses. Other production bases were also assessed and found to have no immediate risks. Therefore, the current short-term management objectives include implementing emergency response measures, strengthening disaster prevention facilities, and procuring property insurance to mitigate potential risks.</p>
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>Based on a matrix analysis of the impact and likelihood of climate-related risks, the Company has formulated three transition plans, as follows:</p> <ul style="list-style-type: none"> • Policies and regulations: (1) The Company started coaching on the "ISO14064-1 Greenhouse Gas Inventory Management System" in 2022, and completed the parent company's greenhouse gas inventory in accordance with the ISO14064-1 specification for the first time in October 2023. The Company plans to complete all greenhouse gas inventories and verifications earlier than the schedule required by the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" at least one year. (2) Actively install additional solar power systems across the plant and purchase green electricity certificates to increase the use of "green electricity". (3) Officially introduced the energy management system (EMS), accurately analyzed the causes of energy consumption, and formulated energy-saving management strategies and confirmed the benefits after implementation through long-term monitoring of system performance. • Market trends: The Company's important customers require that the assessment on EcoVadis platform for business sustainability ratings be completed every year, and the score must reach 65 points by 2025. Therefore, the Company's "Sustainable Development Committee" reviews the assessment content every year to implement the EcoVadis requirements and improve audit scores. • Technological innovation: Refers to meeting customers' requirements for the development of low-power products, identifying factors related to energy consumption in early development, proposing the best solutions, and introducing a pre-diagnosis system for product structure and power consumption to reduce error rates during the development.
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>The Company has not yet used internal carbon pricing as a planning tool.</p>

Item	Implementation status
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Please refer to points 1-1 and 1-2 below.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Please refer to points 1-1 and 1-2 below.

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1. Greenhouse Gas Inventory Information

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

According to the regulations of the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEX Listed Companies", the Company is a company with a paid-in capital of less than NT\$5 billion, and its individual companies must complete a greenhouse gas inventory in 2026. Each subsidiary of the consolidated entity must complete the inventory in 2027.

The Company is implementing the ISO 14064-1: 2018 version inspection guidance. As of the printing date of this annual report, the greenhouse gas inventory of the individual company and subsidiary - Dong Guan Emerging Display Limited (hereinafter referred to as the Dong Guan factory) has been completed. The greenhouse gas inventory includes direct greenhouse gas emissions sources related to operations (Category 1), energy indirect greenhouse gas emissions sources (Category 2), and other indirect greenhouse gas emissions sources (Categories 3–6). The types of greenhouse gases covered include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC_s), perfluorocarbons (PFC_s), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). This allows the Company to accurately track its greenhouse gas usage and emissions, and verify the effectiveness of its reduction actions.

The following is a summary of the Company's individual and Dong Guan factory's greenhouse gas emissions pursuant to the "Operational Control Method": the Dong Guan factory has not yet started the Scope 3 inventory, and all data has not yet to be verified by a third party.

		2024		2023	
		Emission volume (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/NT\$ million)	Emission volume (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/NT\$ million)
The individual company (Taiwan headquarters)	Scope 1	289.47	/	88.94	/
	Scope 2	7,179.12		8,922.30	
	Scope 3	38,265.07		50,520.01	
	Subtotal	45,733.66		59,531.25	
Dong Guan factory	Scope 1	12.97		9.06	
	Scope 2	1,508.58		1,570.39	
	Subtotal	1,521.55		1,579.45	
Total		47,255.21		13.11	

In 2024, the Company's individual (Taiwan headquarters) Scope 3 emissions by category are as follows:

Category	Emission volume (metric tons CO2e)
Category 3: Indirect greenhouse gas emissions from transportation	745.08
3.1 Emissions from upstream transportation and distribution of goods	328.39
3.2 Emissions from downstream transportation and distribution of goods	107.23
3.3 Emissions from employee commuting	225.40
3.4 Emissions from customer and visitor transportation	Not significant
3.5 Emissions from business travel	84.06
Category 4: Indirect greenhouse gas emissions from the use of products by the organization	17,692.44
4.1 Emissions from purchased goods	17,556.49
4.2 Emissions from capital goods	Not significant
4.3 Emissions from the disposal of solid and liquid waste	135.95
4.4 Emissions from the use of assets	Not significant
4.5 Emissions from the use of services not described in the above subcategories	Not significant
Category 5: Indirect greenhouse gas emissions from the use of the organization's products	19,827.55
5.1 Emissions or removals during the product use phase	19,676.98
5.2 Emissions from the downstream leasing of assets	Not significant
5.3 Emissions during the product's end-of-life phase	150.57
5.4 Emissions from investments	Not significant
Category 6: Other indirect greenhouse gas emissions sources	Not significant
Total	38,265.07

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

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

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

1-1-2. Greenhouse Gas Assurance Information

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

The Company expects to complete the 2025 greenhouse gas verification of the individual company in June 2026 and the 2028 greenhouse gas verification of the consolidated entities in June 2029.

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

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

Greenhouse gas reduction base year and reduction targets

Since the Company has only completed the greenhouse gas inventory of the individual company (Taiwan headquarters) and Dong Guan factory, and has not completed the overall inventory of the consolidated entities, in order to plan the greenhouse gas reduction strategy, it is planned to first use 2020 as the base year. The total Scope 1 and Scope 2 emissions of the individual company and Dong Guan factory are 10,463.92 metric tons CO2e and 1,644.27 metric tons CO2e respectively, and the Company has set a target to reduce the individual company's greenhouse gas emissions by 10% by 2025 compared with the base year (an annual reduction of 2%). The Dong Guan factory decreased by 2.5% compared with the base year (an annual reduction of 0.5%). Through the implementation of a series of concrete actions, the Company's individual emissions and those of the Dong Guan factory were reduced by 28.63% and 7.46% in 2024, respectively, compared to the base year, achieving the set targets ahead of schedule. Based on the future consolidated financial report's overall inventory results, new targets are being set through 2030. The Company aims to reduce its individual emissions by 50% (an annual reduction of 5%) compared to the base year, and Dong Guan factory aims for a 5% reduction (an annual reduction of 0.5%), fully supporting the government's pledged 2050 net-zero emission target.

Greenhouse gas reduction strategies and concrete action plans

The Company's greenhouse gas emissions are largely accounted for by the individual company (Taiwan headquarters), so the headquarters is the main focus to formulate specific reduction strategies, as follows:

	Short term goals	Medium-term goals	Long-term goals
Time	2025	2030	2050
Carbon reduction target	10% less than the 2020 base year	25% less than the 2020 base year	To strive to achieve carbon neutrality goals
Reduction strategies and specific plans	<ul style="list-style-type: none"> To stop production of energy-consuming and low-efficiency processes To optimize the performance of air conditioning and cooling water systems To replace energy-saving equipment To replace traditional lamps with LED lamps To install solar power generation devices in the factory Other feasible solutions 	<ul style="list-style-type: none"> To introduce Energy management system (EMS) To replace energy-saving equipment To develop low energy consumption products To purchase "green electricity" certificates Other feasible solutions 	<ul style="list-style-type: none"> To purchase "green electricity" certificates To use factory space for the establishment of renewable energy power generation devices

The status of achievement of the reduction targets

The emission data and target achievement status for 2024 are as follows:

Item	The individual company (Taiwan headquarters)	Dong Guan factory	Total
Scope 1 (metric tons)	289.47	12.97	302.44
Scope 2 (metric tons)	7,179.12	1,508.58	8,687.70
Total of Scope 1 and 2	7,468.59	1,521.55	8,990.14
Base year (2020) emissions	10,463.92	1,644.27	12,108.19
Carbon reduction rate	-28.63%	-7.46%	-25.75%
Target achievement status	To achieve annual carbon reduction of 2%	To achieve annual carbon reduction of 0.5%	

In order to present the Company's carbon reduction performance, data for the past five years are also disclosed. The following is the inventory information compiled by the individual company (Taiwan headquarters) and the Dong Guan factory, which is not to be verified by a third party yet.

Statistical table of carbon emission intensity per unit output in the past 5 years

Item	Unit	2024	2023	2022	2021	2020
Total Scope 1 and 2 emissions	metric tons	8,990.14	10,590.69	11,448.77	12,139.25	12,108.19
Changes in Scope 1 and 2 emissions compared with the previous year	%	-15.11	-7.49	-5.69	0.26	-
Carbon reduction rate compared with base year (2020)	%	-25.75	-12.53	-5.45	0.26	-
Greenhouse gas emission intensity	metric tons/output (thousand units)	1.23	1.01	1.04	1.02	1.11
Carbon reduction rate of emission intensity compared with the base year (2020)	%	10.81	-9.01	-6.31	-8.11	-

Statistical table of greenhouse gas emission in the past 5 years

Locations	Scope / Emissions	2024		2023		2022		2021		2020	
		metric tons	%	metric tons	%	metric tons	%	metric tons	%	metric tons	%
The individual company (Taiwan headquarters)	Scope 1 (direct emissions)	289.47	0.61	88.94	0.15	90.84	0.13	73.37	0.61	81.03	0.67
	Scope 2 (indirect emissions)	7,179.12	15.19	8,922.30	14.60	9,507.07	14.05	10,356.11	85.31	10,382.89	85.75
	Scope 3 (other indirect)	38,265.07	80.98	50,520.01	82.67	56,244.35	83.09	-	-	-	-
Dong Guan factory	Scope 1 (direct emissions)	12.97	0.03	9.06	0.01	20.98	0.03	50.03	0.41	7.17	0.06
	Scope 2 (indirect emissions)	1,508.58	3.19	1,570.39	2.57	1,829.88	2.70	1,659.74	13.67	1,637.10	13.52
Total		47,255.21	100	61,110.70	100	67,693.12	100	12,139.25	100	12,108.19	100

Note: The individual company (Taiwan headquarters) conducted an inventory and statistics of Scope 3 carbon emissions for the first time in 2022. Dong Guan factory has not conducted an inventory of Scope 3 yet.

Note 1: The Company set up the related risk management policies according to those assessed risks. The details were listed as below:

Major issues	Risk assessment items	Risk management department	Risk description	Risk management policies
Environment	Climate change and environment	Industrial Safety & Business Planning / Procurement	Environmental pollution or energy waste	<ul style="list-style-type: none"> ■ Reduce greenhouses gas and lower energy usage continuously. ■ Has set up the IECQ QC080000 hazardous substance management system, thus complying with laws and international specifications. ■ Use low-toxicity materials so as to meet RoHS standards. ■ Promote the “Responsible Business Alliance (RBA) Code of Conduct” and continuously evaluate the environmental protection aspects through EcoVadis’ global supply chain online audit platform, to monitor and reduce environmental risks.
		Industrial Safety & Business Planning	Occurrence of climate disasters	<ul style="list-style-type: none"> ■ Both “Emergency Response Management Measures” and “Disaster Recovery Plan Management Measures” are available to quickly respond to emergencies and effectively perform after-treatments. This move expects to minimize personnel injuries, finance, and equipment losses at a lowest level. ■ An all-round emergency escape drill in each factory area is held once per year. Many occupational safety and health education trainings are also implemented to make employees becoming more familiar with emergency responses and enhance their post-disaster capabilities.
Society	Occupational safety	Industrial Safety & Business Planning / Administration / Procurement	Unsafe working conditions or endangered employee health	<ul style="list-style-type: none"> ■ Certified for ISO45001: 2018 Occupational Safety and Health Management System. ■ The “Occupational Safety and Health Committee” is established with President & CEO serving as its chairman. At least one time per quarter, this committee will discuss on environmental safety and health issues, and map out relevant projects considerably. ■ Promote the “Responsible Business Alliance (RBA) Code of Conduct” and continuously evaluate the aspects of labor and human rights through EcoVadis’ global supply chain online audit platform, to monitor and reduce occupational safety risks. ■ Arrange safety and health training courses for both new staff and in-service employees, an effort to increase the awareness of hazard prevention and bring down the occurrence of industrial safety accidents. ■ In addition to the regular employee health check every year, irregular trainings, and/or announcements are implemented to promote the awareness of employee health. On a regular basis, expertise doctors are stationed at the factory to offer health consultancies.
Corporate governance	Legal risk	Audit Office / Finance / Legal Affairs & Market / Administration / Industrial Safety & Business Planning / Employee Welfare Committee	Illegal punishment	<ul style="list-style-type: none"> ■ Legal personnel to provide legal consultation and handling advices on internal systems, compliances with laws/regulations, commercial disputes, and intellectual property rights management. ■ A “Codes for Compliance with Laws/Regulations” is implemented so that the Company’s three business fields in production, sales, and management is complied with the Company’s operation-related laws and regulations. ■ Both “Antitrust and Fair Competition Principles” and “Procedures for Preventing Insider Trading” are formulated for employees to specifically regulate precautions in performing business and trading stocks of the Company.
		Legal Affairs & Market	Transaction risk	<ul style="list-style-type: none"> ■ The “Codes for the Use of Seals” is made to control the signing of various types of contracts and related risks, and stipulate the application, use, storage, and cancellation of seals to reduce overall legal risks of the Company.
		Administration	Personal information leakage	<ul style="list-style-type: none"> ■ The “Codes for Personal Data Protection” is formulated aiming to standardize the planning, implementation, operation, supervision, inspection, maintenance, and improvement of the personal information management system.
		Audit Office	Improper employee behaviors	<ul style="list-style-type: none"> ■ Both “Ethical Management Principles” and “Codes for Ethical Management” are implemented to ensure the values of ethical corporate management, and prevent employees from engaging in improper behaviors, thus improving the entire corporate governance. ■ Promote the “Responsible Business Alliance (RBA) Code of Conduct” and continuously evaluate the aspects of business ethics through EcoVadis’ global supply chain online audit platform, to monitor and reduce legal risks.
	Company image	Chairman’s Office	Bad company image	<ul style="list-style-type: none"> ■ Build up a good crisis management and response mechanism during the ordinary days, and in the very first time activate the response system needed to cope with any operational risks that may affect the Company’s image. The spokesperson speaks to the outside world in a unified manner, or clarifies false information through significant information platforms, as well as to maintain the Company’s image and communicate well with all stakeholders.

2.3.6 Ethical corporate management – implementation status and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the Company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p>	✓		<p>The Company has adopted “Ethical Management Principles” and “Codes for Ethical Management” which were passed by the Board of Directors, and disclosed those via the Market Observation Post System and the Company’s website. In addition, the Company has compiled the “Sustainability Report” each year since 2014 to highlight the Company’s ethical corporate management and contribution efforts for the stakeholders.</p> <p>The Company’s business philosophy is “quality, honor, sincerity, creativity”. All members of the Board of Directors and senior management are honest and responsible for supervision to create a sustainable business environment.</p>	None.
<p>(2) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	✓		<p>The Company has established the assessment system for the risks of unethical behaviors, and adopted “Codes for Ethical Management” to prohibit those behaviors in Article 7, Paragraph 2 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”. Both a concrete reporting and rewards system has been regulated in above codes. In addition, the Company has established an effective accounting system and internal control system with internal auditors periodically verifying the compliance of the aforementioned systems for implementing ethical management.</p>	None.
<p>(3) Does the company clearly establish and implement operating procedures, code of conduct, penalties for violation and complaint system in the prevention programs against unethical behaviors as well as reviewed and revised the aforementioned programs regularly?</p>	✓		<p>The Company has established the “Codes for Ethical Management” and disclosed it on the Company’s website. The codes provide the operating procedures, code of conduct, penalties for violation, and whistleblowing methods; fully regulated employee business operation precautionary items; and strengthened education, training, and guidance for new employees.</p>	None.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			In addition, the need for revision is regularly reviewed based on the actual company operation status and the revision of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”.	
2. Ethical Management Practice (1) Does the Company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		<p>The Company embraces the principle of integrity in trading with a business partner. The Company will look into the integrity status of the partner and include the compliance of ethical corporate management in a contract, which will include the following:</p> <p>A. If either party involves with any unethical behaviors in business activity, the other party may unconditionally terminate the contract at anytime.</p> <p>B. If either party discovers any personnel violating contract articles about prohibitions of commission, brokerage, or any other benefit, it shall inform the other party of the personnel's identification, methods of offer, promise, request or receive, and the amount or other benefit. Relevant evidence shall be provided and cooperate on the investigation. If it causes damage in one party, the other party shall request for compensation for the damage.</p>	None.
(2) Has the Company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		<p>The Company has established the concurrent unit - “Business Integrity Promotion Team” responsible for promoting of ethical corporate management affiliated to the Board of Directors, which should help directors and management level to set up the ethical corporate management policy and prevention plan, and monitor their implementation. This unit should also report the implementation status to the Board of Directors at least once a year. The recent proposal to the Board meeting was on February 27, 2025. The implementation status of ethical corporate management policies in 2024 are listed in Note 1 and disclosed on the Company’s website.</p>	None.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(3) Has the Company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		Mutual reviews between departments and multi-layered decision approval is used in the internal control system to avoid malpractice and intentional manipulation. The Company has adopted “Codes for Ethical Management” to regulate the methods of informing unethical behaviors and related handling procedures. To prevent interest conflict, the Company has established the channel of “improper conduct complaint” on the official website externally for the manu-facturers, customers and employees. Internally, the Administration Dept. and Audit Office of the Company provided hotline, e-mail and special mailbox as the statement channels for the employees. However, no event of improper conduct was complained in 2024.	None.
(4) Does the Company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		The Company has established a complete and effective control mechanism for the accounting and internal control systems to target business activities and operating procedures with high potential risks of unethical behaviors. The internal auditors shall list high-risk operations as the top audit items in the annual audit plan according to the risk assessment in order to strengthen preventive measures, and regularly report the implementation status of audit plan to the Board of Directors. In addition, the Company and our key subsidiaries must perform internal control self-assessment each year to examine the internal control system design and implementation effectiveness.	None.
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		To implement ethical corporate management, the Company has held “Responsible Business Alliance (RBA) Code of Conduct” training internally. The content includes ethical management, no dishonest profit, identification protection, retaliation preventing, and so on. In 2024, 831 trainees participated the training with 1,662 training hours in total. In the part of law safety, it opened a total of 60 classes.	None.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>3. Implementation of complaint procedures</p> <p>(1) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?</p>	✓		<p>The Company has adopted “Regulations on Reflecting Employee Complaint and Opinion” and placed a comment box in the cafeteria. Employees may fill a complaint via the comment box, e-mail to the Administration Dept. or directly notify the Audit Office, and provide supporting information. Besides, the Company has established the channel of “improper conduct complaint” on the official website externally for the manufacturers, customers and employees, which was managed by the Audit Office.</p> <p>The “Codes for Ethical Management” formulated by the Company include the reporting and handling procedures for unethical behavior, and encourage internal and external personnel to report dishonest behavior, and bonuses will be awarded according to the severity of the case. Company insiders who make malicious accusations should be punished, and if the circumstances are serious, they should be dismissed. Penalties for violation of ethical management have been stated in the “Codes for Ethical Management” and “Employee Handbook”.</p> <p>The Company’s whistle-blowing channels are as follows:</p> <p>A. Telephone number of the Audit Office: +886-7812-4832 ext. 1695 & 1697</p> <p>B. On-line reporting mailbox: EDT-CSR@edt.com.tw</p>	None.
<p>(2) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p>	✓		<p>The “Codes for Ethical Management” formulated by the Company include provisions on handling procedures for whistle-blowing cases, follow-up measures for investigation reports, and protection of whistle-blowers. Reporting matters will be handled by the Audit Office in accordance with the following procedures:</p> <p>A. Within 5 work days, notify the informant on receipt of the report and carry out the investigation.</p>	None.

Evaluation item	Implementation status		Summary description	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
			<p>B. The department head shall be reported to if involving general employees. Independent directors and supervisors shall be reported to if involving directors or senior executives.</p> <p>C. The Audit Office and aforementioned department head or personnel being reported to shall immediately verify the facts, and where necessary, with the assistance of legal compliance or other related departments. The investigation shall be expected to be completed within 3 months, depending on the severity and complexity of the matter, and the results of the investigation provided to the informant.</p> <p>D. If the accused is confirmed to have indeed violated the applicable laws and regulations or the ethical management policy and regulations of the Company, the person shall be immediately required to cease all relevant conduct and an appropriate disposition (such as suspension of rights and duties until end of investigation) shall be made. When necessary, the Company will institute legal proceedings and seek compensation to safeguard its reputation, rights, and interests.</p> <p>E. Documentation of report acceptance, investigation processes and results shall be retained for 5 years and may be retained electronically. In the event of a lawsuit in respect of the informed case before the expiration of retention period, the relevant information shall continue to be retained until the conclusion of the litigation.</p> <p>F. With respect to a confirmed report, the Company shall charge related units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.</p> <p>G. The Audit Office shall submit to the Board of Directors a report on the informed case, actions taken, subsequent reviews, and corrective measures.</p>	

Evaluation item	Implementation status		Summary description	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
(3) Has the Company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	✓		<p>The Company shall keep the identity of the informant and contents of information confidential. Unless specified otherwise in the law and regulations, the Company shall not disclose the identity of the informant to internal and external persons of the Company without the prior consent of the informant. The Company shall assure the responsibility of confidentiality and protection for employees whom refuse to participate in unethical conduct and prevent any unfair treatment or retaliation to the aforementioned employees. All personnel in contact with the aforementioned shall sign a "Declaration of Confidentiality" to protect informants and employees whom refuse to participate in unethical conduct.</p> <p>The "Codes for Ethical Management" formulated by the Company state that the Company has a zero tolerance policy for retaliation and prohibits retaliation towards any personnel, in accordance with these Codes, reporting unethical conduct or participating in investigation of misconduct. The Company shall actively investigate any known retaliation and personnel whom are found to carry out retaliation shall be subjected to disciplinary action and, if the circumstance concerned is severe, terminated of employment. With consent from the informants, the Company shall provide further protection for informants whose identities have been disclosed. The Company shall also follow-up regularly and respond to situations that are reasonably suspected to be retaliation. In 2024, no improper conduct was reported.</p>	None.
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		<p>"Ethical Management Principles" and "Codes for Ethical Management" have been disclosed on the Company's website and the MOPS. Also, the implementation status of Business Integrity Promotion Team has been disclosed on the Company's website.</p>	None.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
5. If the Company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: "Ethical Management Principles" and "Codes for Ethical Management" have been adopted and continuously revised. There is no significant deviation between implementation and the principles.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): The Company irregularly revises related ethical management regulations according to the latest laws and regulations as well as the state of implementation. The recent revision was "Ethical Management Principles" revised on November 4, 2021.				

Note 1: The implementation status of ethical corporate management policies were listed as below:

Items	The implementation status
Educational trainings	The Company has held "Responsible Business Alliance (RBA) Code of Conduct" training for all employees. The content includes ethical management, no dishonest profit, identification protection, retaliation preventing, and so on. In 2024, 831 trainees participated the training with 1,662 training hours in total. In the part of law safety, it opened a total of 60 classes.
Annual test	The Company has administered the annual test to all employees, and the range of the tests includes "Ethical Management Principles" and "Codes for Ethical Management". The key point of the annual test in 2024 was to keep integrity in operation, prohibit dishonest profit and damage to the interests of stakeholders, respect to intellectual property rights of the Company and secure the customer's data in business activities.
Compliance propaganda	The Company has set up a "legal compliance zone" on internal website to integrate the laws related to business activities. Also, the Company has promoted advocacy education for ethical management to remind new employees and active employees of precautions when they are doing the business through teaching materials.
Regular check	The Company has assessed the risk of corruption to the operational activities of important operating bases. The internal audit and the compliance-based self-evaluation were led by the Audit Office every year to achieve effective control and implementation, jointly manage and prevent the occurrence of unethical behaviors. There is no corruption and anti-competition activity in 2024.
Communication channel	The employees may respond to the Administration Dept. via multiple and smooth channels. The Company has also actively announced the ethical corporate management policies and implementation status of that by the external documents or activities such as the Company's website, annual report and investor conference. There is no response from employees in 2024.
Reporting system / whistleblower protection	The Company has adopted "Codes for Ethical Management" which regulate the whistleblowing methods to prevent unethical behaviors actively and to encourage internal and external persons to report unethical behaviors or improper conduct. Also, the Audit Office is appointed to accept the report. The Company has established the channel of "improper conduct complaint" on the official website externally for the manufacturers, customers and employees. Internally, the Administration Dept. and Audit Office has provided hotline, e-mail and special mailbox as the statement channels for employees. The Company has established a whistleblower protection system to keep confidential the whistleblowers and their reports, and promise to protect the whistleblowers from any retaliation due to reporting unethical behaviors. However, no improper conduct was reported in 2024.

2.3.7 Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance: None.

2.3.8 Internal control system

2.3.8.1 Statement on internal control

Emerging Display Technologies Corp.
Statement on Internal Control

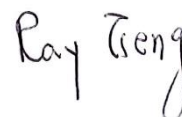
Date: February 27, 2025

Based on the findings of a self-assessment, Emerging Display Technologies Corp. (*edt*) states the following with regard to its internal control system during the year 2024:

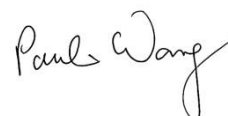
1. *edt*'s Board of Directors and Management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability of our financial reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and *edt* takes immediate remedial actions in response to any identified deficiencies.
3. *edt* evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring.
4. *edt* has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, *edt* believes that on December 31, 2024, it has maintained, in all material respects an effective internal control system (that includes the supervision and management of our subsidiaries) to provide reasonable assurance over our operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations.
6. This Statement will be an integral part of *edt*'s Annual Report for the year 2024 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors in their meeting held on February 27, 2025, with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Emerging Display Technologies Corp.

Chairman



President & CEO



2.3.8.2 Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: The Company did not hire a CPA to carry out a special audit of the internal control system.

2.3.9 Material resolutions of a shareholders' meeting or a board of directors meeting:

Shareholders' meeting			
Date	Description	Resolutions	Implementation
Jun 13, 2024	1. Adoption of the Business Report and Financial Statements of 2023.	Passed without objection by all shareholders present.	Not applicable.
	2. Adoption of the proposal for distribution of 2023 profits.	Passed without objection by all shareholders present.	The profit to be distributed among shareholders shall be NT\$251,852,165 in cash dividends. The ex-dividend date was July 8, 2024 resolved by the Chairman. The cash dividend was NT\$1.6 per share and fully paid on July 19, 2024.
	3. Election of all directors the Company.	Passed without objection by all shareholders present.	Approved by Ministry of Economic Affairs on June 25, 2024 and announced on the Company's website. Newly elected directors were listed as Note 1.
	4. Dismissal of the prohibition of non-competition obligation of the new directors and its representatives.	Passed without objection by all shareholders present.	Not applicable.
Board of Directors meeting			
Date	Description	Resolution	
Mar. 7, 2024 14 th of 10 th session	1. The business plan for 2024.	Passed unchanged by all directors present.	
	2. The business report, financial statements, and consolidated financial statements for 2023.	Passed unchanged by all directors present.	
	3. The distribution of 2023 employees' compensation and remuneration for directors.	Planned compensation for employees totals NT\$27,254,958 and remuneration for directors totals NT\$16,352,975. Total amounts will be paid in cash.	
	4. The proposal for distribution of 2023 profits.	The profit to be distributed among shareholders shall be NT\$251,852,165 in cash dividends (NT\$1.6 per share).	
	5. Election of all directors the Company.	Nine directors (including three independent directors) shall be elected this time. Newly elected directors will take office from the election date, the term of office from June 13, 2024 to June 12, 2027 for a term of three years.	
	6. Dismissal of the prohibition of non-competition obligation of the new directors and its representatives.	Passed unchanged by all directors present.	
	7. To discuss time, date, location and agenda of shareholders' meeting for 2024, submission period of proposals and nominations from shareholders with 1% or more shares, and related matters.	Shareholders' meeting is set to be held on June 13, 2024 at 9 ^{am} in the 1F conference hall. Submission of proposals from shareholders with 1% or more shares will be accepted from April 5 to April 15.	
	8. Self-assessment and statement on internal control for 2023.	Passed unchanged by all directors present.	
	9. The assessment of the attesting CPAs' independence and eligibility for 2024.	After the Company refers to the audit quality indicators (AQIs) and obtains the "Declaration of Independence" from accountants, the assessment of both certified public accountants Chen, Yung-Hsiang and Su, Yen-Ta in 2024 has met the independence and eligibility requirements.	
	10. The remuneration adjustments of 2024 for the Chairman and managerial officers.	Passed unchanged by directors present excluding four directors avoiding vote in conflict of interest.	
	11. Additional amounts and annual renewal of financing from financial institutions.	Passed unchanged by all directors present.	
Apr. 30, 2024 15 th of 10 th session	1. The consolidated financial statements for 1 st quarter of 2024.	Passed unchanged by all directors present.	
	2. The distribution details of 2023 employees' compensation and remuneration for directors.	The compensation for employees totals NT\$27,254,958 and remuneration for directors totals NT\$16,352,975. The distribution details were passed unchanged by all directors present.	
	3. All remunerations of 2024 for directors and managerial officers.	Passed unchanged by directors present excluding five directors avoiding vote in conflict of interest.	
	4. The amendment to "Audit Committee Charter".	Passed unchanged by all directors present.	
	5. To nominate candidates of directors and independent directors, and review those nominees.	All directors present passed that all nominees were eligible and will be submitted to the Shareholders' meeting for election.	
	6. Additional amounts and annual renewal of financing from financial institutions.	Passed unchanged by all directors present.	
Jun. 13, 2024 1 st of 11 th session	1. To elect the Chairman of the 11 th session.	All directors present passed that Tseng, Jui-Ming continued to serve as the Chairman.	
Aug. 6, 2024 2 nd of 11 th session	1. The consolidated financial statements for 2 nd quarter of 2024.	Passed unchanged by all directors present.	
	2. To engage the Compensation Committee members.	Excluding two directors avoiding vote in conflict of interest, directors present passed unchanged that the Company engaged Li, Chi-Cheng, Huang, Hui-Ling and Hung, Kuang-Te to serve as the Compensation Committee members of the 6 th session. The term was same as the Board of the 11 th session.	

	3. Personnel change of Accounting Supervisor.	Passed unchanged by directors present excluding one directors avoiding vote in conflict of interest. The Accounting Supervisor was changed to Huang, Hsiu-Wen, the Financial Executive, and the Vice President.
	4. The amendment to "Rules of Procedure for Board of Directors Meetings" and "Procedures of Prohibiting Company Insiders From Trading Securities".	Passed unchanged by all directors present.
	5. The "Sustainability Report" for 2023.	Passed unchanged by all directors present.
	6. Additional amounts and annual renewal of financing from financial institutions.	Passed unchanged by all directors present.
Nov. 5, 2024 3 rd of 11 th session	1. The consolidated financial statements for 3 rd quarter of 2024.	Passed unchanged by all directors present.
	2. All remunerations of 2025 for directors and managerial officers.	Passed unchanged by directors present excluding five directors avoiding vote in conflict of interest.
	3. The year-end remunerations and bonuses to the Chairman and managerial officers for 2024.	Passed unchanged by directors present excluding five directors avoiding vote in conflict of interest.
	4. The amendment to internal control system, version 23, and internal audit system with its implementing regulations, version 12.	Passed unchanged by all directors present.
	5. The proposed audit plan for 2025.	Passed unchanged by all directors present.
	6. To formulate the "Risk Management Committee Charter".	Passed unchanged by all directors present.
	7. To establish the "Risk Management Committee" and to engage the Risk Management Committee members.	Excluding three independent directors avoiding vote in conflict of interest, directors present passed unchanged that the Company engaged Huang, Hui-Ling, Li, Chi-Cheng and Ting, Hung-Hsun to serve as the Risk Management Committee members of the 1 st session. The term was from the date on which the Board of Directors resolves to establish the Committee) to June, 2027 (the 11 th session of the Board of Directors is re-elected).
	8. The amendment to "Risk Management Policies and Procedures".	Passed unchanged by all directors present.
	9. Additional amounts and annual renewal of financing from financial institutions.	Passed unchanged by all directors present.
Feb. 27, 2025 4 th of 11 th session	1. The business plan for 2025.	Passed unchanged by all directors present.
	2. The business report, financial statements, and consolidated financial statements for 2024.	Passed unchanged by all directors present.
	3. The distribution of 2024 employees' compensation and remuneration for directors.	Planned compensation for employees totals NT\$21,169,766 and remuneration for directors totals NT\$12,701,860. Total amounts will be paid in cash. The distribution details were passed unchanged by all directors present.
	4. The proposal for distribution of 2024 profits.	Net profit of 2024 was NT\$327,897,360. By adding previous years' retained earnings of NT\$605,878,037, proceeds from disposal of equity instruments at fair value through other comprehensive income of NT\$189,752, reversal of special reserve for equity deduction of NT\$702,570, and deducting changes of remeasurement from defined benefit plans of NT\$8,460,000, total distributable earnings for year amounted to NT\$926,207,719. After setting aside 10% of net profit as legal reserve of NT\$31,962,711, the Board of Directors has determined the profit to be distributed among shareholders shall be NT\$236,111,405 in cash dividends (NT\$1.5 per share).
	5. Amendment to the Company's "Articles of Incorporation".	Passed unchanged by all directors present.
	6. To discuss time, date, location and agenda of shareholders' meeting for 2025, submission period of proposals from shareholders with 1% or more shares, and related matters.	Shareholders' meeting is set to be held on May 28, 2025 at 9 ^{am} in the 1F conference hall. Submission of proposals from shareholders with 1% or more shares will be accepted from March 21 to March 31.
	7. Self-assessment and statement on internal control for 2024.	Passed unchanged by all directors present.
	8. The assessment of the attesting CPAs' independence and eligibility for 2025.	After the Company refers to the audit quality indicators (AQIs) and obtains the "Declaration of Independence" from accountants, the assessment of both certified public accountants Chen, Yung-Hsiang and Su, Yen-Ta in 2025 has met the independence and eligibility requirements.
	9. The remuneration adjustments of 2025 for the Chairman and managerial officers.	Passed unchanged by directors present excluding five directors avoiding vote in conflict of interest.
	10. The Company intends to establish a joint venture with Nippon Seiki Co., Ltd. of Japan in India within the quota of NT\$300 million.	Passed unchanged by all directors present.
	11. The Company intends to commission E.SUN Commercial Bank as the lead bank to organize a syndicated loan with a total amount of NT\$800 million in medium-term loans.	Passed unchanged by all directors present.
	12. The amendment and waiver request about a syndicated loan agreement amounting to NT\$800 million signed with E.SUN Commercial Bank and other financial institutions on May 15, 2020 by the Company.	Passed unchanged by all directors present.
	13. Additional amounts and annual renewal of financing from financial institutions.	Passed unchanged by all directors present.

Note 1: Newly elected directors were listed as below:

Title	Name	The elected voting rights
Director	Tseng, Jui-Ming	105,276,814
Director	Hsieh, Hui-Tai	97,857,246
Director	Wang, Tai-Kuang	97,093,179
Director	Yu, Cheng-Chung	96,164,162
Director	Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen	95,973,750
Director	Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	94,639,618
Independent Director	Huang, Hui-Ling	93,152,016
Independent Director	Li, Chi-Cheng	92,577,083
Independent Director	Ting, Hung-Hsun	91,548,542

2.3.10 A director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

2.4 Information on CPA (external auditor) professional fees

Unit: NT\$ Thousands

Name of accounting firm	Name of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
KPMG	Chen, Yung-Hsiang	Year 2024	4,030	1,650	5,680	Non-audit fees included: <ul style="list-style-type: none"> ● Transfer pricing report NT\$800 ● Tax certification NT\$690 ● Certification of bonding account book and inventory NT\$130 ● Non-supervisory full-time employee salary check NT\$30
	Su, Yen-Ta					
KPMG	Chen, Yung-Hsiang	Year 2023	3,940	1,642	5,582	Non-audit fees included: <ul style="list-style-type: none"> ● Transfer pricing report NT\$802 ● Tax certification NT\$680 ● Certification of bonding account book and inventory NT\$130 ● Non-supervisory full-time employee salary check NT\$30
	Su, Yen-Ta					

2.4.1 The company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: Not applicable.

2.4.2 The audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: Not applicable.

2.5 Information on replacement of CPA: None.

2.6 The company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

2.7 Changes in shareholding of directors, managerial officers, and major shareholders

Unit: Shares

Job title	Name	Year 2024		As of March 30, 2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Tseng, Jui-Ming	0	0	0	0
Director	Hsieh, Hui-Tai	0	0	0	0
Director	Wang, Tai-Kuang	0	0	0	0
Director	Yu, Cheng-Chung	0	0	0	0
Director	Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen	0	0	0	0
Director	Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	0	0	0	0
Independent Director	Huang, Hui-Ling	0	0	0	0
Independent Director	Li, Chi-Cheng	0	0	0	0
Independent Director	Ting, Hung-Hsun (Note 1)	-	-	0	0
Independent Director	Huang, Fu-Di (Note 1)	-	-	-	-
President & CEO	Wang, Tai-Kuang	0	0	0	0
Executive Vice President	Yu, Cheng-Chung	0	0	0	0
Vice President & Corporate Governance Officer	Hsieh, Wen-Hsiung	0	0	0	0
Vice President	Kao, Neng-Sen	0	0	0	0
Vice President	Huang, Shih-Pin	0	0	0	0
Vice President	Chen, Chien-Lung	0	0	0	0
Vice President & Financial Executive & Accounting Supervisor	Huang, Hsiu-Wen (Note 2)	0	0	0	0
Accounting Supervisor	Kuo, Kun-He (Note 2)	-	-	-	-

Note 1: Ting, Hung-Hsun took office on June 13, 2024, and Huang, Fu-Di resigned on the same day.

Note 2: Huang, Hsiu-Wen was appointed as the Vice President on April 1, 2024, and also appointed as the Accounting Supervisor on August 6, 2024. Kuo, Kun-He, the former Accounting Supervisor, left his office.

2.7.1 Information on transfers of shareholding

Name	Reason for transfer	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, managerial officers, and major shareholders	No. of shares	Transaction price
None						

2.7.2 Information on pledges of shareholding

Name	Reason for change in pledge status	Date of change	Counterparty	Relationship between the counterparty and the Company, directors, managerial officers, and major shareholders	Shares	Shareholding ratio	Pledge ratio	Amount borrowed under pledges (or redeemed)
None								

2.8 Relationship among the top 10 shareholders

As of March 30, 2025

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Tseng, Jui-Ming	11,043,723	7.02%	256,759	0.16%	0	0.00%	Hsieh, Hui-Tai	In-law siblings	None
							Ying Dar Investment Development Corp.	Responsible person	None
							Bae Haw Investment Development Corp.	Responsible person	None
Hsieh, Hui-Tai	6,097,867	3.87%	0	0.00%	0	0.00%	Tseng, Jui-Ming	In-law siblings	None
Employee Stock Ownership Trust Account of Taishin International Bank Entrusted by edt	5,701,479	3.62%	0	0.00%	0	0.00%	None	None	None
Ying Dar Investment Development Corp.	5,346,672	3.40%	0	0.00%	0	0.00%	Tseng, Jui-Ming	Responsible person of the company	None
							Wang, Tai-Kuang	Representative of corporate director of the company	None
Representative of Ying Dar Investment Development Corp.: Huang, Hsiu-Wen	220,862	0.14%	17,404	0.01%	0	0.00%	Ying Dar Investment Development Corp.	Representative of corporate supervisor	None
							Bae Haw Investment Development Corp.	Representative of corporate supervisor	None
Bae Haw Investment Development Corp.	3,447,716	2.19%	0	0.00%	0	0.00%	Tseng, Jui-Ming	Responsible person of the company	None
							Wang, Tai-Kuang	Representative of corporate director of the company	None
Representative of Bae Haw Investment Development Corp.: Hsieh, Wen-Hsiung	261,253	0.17%	0	0.00%	0	0.00%	Bae Haw Investment Development Corp.	Representative of corporate director	None
Lin, Yu-Fen	1,802,813	1.15%	1,666,487	1.06%	0	0.00%	Wang, Tai-Kuang	Spouse	None
Wang, Tai-Kuang	1,666,487	1.06%	1,802,813	1.15%	0	0.00%	Lin, Yu-Fen	Spouse	None
Business Department of Standard Chartered International Commercial Bank, entrusted with the custody of the Construction Workers' Union Annuity Fund Investment Account	1,254,000	0.80%	0	0.00%	0	0.00%	None	None	None
Citibank, entrusted with the custody of Berkley Capital SBL/PB Investment Account	1,152,000	0.73%	0	0.00%	0	0.00%	None	None	None
HSBC (Taiwan) Commercial Bank Co., Ltd., entrusted with the custody of the investment account of Arcadia Emerging Markets Small Capital Stock Fund	1,126,000	0.72%	0	0.00%	0	0.00%	None	None	None

2.9 Total ownership of shares in investee enterprises

Unit: Shares; %

Investee enterprise (Note)	Investment by the Company		Investment by the directors, supervisors, managerial officers and directly or indirectly controlled entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Emerging Display Technologies Corp., U.S.A.	3,500,000	100.00%	0	0.00%	3,500,000	100.00%
Emerging Display International (Samoa) Corp.	5,984,071	78.49%	1,320,000	17.31%	7,304,071	95.80%
EDT-Europe ApS	2,000,000	100.00%	0	0.00%	2,000,000	100.00%
Emerging Display Technologies Korea	58,212,500	100.00%	0	0.00%	58,212,500	100.00%
EDT-Japan Corp.	5,000	100.00%	0	0.00%	5,000	100.00%
Ying Dar Investment Development Corp.	8,900,000	100.00%	0	0.00%	8,900,000	100.00%
Bae Haw Investment Development Corp.	8,900,000	100.00%	0	0.00%	8,900,000	100.00%
Ying Cheng Investment Corp.	8,400,000	52.50%	0	0.00%	8,400,000	52.50%

Note : This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

III. Capital Overview

3.1 Capital and shares

3.1.1 Source of capital

Month/ Year	Issued price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Shares (Thousand)	Amount (NT\$ thousand)	Shares (Thousand)	Amount (NT\$ thousand)	Sources of capital (NT\$ thousand)	Capital paid in by assets other than cash	Other
Sep. 1994	10	1,800	18,000	1,800	18,000	Set up initial cash capital injection	None	None
Dec. 1996	10	2,573	25,725	2,573	25,725	Cash capital injection NT\$7,725	None	None
Nov. 1997	10	4,579	45,791	4,579	45,791	Cash capital injection NT\$20,066	None	None
Mar. 1998	10	19,990	199,896	19,990	199,896	Cash capital injection NT\$142,200 Retained earnings capital injection NT\$11,905	None	None
Jul. 1998	10	60,000	600,000	30,000	300,000	Cash capital injection NT\$100,104	None	Approval No. 58863 issued by FSC on July 23, 1998
Jul. 1999	10	60,000	600,000	43,500	435,000	Retained earnings capital injection NT\$60,000 Employee bonus capital injection NT\$15,000 Capital surplus injection NT\$60,000	None	Approval No. 59752 issued by FSC on July 1, 1999
Jul. 2000	10	80,000	800,000	65,000	650,000	Retained earnings capital injection NT\$61,770 Employee bonus capital injection NT\$15,442.5 Capital surplus injection NT\$60,030 Cash capital increased NT\$77,757.5	None	Approval No. 59505 issued by FSC on July 12, 2000
Nov. 2000	10	80,000	800,000	80,000	800,000	Cash capital increased NT\$150,000	None	Approval No. 95331 issued by FSC on November 21, 2000
Jul. 2001	10	200,000	2,000,000	98,200	982,000	Retained earnings capital injection NT\$88,000 Employee bonus capital injection NT\$14,000 Capital surplus injection NT\$80,000	None	Approval No. 144159 issued by FSC on July 12, 2001
Jul. 2002	10	200,000	2,000,000	114,000	1,140,000	Retained earnings capital injection NT\$49,100 Employee bonus capital injection NT\$10,700 Capital surplus injection NT\$98,200	None	Approval No. 0910141489 issued by FSC on July 25, 2002
Oct. 2003	10	200,000	2,000,000	131,520	1,315,198	Employee bonus capital injection NT\$900 Capital surplus injection NT\$109,100 Capital injection by CB NT\$65,198	None	Approval No. 0920130747 issued by FSC on July 9, 2003
Dec. 2003	10	200,000	2,000,000	143,870	1,438,700	Capital injection by CB NT\$123,502	None	Approval No. 09300300090 issued by K.E.P.Z.
Apr. 2004	10	200,000	2,000,000	147,704	1,477,044	Capital injection by CB NT\$38,343	None	Approval No. 09300300660 issued by K.E.P.Z.
Jul. 2004	10	200,000	2,000,000	148,825	1,488,246	Capital injection by CB NT\$11,201	None	Approval No. 09300301350 issued by K.E.P.Z.
Sep. 2004	10	200,000	2,000,000	175,004	1,750,036	Retained earnings capital injection NT\$74,410 Employee bonus capital injection NT\$38,560 Capital surplus injection NT\$148,820	None	Approval No. 0930132882 issued by FSC on July 22, 2004
Oct. 2004	10	200,000	2,000,000	175,433	1,754,329	Capital injection by CB NT\$4,293	None	Approval No. 09300302220 issued by K.E.P.Z.
Jan. 2005	10	200,000	2,000,000	175,490	1,754,900	Capital injection by CB NT\$571	None	Approval No. 09400300130 issued by K.E.P.Z.
Apr. 2005	10	200,000	2,000,000	175,501	1,755,014	Capital injection by CB NT\$114	None	Approval No. 09400300660 issued by K.E.P.Z.
Jul. 2005	10	260,000	2,600,000	175,507	1,755,072	Capital injection by CB NT\$58	None	Approval No. 09400301470 issued by K.E.P.Z.

Month/ Year	Issued price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Shares (Thousand)	Amount (NT\$ thousand)	Shares (Thousand)	Amount (NT\$ thousand)	Sources of capital (NT\$ thousand)	Capital paid in by assets other than cash	Other
Aug. 2005	10	260,000	2,600,000	193,910	1,939,096	Retained earnings capital injection NT \$84,587 Employee bonus capital injection NT \$14,850 Capital surplus injection NT\$84,587	None	Approval No. 0940126503 issued by FSC on July 1, 2005
Oct. 2005	10	260,000	2,600,000	194,131	1,941,313	Capital injection by CB NT\$2,217	None	Approval No. 09400302240 issued by K.E.P.Z.
Jul. 2006	10	260,000	2,600,000	199,701	1,997,008	Capital injection by CB NT\$55,695	None	Approval No. 09500301880 issued by K.E.P.Z.
Aug. 2006	10	350,000	3,500,000	220,282	2,202,822	Retained earnings capital injection NT\$93,907 Employee bonus capital injection NT\$18,000 Capital surplus injection NT\$93,907	None	Approval No. 0950128449 issued by FSC on July 5, 2006
Jul. 2007	10	350,000	3,500,000	220,632	2,206,319	Capital injection by CB NT\$3,497	None	Approval No. 09600301980 issued by K.E.P.Z.
Aug. 2007	10	350,000	3,500,000	214,315	2,143,149	Treasury stocks cancellation NT\$63,170	None	Approval No. 09600302080 issued by K.E.P.Z.
Aug. 2007	10	350,000	3,500,000	225,013	2,250,132	Capital surplus injection NT\$106,983	None	Approval No. 0960036230 issued by FSC on July 12, 2007
Nov. 2007	10	350,000	3,500,000	225,157	2,251,569	Capital injection by CB NT\$1,437	None	Approval No. 09600303090 issued by K.E.P.Z.
Jan. 2008	10	350,000	3,500,000	225,214	2,252,144	Capital injection by CB NT\$575	None	Approval No. 09700300130 issued by K.E.P.Z.
Aug. 2008	10	350,000	3,500,000	225,249	2,252,489	Capital injection by CB NT\$345	None	Approval No. 09700302030 issued by K.E.P.Z.
Aug. 2008	10	350,000	3,500,000	217,749	2,177,489	Treasury stocks cancellation NT\$75,000	None	Approval No. 09700301230 issued by K.E.P.Z.
Jan. 2009	10	350,000	3,500,000	211,108	2,111,076	Capital injection by CB NT\$517 Treasury stocks cancellation NT\$66,930	None	Approval No. 09800300100 issued by K.E.P.Z.
Oct. 2010	10	350,000	3,500,000	241,108	2,411,076	Cash capital injection NT\$300,000	None	Approval No. 0990047548 issued by FSC on September 28, 2010
Dec. 2010	10	350,000	3,500,000	234,108	2,341,076	Treasury stocks cancellation NT\$70,000	None	Approval No. 09900303390 issued by K.E.P.Z.
Feb. 2011	10	350,000	3,500,000	226,108	2,261,076	Treasury stocks cancellation NT\$80,000	None	Approval No. 10000300470 issued by K.E.P.Z.
Aug. 2015	10	350,000	3,500,000	221,108	2,211,076	Treasury stocks cancellation NT\$50,000	None	Approval No. 10400301780 issued by K.E.P.Z.
Oct. 2015	10	350,000	3,500,000	214,908	2,149,076	Treasury stocks cancellation NT\$62,000	None	Approval No. 10400302130 issued by K.E.P.Z.
Jan. 2016	10	350,000	3,500,000	200,908	2,009,076	Treasury stocks cancellation NT\$140,000	None	Approval No. 10540010110 issued by K.E.P.Z.
Dec. 2016	10	350,000	3,500,000	194,908	1,949,076	Treasury stocks cancellation NT\$60,000	None	Approval No. 10540013030 issued by K.E.P.Z.
Feb. 2017	10	350,000	3,500,000	189,408	1,894,076	Treasury stocks cancellation NT\$55,000	None	Approval No. 10640010260 issued by K.E.P.Z.
May 2017	10	350,000	3,500,000	183,408	1,834,076	Treasury stocks cancellation NT\$60,000	None	Approval No. 10640010950 issued by K.E.P.Z.
Jun. 2018	10	350,000	3,500,000	179,408	1,794,076	Treasury stocks cancellation NT\$40,000	None	Approval No. 10740011280 issued by K.E.P.Z.
Nov. 2018	10	350,000	3,500,000	174,408	1,744,076	Treasury stocks cancellation NT\$50,000	None	Approval No. 1074001202 issued by K.E.P.Z.
Apr. 2019	10	350,000	3,500,000	162,408	1,624,076	Treasury stocks cancellation NT\$120,000	None	Approval No. 1084100047 issued by K.E.P.Z.
Feb. 2022	10	350,000	3,500,000	157,408	1,574,076	Treasury stocks cancellation NT\$50,000	None	Approval No. 1114100026 issued by K.E.P.Z.

Type of stock	Authorized capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Common Stock	157,407,603	192,592,397	350,000,000	TWSE Listed Company

Note: Buyback shares are deducted.

3.1.2 List of major shareholders

As of March 30, 2025

Names of major shareholders	Shares	Shareholding (shares)	Shareholding (%)
Tseng, Jui-Ming		11,043,723	7.02%
Hsieh, Hui-Tai		11,043,723	7.02%
Employee Stock Ownership Trust Account of Taishin International Bank Entrusted by edt		6,097,867	3.87%
Ying Dar Investment Development Corp.		5,701,479	3.62%
Bae Haw Investment Development Corp.		5,346,672	3.40%
Lin, Yu-Fen		3,447,716	2.19%
Wang, Tai-Kuang		1,802,813	1.15%
Business Department of Standard Chartered International Commercial Bank, entrusted with the custody of the Construction Workers' Union Annuity Fund Investment Account		1,666,487	1.06%
Citibank, entrusted with the custody of Berkley Capital SBL/PB Investment Account		1,254,000	0.80%
HSBC (Taiwan) Commercial Bank Co., Ltd., entrusted with the custody of the investment account of Arcadia Emerging Markets Small Capital Stock Fund		1,152,000	0.73%

3.1.3 Dividend policy and implementation status

3.1.3.1 Dividend policy

The Company, when allocating its surplus profits after having paid all taxes and dues and covered accumulated losses, shall first set aside legal reserve and special reserve in accordance with relevant laws, rules and regulations. The said special reserve shall require to be reversed before distribution of earnings. If there is a remaining balance, the Board of Directors shall propose an earning distribution plan which distribution amount is no more than 80 percent of retained earnings available for distribution for the current year, then submit it to the shareholders' meeting for concurrence.

The Company, in accordance with paragraph 5 of Article 240 of the Company Act, authorizes the distributable dividends and bonuses or legal reserve and special reserve stipulated in paragraph 1 of Article 241 of the Company Act in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting.

The Company is at the steady growth stage of its business development. Residual dividend policy shall be adopted for dividend distribution of the Company, taking into consideration the future capital budget plans and operational capital needs of the Company, as well as the extent of dilution on earnings per share and influence upon return on equity. Hence, future distribution of earnings shall be made priority by way of cash dividend over stock dividend, provided the ratio for cash dividend shall be fifty percent or more of the total annual distribution.

3.1.3.2 Proposed distribution of dividend

- A. In Fiscal Year 2024, the Company made a net profit of NT\$327,897,360. By adding previous years' retained earnings of NT\$605,878,037, proceeds from disposal of equity instruments at fair value through other comprehensive income of NT\$189,752, reversal of special reserve for equity deduction of NT\$702,570, and deducting changes of remeasurement from defined benefit plans of NT\$8,460,000, total distributable earnings for year amounted to NT\$926,207,719. After setting aside 10% of net profit as legal reserve of NT\$31,962,711, the Board of Directors has determined the profit to be distributed among shareholders shall be NT\$236,111,405 in cash dividends (NT\$1.5 per share). The cash dividends will be distributed according to the percent of shareholding on ex-dividend date and fully distributed until last integer and preclude fraction of dollar. The remainder of undistributed net earnings will be recorded as the Company's other income.
- B. In the event that, the proposed dividend distribution ratio is affected due to share buyback program, transfer of treasury stocks to employees, reduction of shares or any other reasons affecting the number of outstanding shares, it is proposed that the Chairman be fully authorized to handle such distribution.
- C. The Chairman was authorized to resolve the ex-dividend date and payment date of cash dividend, and a distribution report was submitted to the 2025 annual shareholders' meeting.

3.1.4 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: None.

3.1.5 Employee bonus and directors' remuneration

3.1.5.1 Information relating to employee bonus and directors'

remuneration in the articles of incorporation: In accordance with Article 22-1 of the Articles of Incorporation, the Company shall allocate 5 percent or more as employees' compensation and 3 percent or less as remuneration for directors when there is profit for the current year. By Articles 16 and 20 of Articles of Incorporation, the remuneration of the directors and managers are referred to the level of the related public companies, the Company's operation status, and their value of contribution.

3.1.5.2 The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: The Company has determined to allocate 3 percent as remuneration for directors and 5 percent as employees' bonus. The amount will be fully paid in cash. There is no difference between the amount proposed to be distributed and estimated figure.

3.1.5.3 Profit distribution for employee bonus and directors' remuneration for 2023 approved in board of directors meeting:

A. The amount of any employee compensation distributed in cash or stocks and compensation for directors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed.

Unit: NT\$ thousands

Item		Amount Approved in BOD Meeting	Estimated Figure For The Fiscal Year	Discrepancy	Cause	Treatment
Employee Bonus	Cash	21,170	21,170	0	--	--
	Stock	0	0	0	--	--
Directors' Remuneration		12,702	12,702	0	--	--
Total		33,872	33,872	0	--	--

B. The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation:

Unit: NT\$ thousands

Item	Amount	Percentage of The Sum of The After-tax Net Income Stated in The Parent Company Only Financial Reports or Individual Financial Reports For The Current Period And Total Employee Compensation
Employee Bonus - Stock	0	0%

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

Unit: NT\$ thousands

Item		Actual Distribution	Estimated Figure For The Fiscal Year	Discrepancy	Cause	Treatment
Employee Bonus	Cash	27,018	27,018	0	--	--
	Stock	0	0	0	--	--
Directors' Remuneration		16,211	16,211	0	--	--
Total		43,229	43,229	0	--	--

3.1.6 Buyback of treasury stock: None.

3.2 Issuance of corporate bonds: None.

3.3 Preferred shares: None.

3.4 Global depository receipts: None.

3.5 Status of employee stock options: None.

3.6 Status of employee restricted stock: None.

3.7 Status of new shares issuance in connection with mergers and acquisitions:
None.

3.8 Financing plans and implementation: None.

IV. Operational Highlights

4.1 Business activities

4.1.1 Business scope

- A. Main areas of business operations
 - a. Manufacturer of electronic components
 - b. Manufacturer of computer and related equipment
 - c. Distributor of electronic materials
- B. Revenue distribution

Liquid crystal displays, capacitive touch panels and modules, and embedded touch displays make up 100% of business operations.
- C. Main products

The design, manufacturing, and application of liquid crystal displays, capacitive touch panels and embedded touch displays.
- D. New products development
 - a. Capacitive touch panels (CTP).
 - b. TFT-LCD backend products.
 - c. Full lamination products of TFT modules, sensor and cover lens.
 - d. Embedded display solutions.

4.1.2 Industry overview

- A. Current status and future development of industry of the Company

Key products of the Company are the domains of liquid crystal displays (LCD) and capacitive touch panels (CTP). Respective illustrations are as follows:

 - a. LCD

LCD have different applied use for different specification requirements. With the advances in technology and consumer stimulated demand, display panels have gradually evolved, from the early monochrome TN / STN technology displays gradually to TFT LCD technology. The main technical difference of displays relies on the use of LED backlight or self-luminous characteristics. At present, TFT LCD technology is the most mature and the mainstream. In addition, there are mini-LEDs using smaller LED grains as backlights, and OLEDs and micro-LEDs using self-luminous materials. Different display technologies are already penetrating smartphones, high-end TVs, electric vehicles and XR wearables for the time being.

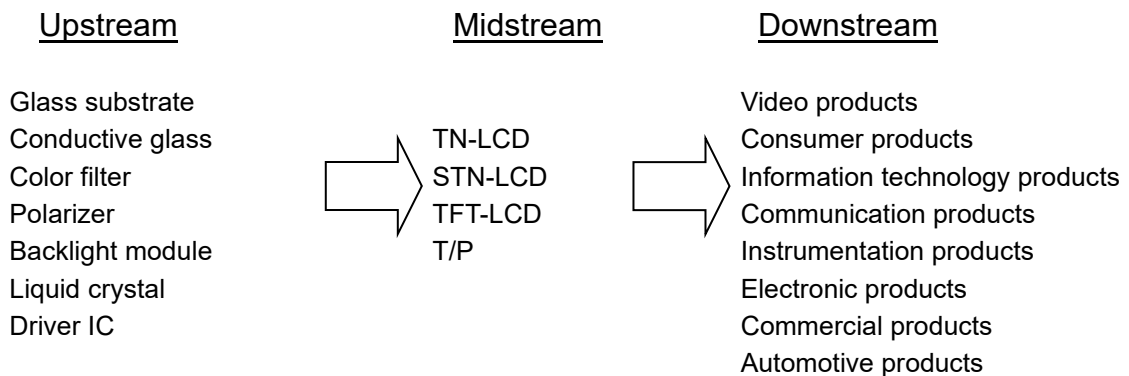
Mainland China panel manufacturers began expanding their production capacities and acquisitions and merges in recent years. It is anticipated that the global LCD panel production capacity will continue to focus on mainland China in the foreseeable future. According to DIGITIMES estimates, mainland China expects to account for 71.6% of the global LCD panel production capacity by 2025, while Taiwan's share will slowly drop to 22.6%. The share of South Korea and Japan will rapidly shrink to be less than 10%. Korean panel makers lost the competition in production capacity with their Chinese counterparts, and will withdraw from the large-size LCD market and focus on the small and medium-size AMOLED market. This gradually forms a dominant situation for Chinese panel manufacturers.

b. CTP

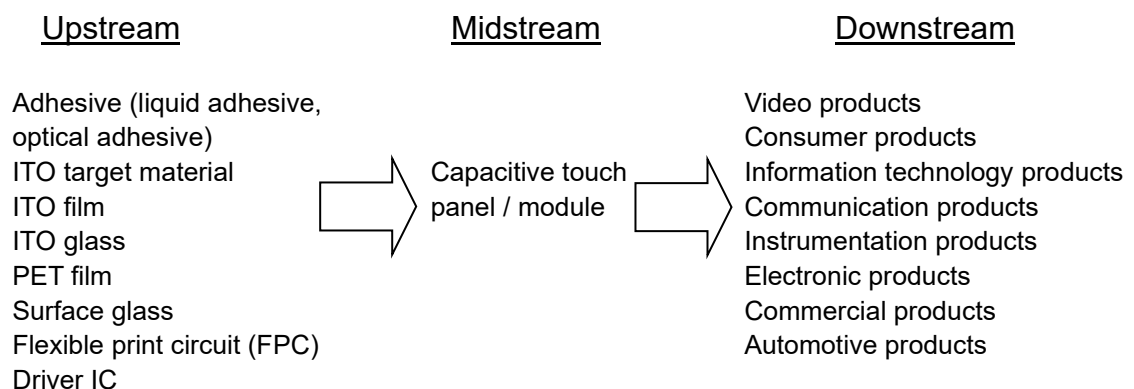
Due to the consumer preference and formed habits for the intuitive operation of touch interface, smartphones and tablets not only have become the main operating interface, but they have also experienced rapid growth. The product development combined with the touch technique and panels has been over 10 years. The development of touch market is tending towards maturity, but with the changes in the communication mode between the new application market and the Internet of Things(IoT), artificial intelligence(AI), and smart home, the development of human-machine interface tends to be diverse. For example: the water tolerance touch could be applied in the field of medical institution, nautical ship or bathroom; while the 3D gesture recognition technology could be applied in automobile market, smart window with adaptive high-beam system, panels for vending machine and medical appliance based on the rules of public health. In conclusion, the touch technique is a basic for human-machine interface. With the continuous integration of technologies, a brand new human-machine communicating interface has been developed, and the assistance and mechanical learning of various AI algorithms have enabled the development of the overall human-machine communicating interface to present an infinite vision.

B. Relationship with up-, middle- and downstream companies

a. LCD



b. CTP



C. Product trends

a. Small and medium size of LCD

Small and medium size of consumer displays are mainly applying for smart phones, tablets, NBs, smart home devices and screens of automobiles, etc. Niche non-consumer displays are applying for industrial equipment, instrument, medicine, etc. The Company focuses on customized niche displays, and the characteristic of the product's size, weight, function, and even the brand all presents quite different customization features. The description as below:

◆ High resolution and wide viewing angle

Due to the technical demand of large size and high fidelity visual effects stimulated by LCD TVs, TFT panel prices have gradually come down with the large scale investments by several liquid crystal panel manufacturers. Owing to this, the development of small and medium size display panels is also in the direction of high resolution and wide viewing angle and shall lead to new end use application.

◆ High brightness and wide color gamut

React to the high-brightness demand of industrial control display and color accuracy of medical display, the industry has dispersed or coated fluorescent quantum dots in polymers to form film which so called "Quantum Dot Enhancement Film"(QDEF). The color accuracy of quantum dot could filter blue light into pure white light, and overcome the congenital defect of LCD to effectively reduce the dependence on color compensation to the filter layer. Thus, the luminance and color gamut all get an effective promotion. The actual performance is even comparable to OLED panels.

◆ Touch screen replace conventional keypad

As the smartphone market become mainstream for mobile phones, the conventional keypad has been gradually replaced by touch screen to make full use of the space on the phone. Recent launches of iPad seem to be on the trend of replacing small-size NB and prompt medium size LCD to become touch screen. Because of the popularization of the internet, networking has become more diverse and complex. The structure of resistive touch mode is no longer compatible with the demands of future development and the capacitive touch screen, with multi-touch function and high transmittance, gradually becomes the mainstream in the next wave of innovation.

b. CTP

Although projected CTP has already become mainstream, manufacturers continue to research and develop the technology to make touch panel lighter, thinner, cheaper, and less power consuming. With expectations to meet consumer preferences with product specifications and widen the gap with competitors, touch panel manufacturers must accelerate the pace of new generation material or structure to meet the rapidly growing demand of mobile devices. Key directions of research and development are as follows:

◆ Water tolerance touch

The applied field of water tolerance touch is considerably extensive. For example: the outdoor access security system, the garage switch, the bathroom, kitchen and medical equipment. When the screen accumulates a certain area of water drops, it will seriously interfere with the touch signal, and the correction and adjustment of the algorithm can effectively reduce the situation of touch misjudgment.

◆ Capacitive 3D gesture recognition technology

With the change between new application market and in the Internet of Things(IoT), artificial intelligence(AI), and visual communication modes, the development of human-machine interface tends to be diverse. The evolution of 2D touch turned into 3D gesture will become a trend. The 3D gesture technique is similar to capacitive touch technique, which detects gestures by electric field sensing to detect gesture move in three dimensional space. The electrode of capacitive sensing technique covers in the incrustation of equipment, compared with infrared sensing technique, the electrode of capacitive sensing technique could make a beautiful industrial design without additional cutouts.

c. Embedded user-machine interactive display

Due to the popularization of Internet of Things(IoT) technology and the continuous advancement of artificial intelligence(AI) technology, the requirements for smart device applications are increasing day by day. Brand manufacturers are paying more attention to the needs of users and hope to provide them with a more intuitive and personalized interactive experience. The market has increasingly higher performance requirements for display effects and sensing technologies that are directly related to user experience. High-brightness, high-contrast, wide-temperature and long-life-cycle displays have become the mainstream in the market, ensuring that users have a good experience in various environments. In response to this evolutionary trend, simple user-machine touch displays are gradually integrating more functions and features, and the current development has entered "embedded user-machine interactive displays".

The embedded user-machine interactive display combines touch, display and embedded system technologies. And by combining multiple sensing interfaces to improve intelligence, enhanced interaction, diversified user-machine interaction methods, real-time feedback and prompts, and efficient data processing capabilities, the functionality is enriched. Currently, this type of display is widely used in industrial control panels, smart home equipment, medical equipment, automation equipment and systems to provide a more convenient and intuitive operating interface to handle more complex functions.

The development of “embedded user-machine interactive displays” is to meet the increasing application needs, integrate various software and hardware technologies, and provide a more intelligent and convenient user-machine interaction method to improve user experience and system functions while ensuring safety, high performance and good visual effects.

D. Product competition

Global supply and demand and product structure of small and medium size LCD have stabilized. Quality and prices of upstream and downstream critical components are integrated and transparent. Competitiveness lies the product design, marketing channels, cost control, production yield rates, and equipment utilization rate of manufacturers. Generally speaking, Taiwanese manufacturers still have a competitive advantage in automotive, industrial equipment, medical equipment, high-end communication products, and special niche products. Large scale standard consumer electronics markets and Chinese markets are less suitable for development of Taiwanese manufacturers, as they are primarily dominated by Hong Kong and Chinese manufacturers.

The OLED panel in consumer market especially the mobile phone panel will gradually replace LCD panel. Thus, many panel factories abandoned the attitude of massing capital in expanding of production in the past, and turned to make a technology investment which is more progressive than OLED, such as Mini LED and Micro LED. Especially the Micro LED are integrated the technical advantage of the existing semiconductor, LED and display by Taiwan factories. Once the mass production of Micro LED is successful, it will form the situation of industrial competition with OLED. The Company will intently pay attention to its long-term development, and would equip the module products with display technology required by the market. However, the major needs of industrial control and medical market are still LCD.

In addition, many traditional display-related companies are gradually abandoning the traditional thinking of component suppliers and instead emphasizing cross-domain integration of electronics, optics, mechanisms, communications, software and AI. According to customer needs, component manufacturers not only sell hardware specifications, but also turn to software and hardware integration of complete machines or partial stages to increase the added value of products and services. They have also become a provider of “user-machine touch display solutions”. “User-machine touch display solution” follows the evolving technological innovation and application and has now developed into “embedded user-machine interactive display solution”. Integrating touch and display technologies makes the display diversified and differentiated, and the embedded system further enhances the intelligence of the device, allowing customers to significantly save resource investment and related management costs. In addition, rapid verification of designs shortens the development time, creating a win-win situation.

By providing higher-level integrated solutions and services, the companies meet more customer needs and achieve the goal of increasing gross profit and sales unit price. At the same time, it enhances the technological content and added value, which is conducive to industrial upgrading and future development. With value transformation, technological innovation and smart manufacturing, it is more in line with the future development of smart life, Internet of Things(IoT) and Internet of Vehicles(IoV) and other industry trends.

4.1.3 Research and development

A. The Company has invested NT\$174,535 thousand into research and development for 2024, and planned to invest NT\$180,800 thousand for 2025.

B. Successfully developed technologies or products:

Item	R&D Results	Description of Benefits
1	Development of Night Vision Imaging System (NVIS) display	We have developed a patented backlight structure for NVIS-compatible displays. Unlike traditional methods that rely on external NVIS filters, our design features a dual-mode backlight system with switchable LED light sources for day and night modes, allowing night vision goggle users to clearly read display information without interference. Our NVIS dual-mode displays meet the requirements of MIL-STD-3009, minimizing red and near-infrared radiation emissions to avoid affecting NVG performance.
2	Development of projected capacitive touch display module with pressure sensing and vibration feedback functions	Enhance the safety of projected capacitive touch functionality by designing a capacitive pressure sensing mechanism to prevent accidental touches. Furthermore, design a pressure feedback mechanism that requires the user to apply a certain amount of pressure on the panel before activating the LRA vibration signal in order to improve the tactile feedback sensation of pressing a mechanical button.
3	Development of touch display integrated with NFC technology	Propose a new structure design of touch display that directly molds the NFC antenna into the touch sensor or cover lens. It can remove antenna space to simplify the structure design, reduce costs and improve production yield without assembling the antenna especially, and sense easier between sensing object and NFC antenna placed on the frontal surface of module.
4	Development of touch display modules with arbitrary dielectric materials and undulating surfaces	Integrate different materials and high-relief bezels with touch display modules and leverage projected capacitive sensing technology to develop an intelligent surface-guided user-machine interaction solution.
5	Development of interactive guidance technology for flat panel displays by applying AI edge computing to embedded platforms	We obtain raw data from the environment through sensors, and use AI models for training to classify and process information. Then the results are provided to the microcontroller (MCU) for immediate application. Through those category labels trained by AI, the MCU can perform more appropriate operation such as gesture recognition, proximity touch sensing or dynamic interactive applications. The core advantages of this technology are low latency, high performance, and edge computing capabilities which can analyze the sensing data instantly to improve the interaction accuracy and response speed and to provide a more intuitive interactive experience for smart display devices.

Item	R&D Results	Description of Benefits
6	Development of device for separation of Tin welding situation by applying AI deep learning knowledge	Develop the AOI instrument with AI deep learning function to automatically inspect Tin welding situation of FPC so as to reduce human error and improve the accuracy of welding inspection.
7	Intellectual Property Rights (include Patents and Trade Secret)	Number of intellectual property right proposals totaled 27, which include 17 patent proposals and 10 trade secret proposals. Number of intellectual property rights granted totaled 18 (proposals accumulated in the previous years).

4.1.4 Long-term and Short-term Development

A. Short-term development

- a. Provide variation design of TFT-LCD module to satisfy different customized needs from customers, increase the proportion of niche-type display products in pan-industrial control and medical to diversify product types, and maintain the growth and earning power of the Company in the future.
- b. Develop solutions of embedded system to help customers integrate development needs such as software, firmware, and hardware design, further to make it differentiate and high-added valuing. Increase gross profit and sale price through technical integration.
- c. Import advanced engineering technology and new featured material, change product module configuration and enhance production technology to allow product design abilities of the Company to correspond with the trends of light, thin, short, small, and refined, as well as meet the standards of design required for the harsh operating environment of the pan-industrial control market.
- d. Enhance function of technical services in overseas stronghold and increase business ratio of “total solution” to satisfy the quality of prompt service required by customers.

B. Long-term development

- a. Enhance the Company’s R&D energy, cultivate developing potential of industries, build the R&D center of somatosensory technology, establish self-application capabilities of software and firmware development, and lock prospective advanced human-machine interaction technology for doing research and development.
- b. Optimize the cost of optical bonding process and display technology such as surface treatment and free form laser cutting, strength the existing capacitive touch technique, develop water tolerance touch to utilize it in the outdoor access security system, the device in parking lot, the bathroom, kitchen and medical equipment.
- c. Develop 3D gesture, intelligent algorithms and expand diversified technology of interactive human-machine interface display. Realize a smart home and take the preemptive opportunities of high gross profit market in the future.

4.2 Market and sales overview

4.2.1 Market analysis

A. Sales region

End customers of the Company are mainly located in North America and Europe. Geographic areas of ordering clients and the percentages are: Asia 10.63%, Europe 47.36%, Americas 31.78%, other areas and domestic sales 10.23%.

B. Market share

Small and medium-sized liquid crystal displays, capacitive touch panels, and modules are main product of the Company and components for liquid crystal display product. According to Industrial Technology Research Institute(ITRI) and Taiwan Industry Economics Services statistics, gross output value of Taiwan's display industry for 2024 was US\$25.8 billion. The operating revenue of the Company for that year was US\$112 million, accounting for about 0.43% of Taiwan's panel output value. Additionally, according to Global Information, Inc.(GII) statistics, gross output of the global display industry for 2024 was US\$139.3 billion. The operating revenue of the Company was accounting for about 0.08% of the total global panel output value.

C. Future demand, supply, and growth potential of the market

According to data from Global Information, Inc. (GII), the global display panel market value is estimated to reach US\$ 139.3 billion in 2024, with a compound annual growth rate (CAGR) of 6.5% from 2024 to 2031, reaching US\$ 216.3 billion by 2031. The growth of the global display panel market is influenced by several key factors, including the increasing demand for high-definition displays in household appliances such as televisions and smartphones, advancements in display technologies like OLED and LCD, the widespread adoption of smart TVs, mobile phones, and PCs, as well as the growing applications of panels in vehicles, which are stimulating market expansion. In addition, the focus on energy efficiency and the demand for enhanced image quality are driving the development of new display technologies, such as OLED and quantum dot displays.

The rising awareness of green new energy has led to the rapid development of electric vehicles and self-driving cars over the past years. Meanwhile, consumers are starting to pursue entertainment and intelligent services related to car rides. This further evolves the in-car entertainment experience and increases the demand for car displays. The "smart cockpit" provides a diversified and intelligent driving experience, and it turns to be focus of competition layout for global luxury car manufacturers in the line. Among them, panels such as dashboards, rearview mirrors, head-up displays, central control panels, and rear-seat entertainment applications must have high-resolution, high brightness and other features, and AMOLED and mini-LED backlight technology are introduced at the same time. Thus, display-related manufacturers are actively developing the integration technology of their own vehicle entertainment systems in order to increase the added-value of displays. The potential of automotive panels will become the sixth largest application field in the display market in the long run.

By ushering in new business models and vertical applications, the Internet of Things(IoT) is driving the industrial ecosystem transformation. Related applications of IoT are including industrial control, automotive, smart speaker, smart home appliances, and so on. The IoT technology started from improving user experiences to gradually developing new solutions such as thin and light designs, flexible displays, and transparent screens to redefine the human-machine interface. The focus of the industry will also move from the previous scale competition to value competition. Because the mainstream size of tablets accelerates to large-scaled models, the demand for digital cameras continues to shrink, and smart phone panels continue to switch to AMOLED, enabling the automotive applications and IoT to become a main growth driver behind the global shipment of small and medium-sized TFT-LCDs in the future.

In terms of medical device products, the medical-related market will maintain long-term and continuous growth as the global population grows, the aging population increases, the economy for developing countries strengthens, and the influence of infectious diseases magnifies under the globalization trend. Market research firm IMARC Group estimates that the global smart medical equipment market will reach US\$62.8 billion in 2028, showing a compound annual growth rate (CAGR) of 7.39% from 2023 to 2028. The Company has carefully cultivated the medical industry for many years, and is cautiously optimistic that the ratio of applications for medical products is expected to grow annually.

In terms of long-term development, with the advent of AI and the replacement cycle, technological upgrades will be irreversible, and the competition model will also face the possibility of reshaping. "Display effect" will no longer be the only focus of competition in the future. Under the trend of smart cars, interconnection of all things, metaverse industry and technologies, displays are about to develop towards high-level, diversified and integrated development, and to shoulder the long-term growth momentum of the overall display market in the future.

D. Competitive niche, advantages and disadvantages for future development, and corresponding policies

a. Competitive niche

◆ Strong management team

With over 30 years of experience in LCD related industries, the business team of the Company has seasoned technical and managerial personnel whom are highly sensitive to technology and market demands, and can therefore fully grasp LCD market trends. The Company not only values product research and development as well as quality improvement, but also innovates and expands into upstream and high added value products. Company employees have a strong sense of unity and stability. After the experience of recent financial turmoil, company policies have further foresight. The Company has successfully crossed into touch panel domain following existing pace of research and development, and become one of the leading manufacturers in the domestic LCD industry.

- ◆ Completed production and distribution system with major international company creating stable supply source and product channel

In aspect of quality, international quality certifications ISO 9001 and ISO 9002 have already been achieved in the early years. The Company is also the first manufacturer in the domestic LCD industry to achieve quality certification QS 9000 of the three major car manufacturers. In addition, upstream suppliers undergo strict selections to ensure the excellent quality of products.

In aspect of order delivery date, the Company has overcome LCD, LCM industry characteristics of numerous product range and specifications as well as short delivery date by relying flexible production process and good cooperating relations with critical material suppliers obtained over the years. Accurate delivery dates and stable quality from production lines has allowed the Company to obtain orders from major international companies and even become a long term cooperating strategic partner of these companies.

- ◆ Development towards vertical integration of applications, increase product added value, and enhance competitiveness

The Company has always expanded market and clients via quality, technology, and service and has very competitive performance in “User Machine Interface(UMI) Solution”, which derives from the integration of display and touch panel functions. Whether it is the optical bonding production capability and yield rate, which the product itself is high demanding, or the technical support of client application software/firmware development testing, the Company performs far beyond average industry standards.

- ◆ Excellent quality and stable orders

In addition to company managerial personnel, who are all from well-known international and domestic manufacturers with years of technology experience, use of technically advanced equipment and strict control of product flow to improve yield rate from the very beginning has allowed the quality of company products to remain stable and achieve certification from international companies for niche products such as the internet phone, mobile clinic, high end servers, industrial human-machine interface, smart home automation and security systems. Once certified, entry to their long-term supplier system is allowed and along with opportunities for stable orders. Hence, performance of the Company is supported by a long term and stable client basis.

b. Advantages for future development

◆ Steady growth in demand for touch panel and modules

According to research by Global Information, Inc. (GII), with the growing interconnectivity of devices, the demand for intuitive control systems is continually increasing. The global touchscreen module market size is expected to reach US\$ 34.8 billion by 2030, with a compound annual growth rate of 3.1% from 2024 to 2030. The main development factors in this market are the continuous growth in demand for touchscreen modules in consumer electronics and the automotive industry, as well as the increasing acceptance of gesture control. Thus, users can operate a wide range of devices through the touchscreen of smart home products, including home automation systems, security tools, and energy management controls. With business opportunities in sectors such as automotive, aerospace, consumer electronics, smart home, education, healthcare, industrial, and retail, the future prospects for the global touchscreen module market are promising. In addition, industries are integrating touch-based IoT solutions to enable remote monitoring and management of devices, further stimulating demand.

◆ Rise of the Internet of Things(IoT) boosts development of smart wearable devices

With the rapid developments of the IoT and big data analysis technology, the demand for the smart wearable devices that are able to sense and collect data is getting obvious. Whether it is retail business, transportation and logistics, agricultural and stock farming, smart city developing, or medical service, they all need this data collecting and analysing process in order to make the best decision from the latest update. However, the smart wearable devices such as smart glasses, smart watch, and smart bracelet, are unable to go viral in the consumption market like smart phone did. Try to make its way into other niche markets is an important way out for the smart wearable devices in the future.

With the improving internet medical technology, the wearable devices with sensors for collecting human body related information make personalized accurate treatment achievable. In the aspects of disease prevention and care management, it enables long distance and home care services to improve life quality for the patient and lower medical burden, therefore found the blue ocean for the wearable devices. Smart wearable devices work effectively in medical appliance, and make the associated technology such as sensor and AMOLED panel develop rapidly. In response to the rise of the IoT, various devices are intelligently upgraded through chips to realize applications such as smart cities, smart transportation, and smart homes. The development of forward-looking technologies such as 5G and AI has driven the evolution into the AIoT. The COVID-19 epidemic in recent years has driven the growth of digital transformation, and companies have paid more attention to the development of related technologies and increased investment.

According to International Data Corporation (IDC), global spending on the Internet of Things (IoT) reached US\$ 805.7 billion in 2023. It is projected that investment in the IoT ecosystem will surpass US\$ 1 trillion by 2026, with a compound annual growth rate (CAGR) of 10.4% from 2023 to 2027. Therefore, the IoT is considered the biggest business opportunity followed by the mobile device, and will drive the continuing growth of small and medium-sized display market as well as broaden future development.

◆ Establishment and formation of upstream materials industry supply system

The Company's upstream materials include driver ICs, liquid crystal glass, backlight modules, FPCs, PCBs, and mechanical components. Among these, driver ICs and liquid crystal glass are considered critical materials. Currently, the Company primarily sources these materials from Taiwanese suppliers. However, with the booming development of LCD applications, China's Red Supply Chain has gradually emerged as a major supplier of driver ICs (foundry services) and liquid crystal glass, leading to a year-on-year increase in the use of Made-in-China liquid crystal glass and other materials.

Additionally, during the U.S.-China trade war, the Company played an important role as an integrator. By centering on LCD modules and integrating peripheral components such as frames, cameras, and speakers, and leveraging the "Made in Taiwan" designation, the Company helped reduce customers' exposure to import tariff risks.

c. Disadvantages for future development and corresponding policies

◆ Touch panel industry has entered the highly mature stage. Due to continued extension of applications, competitors continue expansion of new production lines and increasing the possibility of imbalance between production and distribution

Diverse development of application product market stimulates continued growth in touch panel market demand. However, market competition has become increasingly fierce, especially over markets with lower technical threshold. Overall market price for products is pressured to go down.

Corresponding policies:

Actively improve and change the production process and design to increase the value of product portfolio and satisfy the diverse needs of clients. Also, enhance flexibility and efficiency of product assembly to shorten production schedule and enhance product competitiveness. In addition, import of automated production equipment and improvement of production process as well as implementation of lean management and production division to fully achieve the complementary effect of compared interests, lower production costs and enhance company competitiveness.

- ◆ There is a risk of country-of-origin restrictions for critical materials

With the ongoing escalation of the U.S.-China trade war, future restrictions may be imposed on critical materials such as driver ICs (foundry services) and liquid crystal glass in specific fields (e.g., communications and military applications), prohibiting the use of Made-in-China products, which could impact production.

Corresponding policies:

Maintain at least two suppliers of critical materials, and one of them must not be “Made in China”. The Company will plan well and confirm the alternative in the design and development stage.

4.2.2 Main uses and production processes of main products

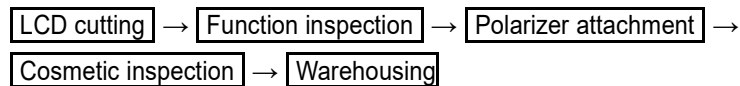
A. Main uses of products

- (1) Industrial equipment application
- (2) Smart home device application
- (3) Automotive related application
- (4) Medical equipment application
- (5) Commercial equipment & OA application

B. Production processes

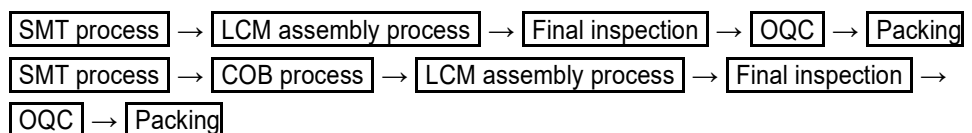
LCD, LCM, and T/P are the Company’s main products. The manufacturing processes are as follows:

a. LCD

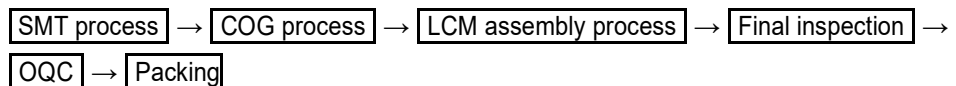


b. LCM

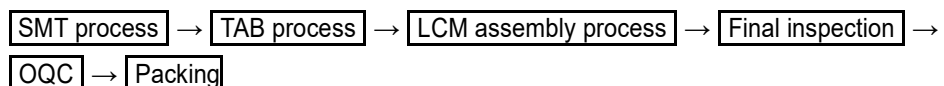
- ◆ Assembly



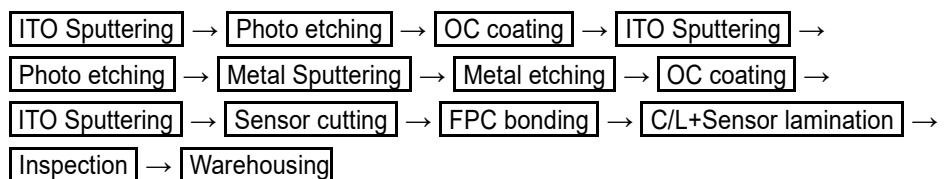
- ◆ COG



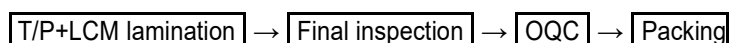
- ◆ TAB



c. T/P



d. T/P+LCM



4.2.3 Supply status of main materials

Main Materials	Source of Supply
Backlight Module	Taiwan / China
Driver IC & Touch IC	Taiwan
ITO Glass	Taiwan
Polarizer	Taiwan / China
Panel	Taiwan / China
Cover Lens	Taiwan / China
TFT Module	Taiwan / China

4.2.4 Major suppliers and customers

A. Major suppliers for the most recent 2 fiscal years

Unit: NT\$ thousands

Item	Year 2024				Year 2023			
	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
1	AAA	194,177	10.71	None	AAA	355,357	15.03	None
	Others	1,618,043	89.29		Others	2,009,005	84.97	
	Net purchases	1,812,220	100.00		Net purchases	2,364,362	100.00	

Purchased amount from supplier AAA decreased because the purchased amount from individual supplier was affected by the variation of sales product structure.

B. Major customers for the most recent 2 fiscal years

Unit: NT\$ thousands

Item	Year 2024				Year 2023			
	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	BBB	824,654	22.87	None	BBB	973,202	22.19	None
2	CCC	447,523	12.41	None	CCC	91,322	2.08	None
3	DDD	295,964	8.21	None	DDD	458,808	10.46	None
	Others	2,037,411	56.51		Others	2,863,392	65.27	
	Net sales	3,605,552	100.00		Net sales	4,386,724	100.00	

The sales to client BBB and DDD decreased but CCC increased because the demand from end customers changed.

4.3 Employee statistics

		Dec. 31, 2024	Dec. 31, 2023	Mar. 31, 2025
Number of employees	Management Employee	72	74	72
	Indirect Employee	272	291	265
	R&D Employee	130	131	130
	Operator	520	574	503
	Total	994	1,070	970
Average age		45.76	44.47	46.23
Average years of service		16.24	14.56	46.23
Education distribution percentage (%)	Ph.D.	0.10%	0.10%	0.10%
	Master's degree	5.94%	5.51%	6.08%
	College	36.12%	34.95%	36.29%
	Senior high school	40.54%	41.03%	41.34%
	Below senior high school	17.30%	18.41%	16.19%

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.

The Company produces and sales liquid crystal display panels, capacitive touch panels, and its modules. The waste and other hazardous materials generated during the production process are handled in accordance with related environmental protection laws and regulations. There is no issue of industrial pollution. Furthermore, there is no loss suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents. The Company will keep the spirit of sustainable development and comply with every environmental protection laws and regulations, thus there is slight possibility to disburse for environmental protection. Please refer to the Company's Sustainability Report for the actions of environmental protection.

4.5 Labor relations

4.5.1 Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

A. Employee benefits

Bonus / Subsidy	Insurance	Leave
<ul style="list-style-type: none"> ● Year-end bonus ● Employee bonus ● Employee stock options ● KPI performance bonus ● Subsidy for marriage / childbirth ● Subsidy for hospitalization / funeral ● Gift for holiday and birthday ● Scholarship for employee / offspring of employee ● Subsidy for cafeteria meals ● Company-paid regular physical examination ● Subsidy for leisure travel ● Subsidy for enjoying artistic and cultural activities ● Bonus of employee stock ownership trust 	<ul style="list-style-type: none"> ● Labor insurance ● National health insurance ● Appropriated labor pension ● Group insurance for employees and their dependents ● Endowment insurance ● Medical insurance ● Unemployment insurance ● Work injury insurance ● Maternity insurance ● Housing provident fund 	<ul style="list-style-type: none"> ● Paid annual leave ● Personal leave with pay ● Sick leave ● Menstrual leave ● Marriage leave ● Maternity leave ● Leave for prenatal visits ● Accompanying maternity leave ● Parental leave ● Bereavement leave

B. Education and training

- a. Expenses for education and training of 2024 were NT\$243 thousand. Education and training focused on course regarding the latest technology knowledge, environment / safety / health and specific equipment operation.
- b. Human resources are the greatest asset in the sustainable company. The Company implements training for all employees and provides long term training of personnel to allow for continuous improvements and innovation. The main purpose of education and training is to enhance managerial ability and share professional skills. The most effective use of themed planning of education and training each year will cultivate employees more compatible with the corporate culture.
- c. In addition to general professional training for new employees, managerial training for management of all levels, and professional training within departments, implementation of key courses planned in accordance with annual company strategies will enhance the abilities of employees and also achieve the annual goal.

C. Retirement system

- a. The Company follow the government's related regulations to monthly allocate retirement preparation funds based on 2% of the total salary to a saving account in the Bank of Taiwan as retirement payment for the employee's seniority in old pension system of the Labor Standard Laws. For employee (including informal employee) with the Labor Pension Act in new pension system, 6% of the total salary will be allocated monthly to a personal account of retirement fund in the Bureau of Labor Insurance.

- b. Labor pension supervisory committee has been established and government organizations notified in accordance with regulations. The committee is responsible for matters related to allocations of the employee retirement reserve funds.
- c. The Company has adopted codes for employee retirement and full-time employees are all applicable from their date of employment. The conditions and procedures for employees applying for retirement are as follows:
- ◆ An employee may apply for voluntary retirement under any of the following conditions:
 - An employee attains the age of 55 and has worked for 15 years.
 - An employee has worked for more than 25 years.
 - An employee attains the age of 60 and has worked for 10 years.
 - ◆ An employer shall not force a worker to retire unless any of the following situations has occurred:
 - An employee attains the age of 65. The Company may request the central competent authority to adjust the age prescribed if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, that the age shall not be reduced below 55.
 - An employee who is unable to perform his/her duties due to disability.
 - ◆ The criteria for payment of employee pensions:
 - According to old pension system of the Labor Standard Laws, two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months, however, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disability incurred from the execution of their duties.
 - According to new pension system of the Labor Pension Act, the Company allocates 6% of the monthly salary which according to Salary Grading Table as retirement benefit and this amount shall be deposited to the employee's pension account. An employee shall contribute voluntarily no more than 6% of his/her monthly salary to above account as retirement pension.
 - ◆ The procedure of pension payment:

The Company shall pay the pensions within 30 days from the day of retirement according to old pension system of the Labor Standard Laws. Employees claiming retirement benefits shall open a specific account with necessary documents at a financial institution for the deposit of retirement benefits.
- d. Pension for overseas subsidiaries are of defined contribution plan and social security payments for pension and health care are made each month in accordance with local government regulations.

- e. For the labors who are adapting to old pension system of the Labor Standard Laws, the Company has accumulated NT\$157,783 thousand as retirement preparation funds by the end of 2024; while the Company totally allocates NT\$26,933 thousand for the labors who are adapting to new pension system of the Labor Pension Act in 2024.
- f. In 2024, five persons have retired and departed according to relevant retirement regulations.
- g. According to the amendment to Article 54 of the Labor Standards Act effective on July 15, 2024, employers and employees may negotiate to extend the mandatory retirement age beyond 65 to a specific age by mutual agreement. If either party disagrees, the Company may still proceed with the retirement process according to the aforementioned procedure c.
- h. Other important agreements: None.

4.5.2 List any losses suffered by the Company in the most recent 2 fiscal years 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

- A. The Company pays close attention to the welfare of employees and emphasizes two-way communication between employers and employees to promote harmonious labor relations. There are no labor disputes during the most recent year or during the current fiscal year up to the date of printing of the annual report and no losses suffered from disputes. As the Company believes in mutual benefits for both parties, possibility of future labor disputes and losses are minute.
- B. Estimated amount and corresponding measures for current and future possibilities: None.

4.5.3 Employee behavior or ethnic codes

The Company has adopted several codes and regulations regarding employee behavior and ethnics to allow employees to follow on for their ethnics, rights, obligations, and behaviors. The regulations are summarized as follows:

- A. Codes of authorization: To improve work efficiency, strengthen level responsibility management, and effectively regulate the rights of all employees.
- B. Job description of departments: Clear specification of the job description and organization function of each unit.
- C. Rules of work: Reward or punishment based on employee behavior or action resulting in company gains or losses.

- D. Regulations for new employee education and training: Arrangements for new employees will be made as soon as possible to eliminate the anxiety of a new environment and allow the new employees to become familiar with the work environment and colleagues as well as fulfill their productivity and lower departure rate of new employees.
- E. Codes for attendance: Reference to follow for employee leave and absence.
- F. Codes for assessment: To improve the assessment system and establish employee discipline. Annual assessment of employee performance will be used as basis for raise, promotion, bonuses, and the arrangement of education and training.
- G. Sexual harassment prevention and measures: To prevent sexual harassment in the workplace and maintain gender equality as well as human dignity, the speech and behavior of employees are regulated.
- H. Codes for intellectual property rights: To protect trade secrets, commercial interests and competitiveness of the Company as well as to prevent losses caused by leaks.
- I. Codes for Ethical Management: To implement ethical management policy and actively prevent misconduct, the code specifies and regulates employees when performing their duties.

4.5.4 Protection measures for the work environment and personal safety of employees

- A. Adopt codes for environmental safety management.
- B. Establish managerial unit and personal for safety and hygiene:
 - a. Establish safety and hygiene managerial unit in accordance with the Occupational Safety and Health Act.
 - b. Equip operating site with emergency personnel and arrange refresher training in accordance with the Occupational Safety and Health Act.
 - c. Operators of organic solvents, specific chemicals, dangerous machinery and equipment, and high pressure gas equipment must be trained and has licensed certificate. Refresher training is to be arranged in accordance with the Occupational Safety and Health Act.
 - d. Hold monthly environment safety meetings and discuss issues related to environment safety.
 - e. Arrange fire and safety audit every month.
- C. Fire prevention and facility safety
 - a. Monthly maintenance and inspection of lift by commissioned maintenance company, annual review by qualified inspection agency.
 - b. Fire and high pressure gas equipment inspection by industrial safety division, annual review by qualified inspection agency.

- D. Health and hygiene
 - a. Biannual operations environment check.
 - b. Annual physical examinations and particular physical checkups for employees.
 - c. Infirmary equipped with on-site nurses and occupational doctors to provide the appropriate medical assistance.
- E. The Company has achieved ISO45001: 2018 Certification for labor safety and health on February 23, 2021. The latest certificate is valid from February 23, 2024 to February 22, 2027.

4.6 Cyber security management

4.6.1 Cyber security risk management framework

The Company appoints the top manager of the Management Information System Department as the head of cyber security, and establishes the “Cyber Security Committee” and a “Cyber Security Implementation Team” to consolidate the Company’s cyber security. The “Cyber Security Committee” is convened by the head of cyber security, and each unit within the Company: Audit Office, Management Information System Department, Administration Department, Legal Affairs and Market Department appoints one person as a committee member. The “Cyber Security Implementation Team” is assigned by the convener to serve as team members from the Management Information System Department, who are responsible for planning and implementing cyber security operations, mainly cyber security prevention and incident handling.

The cyber security policy is formulated by the “Cyber Security Implementation Team” and is approved by the “Cyber Security Committee”, and management review meetings are held regularly or the applicability of policies are re-evaluated when there are major changes in the organization (such as organizational adjustments, major business changes, etc.) Appropriate revisions of the cyber security policy will be made in accordance with latest assessment results, relevant laws, technologies, and business developments so as to be in compliance with actual needs. Meanwhile, the “Cyber Security Committee” makes regular reports of the cyber security risk management to the Board of Directors each year, thus strengthening supervision and management of directors to operations of the Company.

4.6.2 Cyber security policies

- A. The Company shall implement the compliance of relevant laws and regulations, including intellectual property protection law, personal data protection law, and agreements and contracts signed with external units.

- B. Both the Management Information System and Administration Department are responsible for promoting the planning, implementation, communication and coordination of relevant management systems, and actively handling education, training and publicity on cyber security and personal data protection to ensure that personnel are familiar with the security responsibilities of business execution.
- C. The information assets held by employees for the execution of the Company's business are based on the principle of public ownership, and are classified, graded, and risk assessed according to their needs to achieve effective controls. Information operations are planned according to the actual needs of business execution for continuous management of operations so as to ensure the availability of information operations.
- D. The physical office environment and important information equipment rooms are subject to access control to maintain the safety of the environment.
- E. To prevent computer viruses and malware affecting operations, except for legally authorized systems and application software, the use of other unauthorized software is prohibited.
- F. To ensure the effectiveness of the management system, those who violate the relevant procedures and norms of the management system shall be reviewed and punished in accordance with relevant regulations.

4.6.3 Concrete management programs

The Company considers that cyber security insurance is still an emerging type of insurance, involving cyber security level testing agencies, claims identification agencies, and non-claim conditions and other related supporting facilities. Therefore, after the evaluation by the Cyber Security Committee, the purchase of cyber security insurance is temporarily not recommended. At present, the main measures for cyber security risk management are able to effectively protect cyber security. The latest report was submitted to the Board of Directors on November 5, 2024. Details are disclosed in "Cyber Security Management" under the "ESG" section of the Company's website.

4.6.4 Investments in resources for cyber security management

- A. The Management Information System Department set up a total of 3 people responsible for the management of cyber security.
- B. New employees are required to complete a cyber security training course and sign an "Employee Information Operation Statement" on their first day of employment, ensuring they understand the regulations for handling and accessing internal and external company information. In 2024, all employees received two hours of cyber security training, with a total of 831 attendees and 1,662 training hours, achieving a 100% completion rate.
- C. Cyber security bulletins are issued irregularly to communicate important regulations and precautions regarding cyber security. In 2024, the Company issued more than two cyber security bulletins.

- D. Assisted by professional information security vendors to provide firewall connection rules backup and management consulting, redundancy system management consulting, and advanced integrated endpoint protection services, etc. Aforementioned expenditure totals NT\$600 thousand each year. In addition, the purchase of anti-virus software was NT\$650 thousand, the backup software license was NT\$308 thousand, and the purchase of backup servers and other related hardware equipment was NT\$1,350 thousand.
- E. In 2024, no major cyber security incidents occurred, nor were there any cases or complaints related to customer privacy breaches or customer data leaks.

4.6.5 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, 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.

4.7 Important contracts

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Syndicated loan	7 banks, including E.SUN Bank	May 15, 2020 ~ May 14, 2025	Syndicated loan totaling NT\$800 million	Maintenance of specific financial ratio
Liability insurance for directors	Fubon Insurance	January 18, 2025 ~ January 18, 2026	Liability insurance for directors	None
Liability insurance of manufacturer's errors & omissions	Hotai Insurance	November 1, 2024~ November 1, 2025	Errors & omissions insurance	None
Commercial general liability insurance	Hotai Insurance	November 1, 2024~ November 1, 2025	Product liability insurance	None
Transportation cargo insurance	First Insurance	January 1, 2025~ December 31, 2025	Transportation insurance	None

V. Review of Financial Conditions, Operating Results, and Risk Management

5.1 Financial position

Unit: NT\$ thousands

Item	Year		Difference	
	2024	2023	Amount	%
Current assets	3,114,870	3,357,439	(242,569)	-7.22%
Property, plant and equipment	560,509	525,237	35,272	6.72%
Intangible assets	4,953	4,980	(27)	-0.54%
Other assets	288,522	265,987	22,535	8.47%
Total Assets	3,968,854	4,153,643	(184,789)	-4.45%
Current liabilities	791,716	980,655	(188,939)	-19.27%
Non-current liabilities	462,196	544,952	(82,756)	-15.19%
Total Liabilities	1,253,912	1,525,607	(271,695)	-17.81%
Equity attributable to shareholders of the parent	2,675,124	2,588,225	86,899	3.36%
Capital stock	1,574,076	1,574,076	0	0.00%
Capital surplus	68,712	50,291	18,421	36.63%
Retained earnings	1,245,143	1,177,368	67,775	5.76%
Other equity interest	(90,525)	(91,228)	703	0.77%
Treasury stock	(122,282)	(122,282)	0	0.00%
Non-controlling interest	39,818	39,811	7	0.02%
Total Equity	2,714,942	2,628,036	86,906	3.31%

Analysis of changes in financial ratios:

A. Capital surplus increased because the dividend paid to the subsidiary was recorded as capital surplus.

5.2 Financial performance

5.2.1 Analysis of financial performance

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Operating revenue	3,605,552	4,386,724	(781,172)	-17.81%
Gross profit	826,954	1,010,722	(183,768)	-18.18%
Operating income	232,302	449,918	(217,616)	-48.37%
Non-operating income and expenses	161,101	55,065	106,036	192.57%
Income before tax	393,403	504,983	(111,580)	-22.10%
Tax expense	65,311	86,388	(21,077)	-24.40%
Net income	328,092	418,595	(90,503)	-21.62%
Other comprehensive income (after tax)	(7,755)	118,999	(126,754)	-106.52%
Total comprehensive income	320,337	537,594	(217,257)	-40.41%

Analysis of changes over 20% in financial ratios:

- A. Operating income, income before tax, net income and tax expense decreased because operating revenue for 2024 decreased by 17.81% compared with 2023 as the effect of long-term orders from the COVID-19 pandemic diminished, and the European market weakened significantly.
- B. Non-operating income and expenses increased because foreign currency exchange gains caused by favorable exchange rate effects in 2024. Compared with the foreign exchange losses in 2023, the difference is NT\$102,349 thousand, a range of 1389.10%.
- C. Other comprehensive income (after tax) and total comprehensive income decreased because unrealized losses from investments in equity instruments measured at fair value through other comprehensive income increased in 2024. Compared with the unrealized gains in 2023, the difference is NT\$130,474 thousand, a range of 108.80%.

5.2.2 Analysis of gross profit

Unit: NT\$ thousands

Item \ Year	2024	2023	Change %

Analysis of change:

Gross profit decreased because operating revenue for 2024 decreased by 17.81% compared with 2023.

5.2.3 Sales volume forecast and the basis therefor: Please refer to page 4.

5.3 Cash flows

5.3.1 Analysis of cash flows for 2024

Unit: NT\$ thousands

Cash and cash equivalents, beginning of year (1)	Net cash flow from operating activities (2)	Net cash flow from investing activities (3)	Net cash flow from financing activities (4)	Effects of changes in foreign exchange rates (5)	Cash surplus (deficit) (1)+(2)+(3) +(4)+(5)	Leverage of cash deficit	
						Investment plans	Financing plans
1,370,524	483,181	(572,983)	(345,046)	(9,901)	925,775	—	—

A. Analysis of cash flow:

- Operating activities: Net cash inflow was mainly due to maintained profitability for this year and the great decrease of inventories.
- Investing activities: Net cash outflow was mainly due to the acquisition of financial assets at fair value through other comprehensive income.
- Financing activities: Net cash outflow was mainly due to the repayment of long-term borrowings and the payment of cash dividends.

B. Corrective measures to be taken in response to illiquidity: Not applicable.

5.3.2 Analysis of liquidity for 2025

Unit: NT\$ thousands

Cash and cash equivalents, beginning of year (1)	Estimated net cash flow from operating activities (2)	Estimated net cash used in investing and financing activities (3)	Cash surplus (deficit) (1)+(2)+(3)	Leverage of cash deficit	
				Investment plans	Financing plans
925,775	240,779	(315,381)	851,173	—	—

A. Liquidity analysis: It is estimated that the Company will generate cash inflow from operating activities NT\$240,779 thousand in 2025. Further, it is estimated NT\$315,381 thousand net cash used in investing activities and financing activities, are primarily for the acquisition of financial assets, repayment of borrowings for materials and working capital, payment for cash dividends, and so on. The balance of cash at the end of year is estimated to be NT\$851,173 thousand.

B. Remedial actions for liquidity shortfall: Not Applicable.

5.4 Major capital expenditure items: None.

5.5 Investment policy in the last year, main causes for profits or losses, improvement plans and investment plans for the coming year

The Company's investment strategy is mainly focus on vertical integration of flat display industry or related industry that is beneficial for the upgrade of technologies or management of production and sales. The Company will remain focus on the above said investment to upgrade production lines and enhance competitive advantages for the coming year. The increase of recent year's investment profit was due to the Company properly deployed the production capacity and resource. The Company will remain focus on investment that is beneficial to technology development or evaluate if it is beneficial to our industry before investment for unrelated industry.

5.6 Risk analysis and assessment

5.6.1 The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

A. Interest rate

The increase of interest rate will drive the higher capital cost, but its effect for short-term borrowing is smaller.

B. Exchange rate

The sales of the Company's products are mainly export abroad and the critical materials such as liquid crystal, driver IC, LCD or backlight modules are denominated primarily in foreign currencies. The Company receives net foreign currencies when export abroad, therefore, any significant fluctuation in such exchange rate would have an effect on the Company's revenue and profit.

To avoid the foreign exchange volatility, the Company takes protection steps as follows:

- ◆ Asset offset with liabilities of foreign currency: Foreign currencies received from sales directly pay off the import materials to lower the exchange rate exposure.
- ◆ Utilize hedged derivative financial instruments: Utilize currency forward contracts or options to avoid foreign currency risk of assets and liabilities due to its fluctuation.
- ◆ Collect exchange rate information at any time to monitor the trend of exchange rate and decide the best timing to convert from foreign currency to NTD or retain in foreign currency account.
- ◆ Enhance quality and added value of products to adjust cost and price in time during foreign currency fluctuation.

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

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

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

Please refer to page 3.

5.6.4 Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response

The Company consistently pays close attention to any changes in local and foreign regulations and makes appropriate amendments to our systems such as Corporate Governance Practice Principles and Article of Corporation. During 2023 and as of the date of publication of this annual report, changes in related laws have not had a significant impact on our operations.

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

The package technologies of flat panel display have been upgraded for the recent years. Further, the global individual business operation system and the application of flat panel displays keep expanding. In an attempt to grasp market opportunities, the Company continues to pay attention to market changes and related technological development trends. Also, it is committed to developing new products and new customer sources in order to enhance the long-term competitiveness. In response to information security incidents such as frequent cyber-attacks and ransom ware in recent years, the Company also strengthens the risk control and protection of cyber security, and implements various control measures, including the construction of firewalls, and the appointment of external professionals to evaluate. The details were listed as "4.6 Cyber security management" in this report. During 2024 and as of the date of publication of this annual report, those changes have not had a significant impact on our operations.

5.6.6 Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response.

The Company has consistently maintained an ethical business philosophy and pay attention to corporate image and risk control. There is no foreseeable risk currently.

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

5.6.8 Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

The Company continuously monitors the development of flat panel display technologies both domestically and internationally. Considering customer needs and internal capacity planning, the Company makes timely investments in and replacements of equipment. This approach not only maintains industry competitiveness but also ensures the Company can fully meet customer requirements.

5.6.9 Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

The change of quantities demand from customers will affect the operation, so the Company had improved the risk of sales concentration and continue to develop new customers. As to the material purchase, the Company acquire multiple sources of suppliers to minimize suppliers' risk.

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

5.6.11 Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: Not applicable.

5.6.12 Litigious and non-litigious matters: None.

5.6.13 Other important risks, and mitigation measures being or to be taken: None.

5.7 Other important matters

5.7.1 Risk management

In order to improve the risk management mechanism and strengthen corporate governance to achieve the goal of sustainable operation, the Company has established a “Risk Management Committee” by resolution of the Board of Directors on November 5, 2024. The members of Risk Management Committee were engaged by the Board of Directors, and currently composed of three independent directors. Their responsibility are reviewing risk management policies and procedures, the adequacy of the risk management framework, reporting to the Board of Directors at least once a year on the implementation of risk management, and so on.

The Company also formulated the “Risk Management Policies and Procedures” and specified that the Company's risk management organization includes: the Board of Directors, Risk Management Committee, Audit Office, President, all risk management departments, all units, and subsidiary companies. Each unit has its own responsibility to manage risk against uncertainties that may threaten business operations.

The Company implements a risk assessment every year with the heads of each risk management department to be in charge of analyzing and monitoring the risks faced by their business jurisdictions. All risk management policies and major decisions have to report to the Board of Directors for approvals. In accordance with the results of risk assessment, an annual audit plan is mapped out by the Audit Office for this purpose. The President is in charge of coordinating and supervising the implementation and coordination of the entire risk management. Each unit and subsidiary companies must abide by the regulations when performing necessary operations and risk management, ensuring that the risks involved are controlled within the affordable range.

As an attempt to review business and operating characteristics, the Company has now included a total of 12 risk categories under management. They are: interest rate change risk, exchange rate change risk, climate change and environmental risk, occupational safety risk, raw material price and supply chain risk, information security risk, strategy and operation risk, investment risk, legal risk, technology risk, management risk, and corporate image risk.

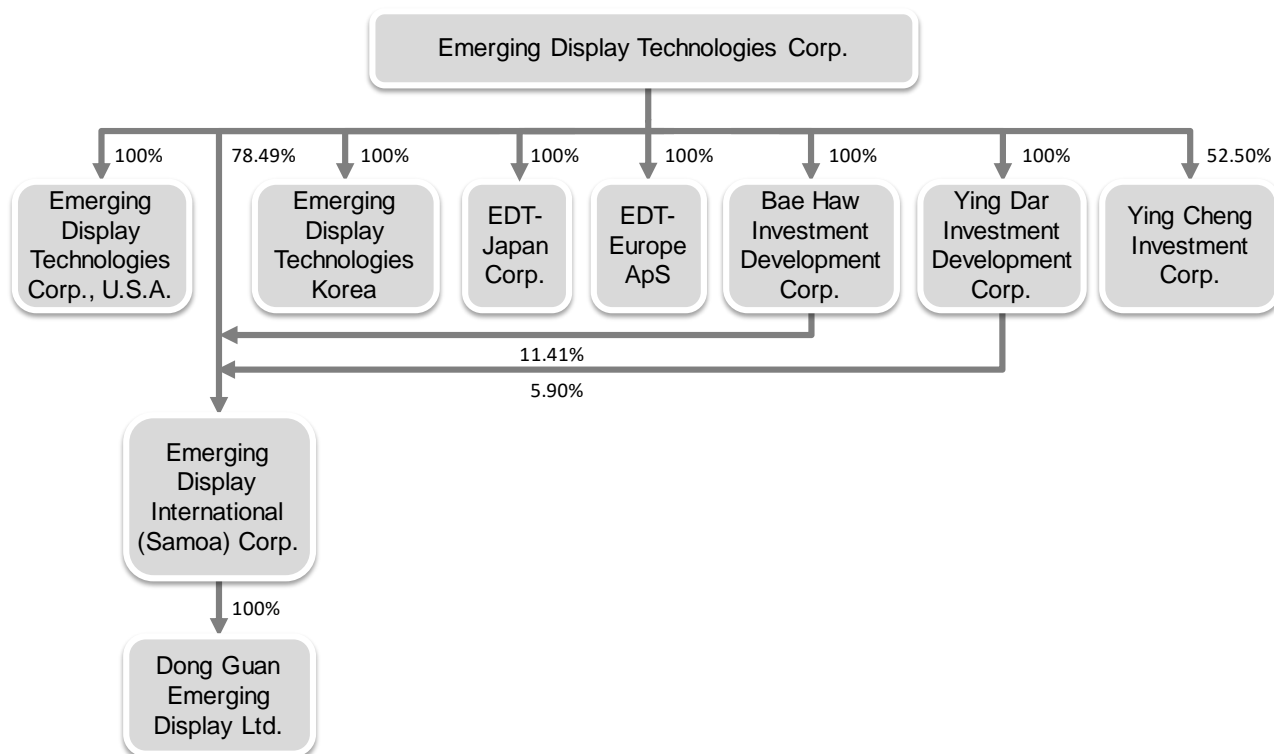
For more details of the risk control measures mentioned above and the Company's implementation status of risk management, please refer to the contents of "Risk Management" under the "ESG" section of the Company's website.

VI. Special Disclosure

6.1 Summary of affiliated companies

6.1.1 Consolidated business report of affiliated companies

A. Organization structure:



B. The profile of affiliated companies:

Company Name	Date of Incorporation	Address	Paid-in Capital (NT\$ thousands)	Main Areas of Business Operations
Emerging Display Technologies Corp., U.S.A.	Sep. 23, 1994	390 Goddard, Irvine, CA 92618, U.S.A.	116,731	Sales channel of North America
Emerging Display International (Samoa) Corp.	Feb. 7, 2000	Offshore Chambers, PO Box 217, Apia, Samoa	248,063	Investment holding
Dong Guan Emerging Display Ltd.	Aug 11, 2000	E2 Junda Industrial Park, Dong Keng Town Dong Guan City, Guang Dong, China	248,516	Manufacturing of CTP and LCDs
EDT-Europe ApS	Oct. 26, 2000	Dyregaardsvej 2, 2740 Skovlunde, Denmark	8,096	Sales channel of Pan-Europe
Bae Haw Investment Development Corp.	Jun. 6, 2001	3F, No. 5, Central 1st Road, Cianjhen Dist., Kaohsiung, Taiwan	89,000	Investment
Ying Dar Investment Development Corp.	Jun. 7, 2001	3F, No. 5, Central 1st Road, Cianjhen Dist., Kaohsiung, Taiwan	89,000	Investment
Emerging Display Technologies Korea	Jun. 11, 2004	A-1111, Pyungchon Acro Tower, 1591, Gwanyang-Dong, Dongan-Ku, Anyang-Si, Kyunggi-Do, Korea	1,677	Sales channel of Korea
EDT-Japan Corp.	Sep. 10, 2012	2-21-41 Takanawa Minatoku Tokyo, Japan108-0074 Takanawa No.1 Building	17,401	Sales channel of Japan
Ying Cheng Investment Corp.	Jul. 23, 2013	3F, No. 5, Central 1st Road, Cianjhen Dist., Kaohsiung, Taiwan	160,000	Investment

C. The particulars for companies presumed to have a relationship of control and subordination where the shareholders in common: Not applicable.

D. The industries covered by the business operated by the affiliated companies overall: Refer to “The profile of affiliated companies”.

E. Directors, supervisors and general manager of affiliated companies:

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
Emerging Display Technologies Corp., U.S.A.	Director	Emerging Display Technologies Corp. Representative: Tseng, Jui-Ming	3,500,000	100%
Emerging Display International (Samoa) Corp.	Director	Emerging Display Technologies Corp. Representative: Tseng, Jui-Ming	5,984,071	78.49%
Dong Guan Emerging Display Ltd.	Director	Emerging Display International (Samoa) Corp. Representative: Tseng, Jui-Ming	—	100%
EDT-Europe ApS	Director	Emerging Display Technologies Corp. Representative: Tseng, Jui-Ming	2,000,000	100%
Bae Haw Investment Development Corp.	Director	Emerging Display Technologies Corp. Representative: Tseng, Jui-Ming	8,900,000	100%
Ying Dar Investment Development Corp.	Director	Emerging Display Technologies Corp. Representative: Tseng, Jui-Ming	8,900,000	100%
Emerging Display Technologies Korea	Director	Emerging Display Technologies Corp. Representative: Tseng, Jui-Ming	58,212,500	100%
EDT-Japan Corp.	Director	Emerging Display Technologies Corp. Representative: Tseng, Jui-Ming	5,000	100%
Ying Cheng Investment Corp.	Director	Emerging Display Technologies Corp. Representative: Tseng, Jui-Ming	8,400,000	52.50%

6.1.2 Financial statement of affiliated companies

Unit: NT\$ thousand

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Income (loss) from operations	Net income (loss)	Earnings per share (NT\$)
Emerging Display Technologies Corp., U.S.A.	116,731	507,075	362,463	144,612	1,339,563	6,777	11,054	3.16
Emerging Display International (Samoa) Corp.	248,063	197,489	94,739	102,750	410,105	6,147	5,188	0.87
Dong Guan Emerging Display Ltd.	248,516	186,107	94,739	91,368	410,105	6,147	3,962	—
EDT-Europe ApS	8,096	131,332	12,656	118,676	81,361	4,684	3,382	1.69
Bae Haw Investment Development Corp.	89,000	143,589	53	143,536	0	(1,119)	6,561	0.74
Ying Dar Investment Development Corp.	89,000	183,770	105	183,665	0	(2,122)	8,766	0.98
Emerging Display Technologies Korea	1,677	2,638	1,058	1,580	3,753	65	44	—
EDT-Japan Corp.	17,401	9,418	2,825	6,593	11,526	708	634	126.80
Ying Cheng Investment Corp.	160,000	74,791	50	74,741	0	(112)	(50)	(0.01)

6.1.3 Loans extended to other parties, guarantees provided to other parties and derivative financial instrument transactions of affiliated companies: None.

6.2 Private placement securities in the most recent years: None.

6.3 Other matters that require additional description: None.

VII. The situations listed in Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report: None.