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DARWIN PRECISIONS CORPORATION

Annual Report for Fiscal year 2024

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-----NOTICE TO READERS---

THIS IS A TRANSLATION OF THE 2024 ANNUAL REPORT OF DARWIN PRECISIONS CORPORATION.
THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE
ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.

*Passion
Quality
Innovation*

DARWIN

DARWIN PRECISIONS CORPORATION

Annual Report for Fiscal year 2024

Speaker of the Company

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Title: Chief Finance Officer

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Deputy Speaker of the Company

Name: Sandy Lin

Title: Manager

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Headquarter, branches and plants

Headquarter address: No.20-1, Guangfu N. Rd., Hukou Township, Hsinchu County

Branch address: Taichung Branch: No.1, Zhongke Rd., Xitun Dist., Taichung City (Central Taiwan Science Park)

Plant address: Plant Hukou: No.20-1, 35 and 35-1, Guangfu N. Rd., Hukou Township, Hsinchu County

Plant Da-Ya: 4F, No. 41 and No.45, Ln. 313, Sec. 3, Minsheng Rd., Daya Dist., Taichung City

Tel: 03-566-8000

Share Transfer Agency

Name: Stock Affairs Department, Taishin Securities Co., Ltd.

Address: Basement 1, No. 96, Sec. 1, Jianguo N. Rd., Taipei City

Website: <https://www.tssco.com.tw>

Tel: 02-2504-8125

Accounting Firm and CPAs on the Recent fiscal year Financial Statements

Name of CPAs: Yen-Hui Chen, CPA; Shyh-Huar Kuo, CPA

Name of Accounting Firm: KPMG Taiwan

Address: 68F, No. 7, Xinyi Rd., Sec. 5, Taipei City

Website: <https://www.kpmg.com.tw>

Tel: 02-8101-6666

Overseas Listings and Access to the Listing Information: None.

Official Website of the Company: <https://www.darwinprecisions.com>

Contents

Chapter I. Letter to Shareholders.....	1
Chapter II. Corporate Governance Report.....	5
Chapter III. Capital Overview	79
Chapter IV. Operational Highlights	88
Chapter V. Review of Financial Conditions, Operating Results, and Risk Management.....	104
Chapter VI. Special Disclosure.....	116

Chapter I. Letter to Shareholders

Dear Shareholders,

Looking back to 2024, the unfavorable factors such as war, inflation, and interest rate hikes still lingered in the international market, and continued to affect the momentum of end-consumption. Given the challenging business environment, the global personal computer (PC) market exhibited moderate recovery. According to IDC, worldwide PC shipments reached 260 million units in 2024, up 1% from 2023. Due to the optimization of the product portfolio and significant improvement in operational structure, Darwin Precision's shipments of MNT and NB display modules have increased by 5% year-over-year, and the overall revenue grew significantly.

In 2024, the consolidated revenue was NT\$20.87 billion, up 17% from 2023. The operating net loss was NT\$148 million, the net profit after tax was NT\$187 million, and the basic earnings per share was NT\$0.28.

Looking back at 2024, important achievements and progresses are as follows:

- **Manufacturing:**
 - In Q3, the MNT of Xiamen Plant made a breakthrough of 1KK. In Q4, the high-precision printing LGP and high scattering ink development technology of the high-end model's 4-sided frameless verification were completed.
 - Wujiang Plant: Successfully developed the design and development of NB iron-plastic frame, and is leading our industry peers in terms of quality and technology; successfully developed the high-end display automated color production capacity, and has been recognized by customers, with new projects given; backlight assembly automation has been upgraded for high-end backlight module assembly precision <0.1mm.
 - The Company has obtained the VDA 6.3 certification for international automotive customers and is qualified as a management system for international suppliers.
 - Automotive ODM Mini-LEDs Backlight 9.9"/16"/17"/41.7" with MLP & Cavity and other new technologies can effectively improve product light efficiency and reduce the Halo Effect.
 - Auto privacy BLU: The special double-layer backlight structure achieves the viewing angle switching effect. It has been awarded orders from foreign first-tier manufacturers, and the relevant left/right driving products are now in the verification stage.
- **System Integration:**
 - Official launch of self-developed On Camera MNT ODM product in Q4.
 - The entire 43"/50"/55"C & J type series have entered mass production.
 - The first mass production of LED Wall MIT was completed.
 - The first batch of new customers for IWB's OEM has been shipped, and the Company will continue to expand its new customers.
 - The high luminance 65"/75"Outdoor Signage (4000 nits) entered mass production.
- **Diversified deployment:**
 - UFO TOUCH product development: The product won the Taiwan Quality Award, Outstanding Technology Award, and Central Taiwan Science Innovative Product Award 2024, which has been introduced to hospitals, luxury houses, and other fields. Participated in TOUCH Taiwan, Tokyo Content, and CEATEC show to increase brand exposure.
 - Microstructure technology development: The mass production of microneedle patches was launched in Q3. The Company participated in the 27th Cosmopack Asia, Hong Kong Exhibition, to display its microneedle eye masks, microneedle acne patches, and Combo Mask, demonstrating its R&D capabilities on the international stage. In addition, the Company has introduced related technologies and cooperated with biotechnology manufacturers to develop water supply, chemical control, and gas exposure systems.
 - Development of smart field system: Combining a variety of display devices (LCD, EPD...) with the front-end device and back-end management system equipped with the operating system, and integrating various functional sensing devices and AI technology

(ToF, face recognition, AI,...) to provide a complete solution.

- Completed the large-scale display and AI application integration solutions, integrating smart signage, shelf labels, ultra-thin LED screens, combining multi-modality and generating display AI to provide a complete smart retail solution to increase sales volume at Hands Tailung, Miramar.
- A large language model (LLM) and transparent display were combined to develop translation and two-way customer service, and were used in important transportation areas such as Taoyuan Airport, Songshan Airport, Xiaogang Airport, Taipei Main Station, and Taoyuan MRT.
- The large-scale integration project was completed at Kaohsiung Port Warehouse No.2. Based on the characteristics of the site, it included a large curved LED display interactive program, installation art made with electronic paper, electronic signage and corridors, transparent displays, and long outdoor rigid displays, as well as charging points and a Line push system, enhancing the experience of the tourists.

Overall Business Environment and Industry Trends:

The global economic growth forecast of all institutions is between 2.7% and 3.3% in 2025. However, it is generally expected that the growth will be maintained at 3%, lower than the average of 3.7% from 2000 to 2019. The main risk factors include trade tensions, geopolitical uncertainties, and inflationary pressure. According to the forecast of TrendForce, a market research institution, the global shipment of notebooks (NB) will reach 183 million units in 2025, growing by 5.2% from the 174 million units in 2024. This growth is mainly due to the increase in commercial demand and the increase in AI penetration rate. Although the contribution of AI laptops is relatively limited, the added functions of AI is a trend of specification upgrades. It is expected that the penetration rate of AI laptops will naturally increase during the process of integrating AI functions by brands.

The popularity of AI PCs is expected to increase the demand for high-resolution and high-speed display. AI PCs require stronger computing and visual presentation capabilities. Therefore, the demand for panels is to increase significantly in the second half of 2025. With the growing popularity of smart cockpits and the increasing level of automotive electronics, the demand for automotive display continues to grow, and the size is gradually increasing. The demand for displays with a size of 9 inches or more is particularly significant. In addition to the demand for the control panel, the head-up display (HUD) and the back view display are also increasing. These applications will further promote the market growth. It is expected that the compound annual growth rate (CAGR) of the 9-inch and above automotive display will reach 10.7% from 2024 to 2029.

Business Strategy and Outlook

Looking ahead to 2025, the Company will optimize its core business and diversify its development, and will also:

Optimize core business

- Continue to optimize the business operation and innovative technology capability of notebook/monitor/vehicle panel modules and light guide panels, as well as the related business of backlight modules, and enhance the automated and high-precision production capacity through equipment modification, to improve the market competitiveness of products.
 - MNT: Enhance the mass production capacity of high-end models, and the mass production of frameless products.
 - NB: Expand the backlighting capacity of the industrial control display, strengthen the structure of high-end NB products, and reinforce the lean production capacity of Wujiang Plant.
 - Car: Concentrate on advanced ODM promotion, such as GLP & Privacy, China car and other high-end models.
 - Automotive ultra-thin Mini-LEDs backlight: Using the self-owned patented light guide technology, the ultra-thin Mini-LEDs backlight can be designed for the standalone automotive display. Verification with the customers.

- In view of the continued rise of display energy saving issues, the second generation high-efficiency MNT LGP will be introduced into high-end frameless products in 2025/Q2.
- Continue to expand the system integration service business, provide customers with professional display, outdoor high brightness, energy-saving design and system manufacturing solutions.
 - Camera monitor (On Camera Monitor) products: Features HDR display, photography assistance... and other functions to meet the needs of real-time confirmation of the quality of photography. The Company has also developed specialized accessories, battery UPS devices, and image wireless transmission modules, providing customers with comprehensive solutions.
 - Development of high luminance and energy-saving outdoor display technology: Develop full-size outdoor/high brightness display applications by combining ultra-high brightness, energy-saving area backlight control technology with high-resolution displays that are highly efficient in heat dissipation, waterproof, dustproof, weatherproof, and sunlight-resistant.
 - For special fields (such as military grade, navigation, transportation, medical care, etc.), the Company cooperates with customers to develop new applications for specialized displays, such as salt spray resistance, vibration resistance, and ruggedness.

Diversified development

- Through microstructure technology, the Company has entered the biotechnology application fields of medicine and healthcare, and expanded the application of microstructure technology, developed microneedle patches and rollers, and entered the medical and aesthetic fields. The Company has also invested in R&D of anti-aging products for whitening and anti-wrinkle skin care products, and will move on to the development of the medical and pharmaceutical fields.
- Combining the core capabilities of microstructure and system integration, the Company invests in the development of biomedical and organ chip inspection components, inspection instruments and system integration. The Company deeply cultivates different types of application areas, and simultaneously integrates the development of chip and system observation equipment, hoping to provide a one-stop service for downstream customers and shorten the time for customers to develop new products.
- With the floating image touch technology, the Company has the market of non-contactless elevator buttons in the post-pandemic era. The Company leads a new blue ocean for innovative public health applications, actively expanding to more end-users such as hospitals, department stores, construction companies, and other public venues. The UFO TOUCH can effectively reduce the risk of cross-contamination to further improve the safety standards of the medical environment. In the future, UFO TOUCH technology can be applied to ticket machines and POS cash registers in the future, bringing a new experience for public health and technology innovation.
- Smart field: Focus on smart medical care, smart transportation, smart retail, smart customer service, and smart entertainment; build high-end display products and management systems; and apply market verification for technology and applications, further deploying overseas market sales
 - Smart transportation: Multi-Camera Multi-Object Tracking (MCMT): The MCMT technology is used to track ships, solve ship management issues in the port, and monitor the port's navigation safety. In terms of road traffic, the traffic flow can be analyzed to solve safety and traffic congestion problems.
 - Smart link: The Company has developed a multi-mode AI recognition smart link modular design for easy expansion and maintenance, with no additional equipment to affect the functionality and aesthetics, establishing a camera cluster effect, protecting the city and ensuring traffic safety.
 - Continue to optimize the solution blocks of the field, promote the domestic market and

enter overseas markets.

The global economy is at the stage of slight growth, but there are still challenges of economic black swans. The increase in tariffs in the US may drive global inflation. The rapid development of AI chips will drive a new wave of application demand and industrial reform. Our team will continue to strengthen the advantages of technology and high-end manufacturing, to overcome the challenges and embrace opportunities. Meanwhile, we will actively promote the development of new business, and strive to achieve the Company's goal of continuous profitability and long-term development.

Kuo-Hsin (Michael) Tsai,
Chairman and CSO

Sheng-Kai (SK) Huang,
President

Chapter II. Corporate Governance Report

I. Information on the company's directors, president, vice presidents, associate vice presidents and the supervisors of each the company's departments and divisions:

(I) Directors

1. Director information

April 13, 2025; Shares Unit: thousand shares; shareholding percentage: %

Title	Nationality or place of Registration	Name	Gender Age	Date on election or inauguration	Term (year)	Date First elected	Shareholdings when elected		Current shareholdings		Shareholdings of spouses and minor children		Shareholdings by nominee arrangement		Major industrial/ educational background	Positions concurrently serving in the Company and other companies
							Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage		
Director	Republic of China	AUO Corporation	-	June 14, 2023	3	November 20, 2014	190,108	28.56	190,108	28.56	0	0.00	0	0.00	Note 1	Note 1
Representative of the Director, Chairman and CSO	Republic of China	Kuo-Hsin (Michael) Tsai	Male Age 51~60	June 14, 2023	3	September 9, 2019	275	0.04	584	0.09	0	0.00	0	0.00	Note 1	Note 1
Representative of the Director	Republic of China	Frank Ko	Male Age 41~50	June 14, 2023	3	June 12, 2020	0	0.00	0	0.00	0	0.00	0	0.00	Note 1	Note 1
Director	Republic of China	Feng-Cheng Su	Male Age 61~70	June 14, 2023	3	June 14, 2023	42	0.01	100	0.02	0	0.00	0	0.00	Note 1	Note 1
Independent Director	Republic of China	I-Shih Chen	Male Age 71~80	June 14, 2023	3	November 20, 2014	0	0.00	0	0.00	7	0.00	0	0.00	Note 1	Note 1
Independent Director	Republic of China	Huei-Shih Lung	Female Age 61~70	June 14, 2023	3	August 18, 2021	0	0.00	0	0.00	0	0.00	0	0.00	Note 1	Note 1

Other officers, directors or supervisors who are spouses or relatives within the second degree of kinship: None

Where the chairman of the board of directors and president or person of an equivalent post (the highest level managerial officer) of a company are the same person, spouses or relatives within the first degree of kinship, an explanation shall be given as the reason for, reasonableness, necessity thereof and the measures adopted in response thereto: None.

The Company has issued a total of 665,555 thousand common shares.

Note: Sheng-Kai (SK) Huang, representative of the Director resigned on November 1, 2024. Cheng-Chung Li, Independent Director resigned on August 30, 2024. The aforementioned vacancies will be by-election at the recent annual general shareholders' meeting.

Note 1: Major industrial/educational background and positions concurrently serving in the Company and other companies by each director:

Title	Name	Major industrial/educational background	Positions concurrently serving in the Company and other companies
Director	AUO Corporation	-	<p>Director, Qisda Corporation</p> <p>Director, AUO Crystal Corporation</p> <p>Director, Konly Venture Corp.</p> <p>Director, Rongly Venture Corp.</p> <p>Director, Star River Energy Corp.</p> <p>Director, Star Shining Energy Corporation</p> <p>Director, Space Money Inc.</p> <p>Director, AUO Envirotech Inc.</p> <p>Director, AUO Display Plus Corporation</p> <p>Director, Da Ping Green Energy Corporation</p> <p>Director, AUO Health Inc.</p> <p>Director, AUO Care Inc.</p> <p>Director, ADLINK TECHNOLOGY INC.</p> <p>Director, ENNOSTAR Inc.</p> <p>Director, SINTRONES Technology Corp.</p> <p>Director, AUO Power Corporation</p> <p>Director, AUO Mobility Solution Corporation</p> <p>Director, Yenrich Technology Corporation</p>
Representative of the Director, Chairman and CSO	Kuo-Hsin (Michael) Tsai	<p>Executive MBA, National Chiao Tung University</p> <p>President and COO, AUO Corporation</p>	<p>CSO, DARWIN PRECISIONS CORPORATION</p> <p>Chairman, MicroDoctor Biomedical Corporation</p> <p>Chairman, UFO Touch Technology Corporation</p> <p>Chairman, OneSmart Solution Corporation</p> <p>Chairman, Darwin Precisions (L) Corp.</p> <p>Chairman, Darwin Precisions (Hong Kong) Limited</p> <p>Chairman, FORHOUSE INTERNATIONAL HOLDING LTD.</p> <p>Chairman, FORTECH INTERNATIONAL CORP.</p> <p>Chairman, FORWARD OPTRONICS INTERNATIONAL CORPORATION</p> <p>Chairman, FOREFRONT CORPORATION</p> <p>Director, Shine Biomedical Technology Corporation</p>
Representative of the Director,	Frank Ko	<p>Ph.D., Photonics, National Chiao Tung University</p> <p>CEO and President, AUO Corporation</p> <p>Chairman and CEO, E INK HOLDINGS INC.</p>	<p>Director, AUO Corporation</p> <p>CEO and President, AUO Corporation</p> <p>Director, ADLINK TECHNOLOGY INC.</p> <p>Director, AUO Display Plus Corporation</p> <p>Director, AUO Health Inc.</p> <p>Director, AUO Display Plus America Corp.</p> <p>Director, AUO Display Plus Netherlands B.V.</p> <p>Director, Rise Vision Incorporated</p> <p>Director, AUO Foundation</p> <p>Director, Heilongjiang Talenda Smart Display Technology Co., Ltd.</p> <p>Director, AUO Digitech Holding Limited</p> <p>Chairman, AUO (L) Corp.</p> <p>Chairman, AUO Manufacturing (Shanghai) Co., Ltd.</p> <p>Chairman, AUO (Suzhou) Co., Ltd.</p> <p>Chairman, AUO (Kunshan) Co., Ltd.</p> <p>Chairman, AUO (Xiamen) Co., Ltd.</p> <p>Chairman, AUO (VIETNAM) COMPANY LIMITED</p> <p>Chairman, AUO Mobility Solution Corporation</p> <p>Chairman, BHTC GmbH</p>
Director	Feng-Cheng Su	<p>Ph.D., Materials Science and Engineering, State University of New York, Stony Brook</p> <p>Chairman, Lextar Electronics Corp.</p> <p>Chairman, LightHouse Technology Co., Ltd.</p> <p>Vice Chairman, Wellypower optronics corporation</p> <p>Vice President, AUO Corporation</p>	<p>Chairman, TYNTEK CORPORATION</p> <p>Chairman, Long Benefit Investment Co., Ltd.</p> <p>Chairman, Hexawave, Inc.</p> <p>Director, GCS HOLDINGS, INC.</p> <p>Director, TEK HOLDING CO.,LTD</p> <p>Executive Vice President, Ennostar Inc.</p>
Independent Director	I-Shih Chen	<p>Master of Management Science, National Chiao Tung University</p> <p>Chairman, Apacer Technology Inc.</p> <p>Vice President, Acer Inc.</p>	<p>Chairman and CSO, Apacer Technology Inc.</p> <p>Director, Apacer Technology (BVI) Inc.</p> <p>Director, JOIUP TECHNOLOGY INC.</p> <p>Director, OTO PHOTONICS INC.</p>
Independent Director	Huei-Shih Lung	<p>Bachelor, Department of Business Administration, National ChengChi University</p> <p>Chairman, HsiangLung Investment Co. Ltd.</p> <p>Chairman, Aserve Technology Corp.</p> <p>Chief Accounting Officer, Acer Incorporated</p>	<p>Chairman, HsiangLung Investment Co. Ltd.</p> <p>Chairman, Aserve Technology Corp.</p> <p>Independent Director and member of Remuneration Committee, AOPEN Incorporated</p> <p>Independent Director and member of Remuneration Committee, ProLight Opto Technology Corporation</p> <p>Independent Director and member of Remuneration Committee, Acer Cyber Security Inc.</p>

2. Major shareholders of institutional shareholders

Name of institutional shareholder	Major shareholders of the institutional shareholder	
	Name	Shareholding percentage (%)
AUO Corporation (Note)	Qisda Corporation	6.90
	E.SUN Commercial Bank Trustee Account for AUO Corporation Employee Stock Ownership Trust Committee	5.33
	Quanta Computer Inc.	4.61
	Taiwan Cooperative Bank, Ltd.	2.99
	Citibank Custody AUO Corporation Global Depositary Receipt Account	2.33
	New Labor Pension Fund	1.67
	Nan Shan Life Insurance Co., Ltd.	1.55
	JPMorgan Chase Bank, N.A., Taipei Branch Custodian Account for Vanguard Group Inc. Managed Vanguard Emerging Markets Stock Index Fund	0.96
	HSBC Hong Kong Taipei Branch Custodian Account for Goldman Sachs International Investment Account	0.96
	HSBC Taipei Branch Custodian Account for Merrill Lynch International Investment Account	0.92

Note: Source: The company's annual report of 2024 and entries recorded on the shareholders' register disclosed on the date of book closure, August 11, 2024.

3. Major Shareholders of institutional shareholder who are the major shareholders of the Company's institutional shareholders

Name of institution	Major shareholder of the institution	
	Name	Shareholding percentage (%)
Qisda Corporation (Note 1)	AUO Corporation	11.96
	Acer Incorporated	4.53
	Taishin International Bank entrusted with the Qisda Corporation Employee Stock Ownership Trust Account	3.97
	Taipei Fubon Bank entrusted with Fuh Hwa Taiwan Technology Dividend Highlight ETF	3.73
	Konly Venture Corp.	2.55
	DARFON ELECTRONICS CORP.	2.03
	Hua Nan Commercial Bank entrusted with Yuanta Taiwan Value High Dividend ETF	1.49
	JPMorgan Chase Bank N.A., Taipei Branch in custody for J.P. MORGAN SECURITIES LTD	1.25
	Chunghwa Post Co., Ltd.	0.98
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.95
Quanta Computer Inc. (Note 2)	CIANYU INVESTMENT LTD.	14.82
	Barry Lam	10.76
	New Labor Pension Fund	3.36
	C.C. Leung	2.14
	Government of Singapore	1.75
	Cathay Life Insurance Co., Ltd.	1.55
	Yi Chia Xin Investment Company Ltd.	1.47
	Xin Ming Investment Company Limited	1.28
	Fubon Life Insurance Co., Ltd.	1.17
	Xin Ming Leung	1.15
Taiwan Cooperative Bank, Ltd. (Note3)	Taiwan Cooperative Financial Holding Co.,Ltd.	100
Nan Shan Life Insurance Co., Ltd. (Note 4)	Ruen Chen Investment Holding Co., Ltd.	89.55
	RUEN HUA DYEING & WEAVING Co., Ltd.	1.34
	Y. T. Du	1.16
	RUEN TAI SHING Co., Ltd.	0.97
	RUENTEX DEVELOPMENT Co., Ltd.	0.23
	RUENTEX INDUSTRIES Ltd.	0.21
	Yen Sin Corporation	0.16
	Ruentex Leasing Co., Ltd.	0.12
	Chi-Pin Investment Company	0.11
	Pan City Co., LTD	0.09

Note 1: Source: The company's annual report of 2023 and entries recorded on the shareholders' register disclosed on the date of book closure, March 31, 2024.

Note 2: Source: The company's annual report of 2023 and entries recorded on the shareholders' register disclosed on the date of book closure, April 16, 2024.

Note 3: Source: The company's information about businesses registration from MOEA on February 8, 2025.

Note 4: Source: The company's website disclosed on the date, March 31, 2025.

4. Professional qualifications of directors and independence of independent directors

Criteria Name	Professional Qualifications and Experience	Independent Directors' Independence Status	Number of other public companies where the Director concurrently serves as an Independent Director
Representative of the Director, Kuo-Hsin (Michael) Tsai	<ul style="list-style-type: none"> ◆Please refer to page 5~6 of the annual report for the individual Director's professional qualifications and experience. ◆All directors have extensive practical work experience related to the Company's industry, and are familiar with the overall business environment and development trend of the industry. 	Not Applicable	0
Representative of the Director, Frank Ko	<ul style="list-style-type: none"> ◆All directors have the practical management experience of the chairman or general manager of listed companies, and have the ability to identify the company's operational risks and be familiar with organizational operation. 		0
Director, Feng-Cheng Su	<ul style="list-style-type: none"> ◆None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law. (Note 1) 		0
Independent Director, I-Shih Chen	<ul style="list-style-type: none"> ◆Please refer to page 5~6 of the annual report for the individual Director's professional qualifications and experience. ◆Possessed the practical management experience of the chairman of a listed company, and have the management ability to identify the company's operational risks and be familiar with the organization's operation. ◆The Director has not been in or is under any circumstances stated in Article 30 of the Company Law. (Note 1) 	<p>1. All of the following situations apply to each and every of the Independent Directors:</p> <ul style="list-style-type: none"> ◆Satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Taiwan's Securities and Futures Bureau. ◆Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service". <p>2. Please refer to page 5 of the annual report for the number and proportion of the Company's shares held by independent director (or nominee arrangement) as well as his/her spouse and minor children, all of whom are qualified for independence.</p>	0
Independent Director, Huei-Shih Lung	<ul style="list-style-type: none"> ◆Please refer to page 5~6 of the annual report for the individual Director's professional qualifications and experience. ◆Possessed professional knowledge of finance and accounting and extensive practical work experience. ◆The Director has not been in or is under any circumstances stated in Article 30 of the Company Law. (Note 1) 		3

Note 1: A person shall not act as a managerial officer for a company, and if so appointed, must be immediately discharged if they have been:

1. Convicted for a violation of the Statutes for the Prevention of Organizational Crimes and: has not started serving the sentence; has not completed serving the sentence; or five years have not elapsed since completion of serving the sentence, expiration of probation, or pardon.
2. Convicted for fraud, breach of trust or misappropriation, with imprisonment for a term of more than one year, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon.

3. Convicted for violation of the Anti-Corruption Act, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon.
4. Adjudicated bankrupt or adjudicated to commence a liquidation process by a court, and having not been reinstated to his or her rights and privileges.
5. Sanctioned for unlawful use of credit instruments, and the term of such sanction has not expired yet.
6. If she/he does not have any or limited legal capacity.
7. If she/he has been adjudicated to require legal guardianship and such requirement has not been revoked yet.

Note 2: 1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

2. Not serving concurrently as an independent director on more than three other public companies in total.

3. During the two years before being elected and during the term of office, meet any of the following situations:

- (1) Not an employee of the company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law.
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company.
- (7) Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) themselves or their spouse also serve as the company's chairman or president (or equivalent).
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company.
- (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NT\$500,000".

5. Diversifications and Independence of Board of Directors

(1) Diversifications of Board of Directors:

According to the Company's "Corporate Governance Principles", the composition of the board of directors should consider diversity, and which stipulates that members of Board of Directors should possess the knowledge, skills and qualities of their duties. To achieve the ideal goal of corporate governance, the Board of Directors should possess the following abilities: operational judgement ability, accounting and financial analysis ability, operational management ability, crisis handling and risk management abilities, industry knowledge and global market view, leadership and decision-making abilities, financial management and information security ability, e.g. To formulate the following two major diversification guidelines:

- a. Basic requirements and values: Gender, age, nationality, and culture, among other things.
- b. Professional knowledge and skills: A professional background, professional skills, industry experience and business development needs.

The Board of Directors of the Company consists of five directors (including two independent directors) and the specific objectives and the achievement of diversity are as follows:

Management target	Achievement
Independent Directors are more than one third	Achieved
Directors concurrently serving as the Company's managerial officers are fewer than one third of the board members	Achieved
At least one seat of female director	Achieved

Diversity background and professional qualifications and capabilities of Board of Directors, please see as following table:

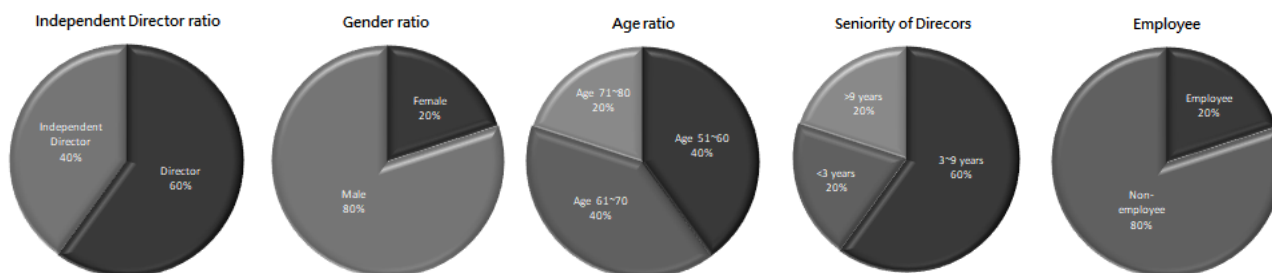
Title	Core Items of Diversifications Name	Gender	Nationality	Concurrent Managerial Position	Age			Seniority of Directors			Operations and Management	Leadership and Decision-Making	Industry Knowledge	Law, Finance or Accounting
					51~60	61~70	71~80	Less than 3 years	3~9 years	More than 9 years				
Chairman	Kuo-Hsin (Michael) Tsai	Male	ROC	V	V				V		V	V	V	
Director	Frank Ko	Male	ROC		V				V		V	V	V	
Director	Feng-Cheng Su	Male	ROC			V		V			V	V	V	
Independent Director	I-Shih Chen	Male	ROC				V			V	V	V	V	
Independent Director	Huei-Shih Lung	Female	ROC			V			V		V			V

The percentage of female directors of the Company is 20% and the average age of all directors is 64 years.

If the number of directors of one gender on the board of directors of a listed or OTC company is less than one-third, the company shall state the reasons and the measures it plans to take to improve the gender diversity of directors:

The Company's Board of Directors nominates director candidates based on the Company's operational development needs, with the professional background, professional skills and industry experience of the director candidates as the main considerations for nomination. In the future, when the Board of Directors nominates director candidates, it intends to include the gender ratio of all nominated director candidates in its planning.

- (2) Qualifications and conditions for independence of Board of Directors: The Board of Directors of the Company consists of five members, of which 20% of them have employee status. Three natural-person directors account for 60% of all directors, two independent directors account for 40% of all directors. The term of office of one independent director is 3~9 years, and the term of office of one independent director is more than 9 years. Independent directors are all in compliance with the regulations on independent directors of Securities and Exchange Act and Financial Supervisory Commission. And the directors are all in compliance with Article 26-3, paragraph 3 and 4 of the Securities and Exchange Act when elected and during the term of office. There are no spouse, relative within the second degree of kinship between directors.



Reason of continuing to serve as an independent director for three consecutive terms of the Company:

The independent director has met the requirements of independence during his tenure, and has rich industry experience and the professional ability required for business execution, so that he can continue to provide supervision and professional advice by using his expertise to the Board of Directors. In consideration of the overall diversification of the members of the Board of Directors, he continues to serve as an independent director of the Company after the election.

(II) Information of president, vice presidents, associate vice presidents and the supervisors of each the company's departments and divisions

April 13, 2025; Unit: thousand shares; %

Title	Nationality	Name (Note 1)	Gender	Inauguration date (Note 2)	Shares held		Shareholding of spouses and minor children		Shareholdings by nominee arrangement		Major industrial/educational background	Positions concurrent in the Company and other companies	Managers as spouses or relative within the second degree of kinship		
					Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Chairman and CSO	Republic of China	Kuo-Hsin (Michael) Tsai	Male	September 10, 2019	584	0.09	0	0.00	0	0.00	Executive M.B.A., National Chiao Tung University President and COO, AUO Corporation	Note 3	None	None	None
President	Republic of China	Sheng-Kai (SK) Huang	Male	November 18, 2019	623	0.09	0	0.00	0	0.00	Master of Business Administration EMBA, National Taiwan University Master of Physics, National Cheng Kung University Vice President of Manufacturing Business, AUO Corporation Chairman and President, AUO Envirotech Inc.	Note 4	None	None	None
Vice President	Republic of China	KC Feng	Male	October 1, 2014	923	0.14	0	0.00	0	0.00	Master of EMBA, National Central University Associate Vice President, Resources and Material, AUO Corporation	None	None	None	None
Vice President & Chief Finance Officer	Republic of China	Kuo-Tai Ching	Male	January 1, 2008	98	0.01	0	0.00	0	0.00	Master of Risk Management and Insurance, National Cheng Chi University Department Head, Chien Hua Bank	Note 5	None	None	None
Associate Vice President	Republic of China	Martin Tsai	Male	February 25, 2019	487	0.07	0	0.00	0	0.00	MBA, Friends University Head of Resources and Material Department, AUO Corporation	None	None	None	None
Associate Vice President	Republic of China	Danny Huang	Male	February 25, 2019	419	0.06	0	0.00	0	0.00	Master of Institute of Mechanical Engineering, National Cheng Kung University President, TV Mechanism Department, AUO Corporation	None	None	None	None
Associate Vice President	Republic of China	Allen Lan	Male	April 1, 2020	103	0.02	0	0.00	0	0.00	Master of Institute of Agricultural Machinery Engineering, National Chung Hsing University Plant Chief, AUO Corporation	Note 6	None	None	None
Associate Vice President	Republic of China	Wenbin Wu	Male	October 1, 2020	294	0.04	0	0.00	0	0.00	PhD, Institute of Chemical Engineering, National Taiwan University Department Head, AUO Corporation	None	None	None	None
Associate Vice President	Republic of China	CC Lee	Male	October 1, 2020	301	0.05	0	0.00	0	0.00	Master of EMBA, Xiamen University Master of Institute of Chemical Engineering, National Tsing Hua University Department Head, AUO Corporation	None	None	None	None
Associate Vice President	Republic of China	Brad Chiu	Male	October 1, 2024	0	0.00	0	0.00	0	0.00	Master of Information Management EMBA, National Taiwan University Master of Institute of Business Administration, National Taiwan University of Science and Technology Vice President, Chen-Source Inc.	None	None	None	None

Where the president or person of an equivalent post (the highest level manager) and the chairman of the board of directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto must be disclosed: None.

Note 1: Holding the position as of the publication date of the annual report.

Note 2: The date when the said person took the position for the first time.

Note 3: Please refer page 6 of the annual report for the details of the positions concurrently served.

Note 4: Director, Darwin Precisions (L) Corp.; Director, FORHOUSE INTERNATIONAL HOLDING LTD.; Director, FORTECH INTERNATIONAL CORP.; Director, FORWARD OPTRONICS INTERNATIONAL CORPORATION; Director, FOREFRONT CORPORATION; Chairman, Darwin Precisions (Xiamen) Corp.; Chairman, Fortech Electronics (Suzhou) Co., Ltd.; Chairman, Suzhou Forplax Optronics Co., Ltd.; Chairman, Forhouse Electronics (Suzhou) Co., Ltd.; Director, Chengdu TOPWAY High-Tech Photoelectric Technology Co.,LTD.

Note 5: Representative of the Director, Shine Biomedical Technology Corporation; Representative of the Director, Anivance AI Corporation; Director, DARWIN SUMMIT CORPORATION LTD.

Note 6: President, Darwin Precisions (Xiamen) Corp.

II. Remunerations to Directors, President and Vice Presidents in the Recent Year

(I) Remunerations to directors and independent directors

Unit: NT\$ thousands; thousand shares

Title	Name	Remunerations to Directors						Sum of A, B, C, and D total amounts and as percentage of net income after tax (%) (Note 8)		Remuneration from concurrently servings as employees						Sum of A, B, C, D, E, F, and G total amounts and as percentage of net income after tax (Note 7)		Remuneration from investees other than subsidiaries or from the parent company (H) (Note 9)
		Wages (A) (Note 1)		Pension upon retirement (B)		Compensation for Directors (C) (Note 2)				Service Expense (D) (Note 3)		Wages, bonuses and special allowances, etc. (E) (Note 4)		Pension upon retirement (F) (Note 5)				
		The Company	All companies in the consolidated financial statements (Note 8)	The Company	All companies in the consolidated financial statements (Note 8)	The Company	All companies in the consolidated financial statements (Note 8)	The Company	All companies in the consolidated financial statements (Note 8)	The Company	All companies in the consolidated financial statements (Note 8)	The Company	All companies in the consolidated financial statements (Note 8)	The Company		All companies in the consolidated financial statements (Note 8)		
Director	AUO Corporation	5,834		0	1,099	160	7,093 3.79%	16,292	90	467	0	467	0	23,942 12.80%	78,776			
Representative of the Director, Chairman and CSO	Kuo-Hsin (Michael) Tsai																	
Representative of the Director	Frank Ko																	
Representative of the Director and President	Sheng-Kai (SK) Huang (Note 11)																	
Director	Feng-Cheng Su	3,665		0	550	110	4,325 2.31%	0	0	0	0	0	0	4,325 2.31%	0			
Independent Director	I-Shih Chen																	
Independent Director	Huei-Shih Lung																	
Independent Director	Cheng-Chung Li (Note 11)																	
1. Please describe the policies, systems, standards and structure of remuneration to independent directors and the connection between duties, risk, and time input with the amount of remuneration: Pursuant to the Company's Articles of Incorporation, the Board of Directors is authorized to determine the standards for all directors' remunerations by referring their engagement and contributions to the Company and the common level in the industry. For the directors' compensations, where the Company has a profit before tax for each fiscal year, the Company shall set aside no more than 1% of the remaining profit for distribution to directors as compensations. And submit the amount of remuneration to the Board of Directors for approval after being reviewed by Remuneration Committee. The independent directors are natural members of the Audit Committee. Other than the remunerations to directors, they also receive reasonable remunerations based on their duties, risks borne and time engaged. Any independent director serving as a member of the Remuneration Committee also receives reasonable remunerations based on his/her duties. 2. Other than the remuneration disclosed in said table, the remuneration received by any of the Company's directors for providing services to any companies included in the consolidated financial statement, e.g., as parent company's, all companies in the consolidated financial statements', investees' advisor other than employee in the most recent year: None.																		

Table of remuneration ranges

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G+H)	
	The Company	All companies in the consolidated financial statements	The Company	Parent Company, the Company, its subsidiaries and investees (Note 10)
Less than NT\$ 1,000,000	Kuo-Hsin (Michael) Tsai, Sheng-Kai (SK) Huang, Frank Ko, Cheng-Chung Li	Kuo-Hsin (Michael) Tsai, Sheng-Kai (SK) Huang, Frank Ko, Cheng-Chung Li	Frank Ko, Cheng-Chung Li	Cheng-Chung Li
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Feng-Cheng Su, I-Shih Chen, Huei-Shih Lung	Feng-Cheng Su, I-Shih Chen, Huei-Shih Lung	Feng-Cheng Su, I-Shih Chen, Huei-Shih Lung	Feng-Cheng Su, I-Shih Chen, Huei-Shih Lung
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	AUO Corporation	AUO Corporation	AUO Corporation, Sheng-Kai (SK) Huang	AUO Corporation, Sheng-Kai (SK) Huang
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)			Kuo-Hsin (Michael) Tsai	Kuo-Hsin (Michael) Tsai
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)				
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)				Frank Ko
Over NT\$100,000,000 (inclusive)				
Total	8 individuals (including 1 corporate entity)	8 individuals (including 1 corporate entity)	8 individuals (including 1 corporate entity)	8 individuals (including 1 corporate entity)

Note 1: Refers to the remunerations of directors for 2024 (including wages, allowance, severance payment, various bonuses and incentives).

Note 2: Refers to the compensation for Directors in 2024 approved by the Board of Directors on February 11, 2025.

Note 3: Refers to the related service expenses of directors for 2024 (including transportation subsidies, special expenses, various subsidies, accommodations and other non-monetary provisions including vehicles).

Note 4: Refers to the remunerations received by the directors via concurrently serving as the Company's employees (including positions of President, Vice Presidents, other managerial officers and employees) for 2024, including wages, allowance, severance payment, various bonuses, incentives, transportation subsidies, special expenses, various subsidies, accommodations and other non-monetary provisions including vehicles.

Note 5: Refers to the pension amounts contributed or paid pursuant to laws in 2024.

Note 6: Refers to Employee Compensation in 2024 approved by the Board of Directors on February 11, 2025, of which the amount estimated to be paid to Directors who serve concurrently as employees.

Note 7: The net income (loss) after tax refers to the net income (loss) after tax in the parent company only financial statements of 2024.

Note 8: The total amount of all remunerations paid to the Company's directors by all the companies in the consolidated financial statements (including the Company).

Note 9: Remuneration refers to the wages and compensations (including employees', directors' and supervisors' compensations) received by the Company's directors via services as a director, supervisor, or managerial officer in investees other than subsidiaries or the parent company and the compensations related to service expenses.

Note 10: The total amount of all remunerations paid to the Company's directors by all the companies in the consolidated financial statements (including the Company) and from investees other than subsidiaries or from parent company (the latter is not paid by the Company and is not related to the Company's affairs).

Note 11: Sheng-Kai (SK) Huang, representative of the Director resigned on November 1, 2024. Cheng-Chung Li, Independent Director resigned on August 30, 2024.

(II) Remunerations to President and Vice Presidents

Unit: NT\$ thousands; thousand shares

Title	Name	Wages (A) (Note 1)		Pension upon retirement (B) (Note 2)		Bonuses and special allowances (C) (Note 3)		Employee Compensation (D) (Note 4)				Sum of A, B, C, and D total amounts and as a percentage of net income after tax (%) (Note 5)		Remuneration from investees other than subsidiaries or from the parent company (E) (Note 7)
		The Company	All companies in the consolidated financial statements (Note 6)	The Company	All companies in the consolidated financial statements (Note 6)	The Company	All companies in the consolidated financial statements (Note 6)	The Company		All companies in the consolidated financial statements (Note 6)		The Company	All companies in the consolidated financial statements (Note 6)	
								Cash amount	Share amount	Cash amount	Share amount			
Chairman and CSO	Kuo-Hsin (Michael) Tsai	14,459	14,459	324	324	16,492	16,492	800	0	800	0	32,075 17.15%	32,075 17.15%	4,172
President	Sheng-Kai (SK) Huang													
Vice President	KC Feng													
Vice President & Chief Finance Officer	Kuo-Tai Ching													

Presidents and Vice Presidents' Range of Remunerations

Range of Remunerations Paid to Each President and Vice President	Name of Presidents and Vice Presidents	
	The Company	The parent company and all investees (A+B+C+D+E)(Note 8)
Below NTD1,000,000		
1,000,000 (inclusive) ~ 2,000,000 (exclusive)		
2,000,000 (inclusive) ~ 3,500,000 (exclusive)		
3,500,000 (inclusive) ~ 5,000,000 (exclusive)		
5,000,000 (inclusive) ~ 10,000,000 (exclusive)	Sheng-Kai (SK) Huang, KC Feng, Kuo-Tai Ching	Sheng-Kai (SK) Huang, KC Feng, Kuo-Tai Ching
10,000,000 (inclusive) ~ 15,000,000 (exclusive)	Kuo-Hsin (Michael) Tsai	Kuo-Hsin (Michael) Tsai
15,000,000 (inclusive) ~ 30,000,000 (exclusive)		
30,000,000 (inclusive) ~ 50,000,000 (exclusive)		
50,000,000 (inclusive) ~ 100,000,000 (exclusive)		
Over 100,000,000 (inclusive)		
Total	4 persons	4 persons

Note 1: Refers to the wages, allowances and severance payment of the Managerial Officers of Vice President or above for 2024.

Note 2: Refers to the pension amounts contributed or paid pursuant to the laws in 2024.

Note 3: Refers to amount of the various bonuses, incentives, transportation subsidies, special expenses, various subsidies, accommodations and other non-monetary provisions including vehicles to the Managerial Officers of Vice President or above for 2024.

Note 4: Refers to Employee Compensation in 2024 approved by the Board of Directors on February 11, 2025, of which the amount estimated to be paid to President and Vice President.

Note 5: The net income (loss) after tax refers to the net income (loss) after tax in the parent company only financial statements of 2024.

Note 6: The total amount of all remunerations paid to the Company's Managerial Officers of Vice President or above by all the companies in the consolidated financial statements (including the Company).

Note 7: Remuneration refers to the wages and compensations (including employees', directors' and supervisors' compensations) received by the Company's Managerial Officers of Vice President or above via services as a director, supervisor or managerial officer in investees other than subsidiaries or the parent company and the compensations related to service expenses.

Note 8: The total amount of all remunerations paid to the Company's Managerial Officers of Vice President or above by all the companies in the consolidated financial statements (including the Company) and from investees other than subsidiaries or from parent company (the latter is not paid by the Company).

(III) Managerial officers receiving employee compensation and state of distribution

Unit: NT\$ thousands

	Title	Name	Employee Compensation - in Stock	Employee Compensation - in Cash (Note 2)	Total	Ratio of Total Amount to Net Income (%)
Managerial Officers	Chairman and CSO	Kuo-Hsin (Michael) Tsai	0	1,580	1,580	0.84%
	President	Sheng-Kai (SK) Huang				
	Vice President	KC Feng				
	Vice President & Chief Finance Officer	Kuo-Tai Ching				
	Associate Vice President	Martin Tsai				
	Associate Vice President	Danny Huang				
	Associate Vice President	Allen Lan				
	Associate Vice President	Wenbin Wu				
	Associate Vice President	CC Lee				
	Associate Vice President	Brad Chiu				

Note 1: Employees at the Associate Vice President level or above who were in office on December 31, 2024 and are still in office as of the date of publication of the annual report.

Note 2: The Board of Directors approved the Employee Compensation in 2024 on February 11, 2025, of which amount estimated to be paid to managerial officers.

Note 3: The net income after tax refers to the net income after tax in the parent company only financial statements of 2024.

(IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial statements or individual financial statements, as paid by this Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, president and vice presidents and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration and its linkage to operating performance and future risk exposure.

1. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, president and vice presidents of the Company, to the net income after tax stated in the parent company only financial statements.

Unit: NT\$ thousands

Item	Percentage of total remuneration amount to the parent company only net income after tax (%) for 2023	Percentage of total remuneration amount to the parent company only net income after tax (%) for 2024
The parent company only net income after tax	114,659	187,021
Percentage of the remunerations to directors paid by the Company	9.88	6.10
Percentage of the remunerations to directors paid by all companies in the consolidated financial statements (%)	9.88	6.10
Percentage of the remunerations to managerial officers of vice president level or above paid by the Company (%)	27.09	17.15
Percentage of the remunerations to managerial officers of vice president level or above paid by all companies in the consolidate financial statements (%)	27.09	17.15

2. The policies, standards and packages for payment of remuneration, as well as the procedures followed for determining remuneration, and its connection with business performance and future risk exposure.

(1) Directors

Pursuant to Article 15 of the Company's Articles of Incorporation, the Board of Directors is authorized to determine the standards for all directors' remunerations by referring their engagement and contributions to the Company and the common level in the industry. As the industry where the Company operates has an intensified competition environment and the responsibility of corporate transformation and re-organization increased significantly, the directors are paid with fixed compensations based on the duties they assumed. Among them, directors are given a bonus for serving as a chairman or as a convener or a member of the functional committee in order to reflect their service contributions and responsibilities.

Pursuant to Article 18 of the Company's Articles of Incorporation: where the Company has a profit before tax for each fiscal year, the Company shall set aside no more than 1% of the remaining profit for distribution to directors as compensations. According to the appropriation ratio of directors' compensation reviewed by the remuneration committee, where the Company has a profit before tax for each fiscal year, the Board of Directors will decide the amount of directors' compensation. And thus the correlations between the operating performance and remuneration variation is reasonable. The Board of Directors resolved to appropriate NT\$1,648,608 as directors' compensation base on the profit before tax of parent company only financial statement in 2024 on February 11, 2025.

(2) President and Vice Presidents

The remunerations of the president and vice presidents include wages, bonus, employees' remunerations and retirement benefits. Such remunerations are determined based on the position taken, duties assumed, contributions to the Company (the assessment of contributions includes the practices of the Company's core values and operational management ability, financial and business performance indicators, and general management indicators, etc.) and by comparing with other companies in the same industry. When distributing the remuneration, the future operating risks that the Company is exposed to are taken into account and such remunerations are positively correlated to the operating performance. The remunerations of managerial officers are reviewed by the Remuneration Committee and approved by the Board of Directors.

Pursuant to Article 18 of the Company's Articles of Incorporation: where the Company has a profit before tax for each fiscal year, the Company shall set aside no less than 1% of the remaining profit for distribution to employees as remuneration. And submit the amount of remuneration to the Board of Directors for approval after being approved by Remuneration Committee. And thus the correlations between the operating performance and remuneration variation is reasonable.

The principle for distribution of remuneration of the Company's managers is linked to their job duties and performance. In addition, the Company has a incentive program for managers, which is carried out by the Remuneration Committee who will determine the targets for rewards. Doing so loyally reflects the Company's present and future operating risks and the functions of corporate governance, and avoids using short-term profits as the sole indicator for remuneration and performance evaluation, therefore considering the contribution to the overall business operation.

III. Implementation of Corporate Governance

(I) Operations of the Board of Directors

The Board held six meetings during 2024; the attendance of directors is summarized as follows:

Title	Name	Number of actual attendance	Number of proxy attendance	Actual attendance rate (%) (Note)	Remarks
Chairman	AUO Corporation Representative: Kuo-Hsin (Michael) Tsai	6	0	100	-
Director	AUO Corporation Representative: Frank Ko	6	0	100	-
Director	AUO Corporation Representative: Sheng-Kai (SK) Huang	6	0	100	Resigned on November 1, 2024
Director	Feng-Cheng Su	6	0	100	-
Independent Director	I-Shih Chen	6	0	100	-
Independent Director	Huei-Shih Lung	6	0	100	-
Independent Director	Cheng-Chung Li	5	0	100	Resigned on August 30, 2024 Attendance required: five

Note : [Actual number of attendance/ Number of meetings during the term of office].

Other items to be stated:

- I. Where the operations of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors and the Company's resolution of said opinions:
 - (I) Matters listed in Article 14-3 of the Securities and Exchange Act: the Company has already established an the Audit Committee and thus the requirements of Article 14-3 are not applicable; for the explanation related to Article 14-5 of the Securities and Exchange Act, please refer to the Operation of the Audit Committee later.
 - (II) Other than the abovementioned matters, any resolution of the Board of Directors to which an independent director has a dissenting or qualified opinion which has been recorded or prepared as a written declaration: None.
- II. Implementation of directors' avoidance of certain proposals in conflict of personal interests; the name of the director, contents of motion, reason of recusal, and voting participation shall be specified:
 1. January 29, 2024, Board of Directors
 - (1) Discussion of the 2023 directors and managerial officers compensation. As the Chairman Kuo-Hsin (Michael) Tsai concurrently served as the CSO, and Director, Sheng-Kai (SK) Huang concurrently served as the President, they recused themselves pursuant to the Rules and Procedures of Board of Directors Meetings. Via inquiry to other attending directors by the acting chair, Independent Director, I-Shih Chen, the proposal was approved as it was without dissent.
 - (2) Discussion of the amendment to 2024 Managerial Officers Compensation Policy, Institution, Standard and Structure. As the Chairman Kuo-Hsin (Michael) Tsai concurrently served as the CSO, and Director, Sheng-Kai (SK) Huang concurrently served as the President, they recused themselves pursuant to the Rules and Procedures of Board of Directors Meetings. Via inquiry to other attending directors by the acting chair, Independent Director, I-Shih Chen, the proposal was approved as it was without dissent.
 - (3) Discussion of the 2024 incentive program for retain talents. As the Chairman Kuo-Hsin (Michael) Tsai concurrently served as the CSO and Director, Sheng-Kai (SK) Huang concurrently served as the President, they recused themselves pursuant to the Rules and Procedures of Board of Directors Meetings. Via inquiry to other attending directors by the acting chair, Independent Director, I-Shih Chen, the proposal was approved as it was without dissent.
 2. July 29, 2024, Board of Directors
 - (1) Discussion of the distribution of 2023 employees' remuneration for managerial officers. As the Chairman Kuo-Hsin (Michael) Tsai concurrently served as the CSO, and Director, Sheng-Kai (SK) Huang concurrently served as the President, they recused themselves pursuant to the Rules and Procedures of Board of Directors Meetings. Via inquiry to other attending directors by the acting chair, Independent Director, I-Shih Chen, the proposal was approved as it was without dissent.

III. The cycles and periods, scopes, methods, and descriptions of the self- (or peer) assessment of the Board of Directors; and the implementation of the Board of Directors' assessment:

Assessment Cycle	Assessment Period	Assessment Scope	Assessment Method	Assessment Description
Annually	January 1, 2024 to December 31, 2024.	The Board of Directors, individual directors, the functional committees (Audit Committee and Remuneration Committee included) and their individual members	<ul style="list-style-type: none"> • Internal self-assessment made by Board of Directors, individual directors, the functional committees (Audit Committee and Remuneration Committee included) and their individual members • Performance evaluation is carried out by the deliberative units or executive units of the Board of Directors and functional committees 	The performance assessment of the Board of Directors include five major aspects: the degree of participation in the operation of the Company, enhancement of the Board's decision-making quality, composition and structure of Board of Directors, election of directors and continuing education, and the internal control. The performance assessment of the Audit Committee and Remuneration Committee also include five major aspects: the degree of participation in the operation of the company, awareness of the duties of functional committees, improvement of decision quality of functional committees, composition and member election of functional committees and internal control. The indicators for the performance assessment of the Board of Directors, directors, functional committees and their individual members, are established based on the Company's operation and demands and consistent and suitable for the Company to implement the performance assessment.

The Company conducts the internal performance assessment in the regards of "Board of Directors," "Directors," "Functional Committees (Audit Committee and Remuneration Committee included) and their individual members", respectively. The outcomes may be categorized as "outstanding," "fair" and "to be improved."

The internal performance assessment with regards to the Board of Directors, Directors, Functional Committees (Audit Committee and Remuneration Committee included) and their individual members for 2024 have been completed. The outcomes of self-assessment are all "outstanding," without any material defects to be improved on. The assessment outcomes are to be reported in the next Board meeting after completion to the Board of Directors, and intended to serve as the reference for the performance compensations to members of the Board of Directors and the functional committees.

IV. Objective of enhancing the Board of Directors' functions in the current and recent years (*e.g.*, establishing the Audit Committee or enhancing information transparency) and the assessment to the implementation:

1. The Board of Directors is in charge of instructing the Company's strategy, supervising the management, various operations and arrangements for the corporate governance system, taking accountability for the Company and the shareholders' meetings and exercising its functions pursuant to the laws and regulations and the Articles of Incorporation or resolutions of the shareholders' meetings.
2. The Audit Committee was established in 2010, to exercise the functions required in the Securities and Exchange Act, the Company Act and other laws and regulations. Please refer to the operations of the Audit Committee described later.
3. The Remuneration Committee was established in 2011, regularly evaluates and set the wages and remunerations of directors and managerial officers, while regularly reviewing policies, systems, standards and structures of directors and managerial officers' performance appraisals, wages and remuneration. Please refer to the operations of the Remuneration Committee described later.
4. The Company re-elected the all the seven seats of Director of the thirteenth term (three independent directors included) in the annual general meeting on June 14, 2023. The seats of independent directors are over one third of total board members, one representative of the Director and one independent director were resigned in 2024. The aforementioned vacancies will be by-election at the recent 2025 annual general shareholders' meeting and thus the functions of the Board of Directors and the corporate governance are continuing strengthened effectively. Please refer to page 10~11, page 28 of the annual report for the details of the diversification in the Board of Directors.
5. For each the Board of Directors, at least two independent directors have been attend and during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, the attendance of all independent directors in person to the board meetings is 100%. All matters referred to in Article 14-5 of the Securities and Exchange Act have been approved as the proposals were without dissent.
6. To enhance the functions of the Board of Directors, the Company encourages directors to actively attend various director continuing educational courses. There are six directors (including independent directors) of the Company finished continuing education in 2024; with six hours of training each. The total training hours of all directors was 39 hours. The detailed directors continuing education please refer to page 38 of the annual report.

7. The Board approved the establishment of the “Corporate Governance Principles” on November 10, 2016, to which the amendments have been made from time to time for accommodating the laws and regulations or the operating needs of the Company. Recently, the latest amendments were approved in the board meeting on February 6, 2023 to continuously enhance the functions of the Board of Directors. Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in the shareholders’ meetings or in the Articles of Incorporation, they shall ensure that all matters are handled according to the resolutions of the board of directors.

The composition of Board of Directors members shall take diversification into account. Not only the directors concurrently serving as the Company’s managerial officers shall not exceed one third of all directors, the proper diversification guidelines are also set in terms of operations, business model and development needs.

8. The Company was ranked in the range of 21% to 35% of TWSE listed companies and in the range of 11% to 20% of TWSE/TPEX listed companies that had market capitalization between \$5 billion and \$10 billion by industry in the 11th “Corporate Governance Evaluation of TWSE/TPEX Listed Companies (2024)” sponsored by TWSE.

(II) Operations of the Audit Committee

The Audit Committee held six meetings during 2024; the attendance of directors is summarized as follows:

Title	Name	Number of actual attendance	Number of proxy attendance	Actual attendance rate (%) (Note)	Remarks (Note 1)
Independent Director	I-Shih Chen	6	0	100	-
Independent Director	Huei-Shih Lung	6	0	100	-
Independent Director	Cheng-Chung Li	5	0	100	Risigned on August 30, 2024 Attendance required: five

Note: [Actual number of attendance/ Number of meetings during the term of office]

Other items to be stated:

I. Where the operations of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the Audit Committee meeting date, term, contents of motion, objections, reservations or major suggestion of Independent Directors, Audit Committee's resolution and the Company's resolution of Audit Committee's opinions:

(I) The matters referred to in Article 14-5 of the Securities and Exchange Act:

Meetings of the Audit Committee (Date)	Contents of motion	Objections, reservations or major suggestion of Independent Directors	Resolutions adopted by the Audit Committee	The Company's actions in response to the opinions of the Audit Committee
6th Term 3th Meeting, (January 5, 2024)	◆ Approved the disposal of equipment	None	Via inquiry to all attending Audit Committee members by chair, the proposal was approved as it was without dissent.	Submitted to the Board of Directors and all attending directors approved as it was without dissent.
6th Term 4th Meeting (January 29, 2024)	◆ Approved the Internal Control Systems Declaration for 2023 ◆ Accepted the 2023 Parent Company Only and Consolidated Financial Statements ◆ Approved the 2024 service items, fees and independence assessment of the Certified Public Accountant			
6th Term 5th Meeting (March 1, 2024)	◆ Approved additional long-term strategic equity investment			
6th Term 6th Meeting (May 2, 2024)	◆ Accepted the Consolidated Financial Statements for the period ended March 31, 2024 ◆ Accepted the proposal for the distribution of 2023 earnings ◆ Approved the cash distribution from capital surplus			
6th Term 7th Meeting (July 29, 2024)	◆ Accepted the Consolidated Financial Statements for the period ended June 30, 2024			
6th Term 8th Meeting (October 25, 2024)	◆ Approved the amendment of the "Internal Control Systems" ◆ Approved the 2025 annual audit plan ◆ Accepted the Consolidated Financial Statements for the period ended September 30, 2024			

(II) Aside from said matters, resolution(s) not approved by the audit committee but receiving the consent of two-thirds or more of all directors: None.

II. Implementation of independent directors' recusals to proposals with personal interests; the name of independent director, contents of motion, reason for recusal and voting participation shall be specified: There is no independent directors' recusals to proposals with personal interests in 2024.

III. Communication between independent directors and internal auditing officers as well as CPAs on company finances and business situation (such as items discussed, means of communication, method and results, etc.):

1. When an Audit Committee meeting is convened, CPAs, audit officer and relevant officers are invited to attend, respectively, and report and communicate with regards to various affairs with independent directors.

2. The Audit Committee at least discuss and communicate quarterly with CPAs with regards to outcomes of quarterly financial statements review or audit and relevant laws and regulations and their applicability; the Committee also independently reviews the selection of CPAs and the audit and non-audit services provided by them annually.
3. The internal audit officer performs auditing operations and regularly submits aggregated audit reports to the Audit Committee based on the annual audit plans and communicates the audit results and tracking status with members at quarterly Audit Committee meetings. The issues raised by independent directors may be replied to and communicated timely. If there is any extraordinary situation, the members of the Audit Committee shall be immediately reported to, for 2024, there was no such extraordinary situation.

(1) The communications between the Audit Committee and internal auditing officers are good. The major communications in 2024 are summarized as follows:

Date	Key points of the communications	Recommendations and outcomes
January 29, 2024	2023 Q4 aggregated audit report The Internal Control Systems Declaration for 2023	No dissent
May 2, 2024	2024 Q1 aggregated audit report	No dissent
July 29, 2024	2024 Q2 aggregated audit report	No dissent
October 25, 2024	2024 Q3 aggregated audit report Approved the amendment of the “Internal Control Systems” The 2025 annual audit plan	No dissent

In addition to the above-mentioned communication through meetings, if there are any matters that require enhanced communication regarding the implementation of internal control systems, audit results or tracking operations, the independent Directors are able to communicate with the head of internal audit through telephone, e-mail or video conference at any time to strengthen the efficiency of supervision and governance. Furthermore, matters that require enhanced communication have been effectively implemented or preventive mechanisms are in place.

(2) The communications between the Audit Committee and CPAs are good. The major communications in 2024 are summarized as follows:

Date	Key points of the communications	Recommendations and outcomes
January 29, 2024	Explanation of the independence, scopes and methodology of key audit or review, and financial information, among other things Audited report of 2023 consolidated and parent company only financial statements. Explanation of the CPA service items, professional service fees and their independence for 2024 Communication of quality management system and case resources of CPA firm Recent inspections by competent authorities of significant internal control deficiencies and reminders for public companies Key accounting standards, explanatory letters and updates of laws and regulations related to securities management or taxation	No dissent
May 2, 2024	Explanation of the independence, scopes and methodology of key audit or review, and financial information, among other things Reviewed report of 2024 Q1 consolidated financial statements audit Summary of recent auditing standards updates and the main impact of the expected amendments to Auditing Standards No. 600 Key accounting standards, explanatory letters and updates of laws and regulations related to securities management or taxation	No dissent
July 29, 2024	Explanation of the independence, scopes and methodology of key audit or review, and financial information, among other things Reviewed report of 2024 Q2 consolidated financial statements audit IFRS Sustainability Disclosure Standard introduction program Key accounting standards, explanatory letters and updates of laws and regulations related to securities management or taxation	No dissent
October 25, 2024	Explanation of the independence, scopes and methodology of key audit or review, and financial information, among other things Reviewed report of 2024 Q3 consolidated financial statements audit 2024 audit plans Key accounting standards, explanatory letters and updates of laws and regulations related to securities management or taxation	No dissent

IV. Annual Key Tasks and Operations:

(I) Key tasks of 2024

1. Communicate the results of the audit report with the internal audit officers regularly according to the annual audit plan.
2. Communicate with CPA regularly over financial statement review or audit results in each quarter.
3. Review and audit financial reports.
4. Assessment of effectiveness of internal control system.
5. Prior review of the appointment, dismissal, remuneration and services of CPAs.
6. Evaluate the independence of CPA who provide audit and non-audit services.
7. Review the Company's operational procedures and material transactions of assets, derivatives, capital lending and endorsement/guarantees.
8. Legal compliance.

(II) Operation in 2024: six meetings were convened in 2024 by the Audit Committee; all proposals were approved as they were by the Audit Committee and no dissent from any independent directors.

(III) The operations of the corporate governance and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviations

Evaluation Item		Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Description	
I. Does the Company establish and disclose the Corporate Governance Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?		✓		The Company has the “Corporate Governance Principles” in place and has been revised from time to time in accordance with laws and regulations or the operating needs of the Company. The company has formulated relevant principles to protect the rights and interests of shareholders, strengthen the functions of the Board of Directors, respect the rights and interests of stakeholders, and improve information transparency, which have been disclosed on the Company's website and MOPS.	No material deviation.
II. Shareholding Structure and Shareholders' Rights	(I) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		The Company has established the “Rules and Procedures for Internal Material Information,” as well as the spokesperson, deputy spokesperson, staff in charge of stock affairs. Is the Company able to handle the shareholders' advice and/or disputes effectively. The following channels are in place to handle the shareholders' advice and/or disputes: 1. Dedicated personnel 2. Investor's mailbox: ir@darwinprecisions.com 3. Consultancy hotline for shareholder's services: Stock Affairs Department, Taishin Securities Co., Ltd. (02)2504-8125 4. Investor Relations on the Company's website https://www.darwinprecisions.com	No material deviation.
	(II) Does the Company possess the list of its major shareholders who control the Company substantially as well as the ultimate controller of those major shareholders?	✓		1. The Company, as required by law, reports the changes to the shareholding, pledge and mortgage of insiders (directors, managerial officers and major shareholders with 10% or more stake) to “MOPS” designated by the competent authorities monthly. 2. The Company complies with the internal regulations of the Company (Rules Governing Financial and Business Matters Between this Corporation and its Related Parties), to report the shareholdings of insiders to the internal dedicated unit monthly for control.	No material deviation.
	(III) Does the Company establish and execute the risk management and firewall system within its affiliates?	✓		1. The Company regularly conducts comprehensive risk assessments on affiliates, major banks with business relationships, clients and suppliers, to reduce credit risks. 2. The Company has established the “Regulations Subsidiary Management” and “Rules Governing Financial and Business Matters Between this Corporation and its Related Parties,” to establish and implement firewalls from the affiliates and risk control mechanisms.	No material deviation.
	(IV) Does the Company establish internal rules against insiders trading	✓		1. Article 6 of the Rules and Procedures for Internal Material Information, established by the Company specifies that no director, managerial officer and employee of the Company may	No material deviation.

Evaluation Item		Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Description	
				<p>inquire about or collect any non-public materials inside information of the Company not related to their individual duties from a person with knowledge of such information nor may they disclose to others any non-public materials inside information of the Company of which they become aware for reasons other than the performance of their duties. Also, the Company's internal control system has established the managerial operation procedures to prevent insider trading, while forbidding insiders such as directors or employees from using information that is not available in the market for their benefits.</p> <p>2. The Company applies the above-mentioned operating procedures and internal control system as the basis for the material information handling and disclosure mechanism. The Company will also review these measures from time to time to meet the requirements of existing laws and regulations, and management in practice. The related operational procedures are disclosed on the Company's website.</p> <p>3. The Company promotes the related laws and regulations to insiders like directors, managerial officers, among others and remind them the cases of common violations at least monthly in average. For newly-elected directors and managerial officers, the relevant promotional materials are provided two days prior to or when they take office. The content includes the confidentiality of material information, the restrictions of trading and penalties for insider and short-swing trading, and reminders for cases of common violation.</p> <p>4. The Company has provided promotional materials for newly-appointed insiders pursuant to the aforementioned operating procedures; for the existing insiders, reminders of precautions are provided monthly. If required, or the laws are amended, related promotional information is provided from time to time.</p> <p>5. The Company also has "Ethics and Integrity Handbook" and "Codes of Ethical Management Policy" in place, to regulate all employees to observe the ethical standards and integrity when conducting business and undertaking tasks. Corporate integrity training courses are arranged every year to provide relevant education and promotion on the prevention of dishonest behaviors, and education and promotion on the provisions of Article 157-1 of the Securities and Exchange Act are conducted for supervisors and colleagues in specific positions to specifically implement the prevention of insider trading.</p>	

Evaluation Item		Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Description	
III. Composition and Responsibilities of the Board of Directors	(I) Does the Board of Directors established a diversified policy, set goals, and implemented them accordingly?	✓		<p>Pursuant to the “Corporate Governance Principles,” the composition of Board of Directors’ member shall take diversification into account. Not only the directors concurrently serving as the Company’s managerial officers shall not exceed one third of all directors, the proper diversification guidelines are also set in terms of operations, business model and development needs, the standards in the two major aspects are appropriate to be included, but not limited to:</p> <ol style="list-style-type: none"> 1. Basic requirements and values: Gender, age, nationality, and culture, among other things. The proportion of female directors should reach one-third of the number of directors. 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills and industry experience. <p>Please refer to page 9~11 of the annual report for the professional qualifications, diversification of Directors, independence of Independent Directors and management target, achievement.</p>	No material deviation.
	(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee established according to law?	✓		<p>Other than the Remuneration Committee and the Audit Committee established as required by law, other operations of related corporate governance and risk management are undertaken by each department based on their functions and duties. For instance, the Information Security Committee and the Occupational Safety and Health Committees have been established. The Company has established the CSR Committee in March 2016, and changed its name to ESG Committee in January 2022 to promote the corporate social responsibilities, corporate governance and ethical corporate management, etc., and to promote sustainable economic, environmental and social development. Every year, the performance is disclosed in the ESG report (formerly CSR report) and the implementation is reported to the Board of Directors at least twice annually.</p>	No material deviation.
	(III) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors	✓		<p>On October 28, 2019 the “Regulations Governing the Board Performance Evaluation!” were established and has been revised from time to time in accordance with laws and regulations or the operating needs of the Company. The annual performance assessment of the Board of Directors, Directors, functional committees and their individual members shall be completed before the end of the first quarter of next year. The assessment period is from January 1 to December 31. Members of the Board of Directors and functional committees and the administrative or execution unit of the Board of Directors, shall conduct the internal performance assessment in the regards of “Board of Directors,” “Directors,”</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Description	
	and nominations for reelection?			<p>“Audit Committee and their individual members,” and “Remuneration Committee and their individual members,” respectively. The methods include internal self-assessment and member’s self-assessment; the outcomes may be categorized as “outstanding,” “fair” and “to be improved.” The assessment outcomes are to be reported in the next Board meeting after completion to the Board of Directors; the outcomes serve as reference for the performance compensations to members of the Board of Directors and the functional committees and the nomination for re-election.</p> <p>The performance appraisals of the Board of Directors and Directors include five major aspects: participation in the operation of the Company, enhancement of the Board’s decision-making quality, composition and structure of Board of Directors, election of directors and continuing education, and the internal control. The performance appraisals of the Audit Committee and their individual members and Remuneration Committee and their individual members also include five major aspects: participation in the operation of the company, awareness of the duties of functional committees, improvement of decision quality of functional committees, composition and member election of functional committees and internal control.</p> <p>The internal performance appraisals in the regards of Board of Directors, Directors, Audit Committee and their individual members and Remuneration Committee and their individual members for 2024 have been completed. The outcomes of self-assessment are all “outstanding” without any material defects to be improved.</p> <p>Please refer to page 21 of the annual report for the content of the Board of Directors’ performance assessment.</p>	
	(IV) Does the Company regularly evaluate the independence of CPAs?	✓		<p>The Audit Committee regularly assesses the independence and suitability of CPAs at least once a year to ensure the reliability of the Company’s financial reports. The CPAs are invited to attend the annual discussion of the appointment of the CPAs to report on the control mechanism and implementation supervision of the CPAs and their firm to achieve independence, as well as the status of their implementation of the various components of the Audit Quality Indicators (AQI) and to provide transparency reporting. The CPAs are required to provide the “Independence Statement” and independent self-assessment questionnaire every year, and include Audit Quality Indicators in the evaluation of audit service appointments. After the approval of Audit Committee, the outcomes of discussions are provided to the Board of Directors.</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Description	
				<p>The results of the latest independent assessment of the CPAs have been approved by the Audit Committee and the Board of Directors on February 11, 2025.</p> <p>The assessment regime includes:</p> <ol style="list-style-type: none"> 1. CPAs are not related to the Company nor the directors. 2. The Company rotates CPAs as required by the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. 3. The prior approvals of the Audit Committee are required for certifications and other key matters. 4. The independent statements of CPAs are obtained regularly. 5. The CPAs are not spouses or relatives within the first degree of kinship with managerial officers or that the staff have key influence to audit tasks or cases. 6. Whether the CPAs and their audit team members currently or in the last two years are the Company's directors, managers or in positions of significant influence on the audit work in the Company. <p>The Company regularly reviews the independence of CPAs every year and checks whether or not they are directors, shareholders or paid by the Company against the assessment items in the "Accountant Independence and Competency Assessment Form" or whether or not they have other financial benefits and business conducts other than the fees for certifications and taxation-related cases.</p> <p>The CPAs confer with the Audit Committee on a quarterly basis for issues that may be deemed as compromising their independence, among other things. If the CPAs are directly involved or have a stake in the designated tasks, recusal is required. The rotation of CPAs shall be handled pursuant to the related regulations.</p> <p>It has been confirmed by the Company that the CPAs and the Company have no financial interests or business relationship other than certification and taxation fees. The accounting firm has issued a non-breaching independent statement (including the CPAs and the audit team members). The Company has not commissioned the same CPAs for certification for five consecutive years.</p> <p>Based on the outcomes of assessment for prior to the appointment of the recent year, no breach to the independence by CPAs is found.</p>	
IV. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors		✓		<p>On February 1, 2021, the Company approved the assignment of Kuo-Tai Ching, the CFO, as the corporate governance officer. His qualifications meet the requirements set out in Article 3-1, Paragraph 1, the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. He will be in</p>	No material deviation.

Evaluation Item	Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			<p>charge of supervising and planning the following corporate governance matters, to secure shareholders' interests and enhance the functions of the Board of Directors. And the personnel of the Finance Department in charge of share affairs are assigned as the corporate governance personnel as well, to implement matters related to the corporate governance.</p> <p>Functions of the corporate governance officers are:</p> <ol style="list-style-type: none"> 1. Handling matters relating to Board of Directors' meetings and shareholders' meetings according to laws. 2. Producing minutes of Board of Directors' meetings and shareholders' meetings. 3. Assisting in on-boarding and continuing education of directors. 4. Furnishing information required for business execution by directors. 5. Reporting to the Board of Directors on the results of its review of the compliance of the qualifications of Independent Directors with the relevant laws and regulations at the time of their nomination, election and during their term of office. 6. Handling matter relating to the change of Directors. 7. Regularly review and amend the Company's Corporate Governance Best Practice Principles and the related operating procedures. 8. Reporting the implementation of corporate governance affairs to the Board of Directors annually. <p>Key implementations of corporate governance related affairs: please refer to page 20~25 of the annual report, the operations of the Board of Directors and the Audit Committee.</p> <p>Continuing education of the corporate governance officer:</p> <p>The corporate governance officer of the Company has completed 12-hours education courses in 2024. The education courses information please refer to page 38 of the annual report, Table 1 "Directors' and Corporate Governance Officer's Continuing Education, 2024."</p>	
V. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<ol style="list-style-type: none"> 1. The Company regularly announces its financial and business information on MOPS and as required by the laws and regulations, it timely publishes material information that may influence shareholders or stakeholders to investors. 2. The Company has set up the Stakeholders' section at the website, to establish good communications and contact with stakeholders. The Company assigns dedicated personnel to handle and respond to the questions and demands 	No material deviation.

Evaluation Item		Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Description	
				<p>of all stakeholders. Spokesperson: Kuo-Tai Ching, CFO (03-566-8000 Ext.9) Investor related issues: ir@darwinprecisions.com Corporate sustainable development related : csr@darwinprecisions.com The company provides the latest company information through multiple methods and transparent and smooth communication channels, and collects corporate social responsibility issues that stakeholders are concerned about and responds to the effectiveness of the implementation through annual surveys on major issues of stakeholders.</p>	
VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?		✓		The Company has commissioned the Stock Affairs Department, Taishin Securities Co., Ltd. as the stock affairs agency and to handle the shareholders' meetings.	No material deviation.
VII. Information Disclosure	(I) Does the Company establish a corporate website to disclose both financial standings and the status of corporate governance?	✓		<p>1. Financial information: The Investor section is set up at the Company's website. The monthly and quarterly financial information is updated regularly; information on investor conferences is released from time to time.</p> <p>2. Business information: The product information, manufacturing process, technology and services are provided on the Company's website, as provision of the information related to the Company's business.</p> <p>3. Corporate governance: The Investor Relations section is set up at the Company's website, to disclose the part of the corporate governance as the followings: structure and organization, operations, functions and educational and industrial backgrounds of the members of the Board of Directors and functional committees, major resolutions of the Board of Directors, elections of directors and Board's performance appraisals, major internal regulations, internal audit, risk management, list of major shareholders, communications with independent directors and outcomes of corporate governance.</p>	No material deviation.
	(II) Does the Company have other information disclosure channels(e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		<p>1. Dedicated staff are assigned to disclose information on the "MOPS".</p> <p>2. The Investor section is set up at the website, with a contact window and diversified contact channels to answer questions from investors.</p> <p>3. A Spokesperson and Deputy Spokesperson are assigned for external communications.</p> <p>4. The Company holds at least one investor conference every year. The presentation and video files of the investor conference is available to the public at the investor section of the official website and MOPS.</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Description	
	(III) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	✓		The consolidated and parent-only financial statements for 2024 were announced and reported on February 20, 2025; the 2024 Q1, Q2 and Q3 financial statements and the monthly revenues were also announced and reported on MOPS before the deadline, while being uploaded to the Company's website simultaneously.	No material deviation.
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies and purchasing insurance for directors)?	(I) Employee rights and cares to employees	✓		<ol style="list-style-type: none"> 1. The Company has always taken respect for humanity and caring for employees as one of its business philosophy. In order to assist employees in their future career planning and development, various internal and external employee trainings are provided from time to time. Meanwhile, the Company takes care of each employee's physical and mental health and also provides or sponsors various benefit programs. The Welfare Committee is formed by the employees, takes charge of planning and implementing welfare affairs. 2. The Company holds labor-management meetings regularly every quarter, allowing labor representatives to understand the operation status of the Company and propose suggestions that they have for various issues of the Company. The full communication between the labor and employment allows their relationship to become much tighter. 3. For employee interests and care benefits for its employees, please refer to page 99~101 of the annual report, the Chapter IV. Operating Highlights - Labor Relations. 	No material deviation.
	(II) Investor relations	✓		<ol style="list-style-type: none"> 1. In terms of investor relations services, the Company has an investors' mailbox to maintain good relationships with its investors. Meanwhile, it also implements a spokesperson and deputy spokesperson system, to help investors better understand the Company's operations and financial status. 2. The Company assigns dedicated staff to announce information about financial, business and changes to insider shareholding timely at "MOPS" as required, for open and transparent information disclosure. 	No material deviation.

Evaluation Item		Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Description	
	(III) Supplier relations	✓		<ol style="list-style-type: none"> 1. The Company convenes regular and extraordinary meetings to review businesses with suppliers and conduct audit visits and questionnaire surveys on suppliers. 2. The Company has established the procedures to review and assess suppliers, to ensure that the supplier's delivery date, quality and price meet the Company's demands. In addition, the supplier's green products, environmental, safety and health risks and other items are reviewed and communicated. Only those who pass the review can become partners. 3. Pursuant to the "Supplier Management Procedure" and "Supplier/Subcontractor ESH Audit Procedure," the Company works with suppliers to make the best efforts to enhance the corporate social responsibility. The major content includes law compliance, environmental management system, environmental safety and health policy/Commitment, management duties and responsibilities, risk assessment and management, plan implementation, supervision and measurement of performance objects and corrective measures/procedures. 	No material deviation.
	(IV) Rights of the stakeholders	✓		<p>The Stakeholder section is set up in the ESG Section of the Company's website.</p> <ol style="list-style-type: none"> 1. Disclose the identification of the Company's stakeholders, concerned issues from different stakeholders and respond to the key results. 2. Establish the communication channels with stakeholders, while assigning dedicated staff to handle and reply the inquiries and demands from various stakeholders. 3. Disclose the ESG reports to provide stakeholders to understand how the Company implement its sustainable development. 	No material deviation.
	(V) Directors' continuing education	✓		<p>The Company has handled this pursuant to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" of TWSE. Please refer to page 38 of the annual report, Table 1 "Directors' and Corporate Governance Officer's Continuing Education, 2024." The related information is disclosed on MOPS.</p>	No material deviation.
	(VI) Implementation of risk management policies and risk evaluation standard	✓		<p>Risk management is an important part of maintaining business operations. The Company acknowledges the existence of risks and is committed to implementing various policies and measures to reduce risks in order to create sustainable value for stakeholders and business opportunities for the Company. The Company, for effectively strengthening risk management, has constantly paid attention to the industry trends and market changes, grasped the trend of risk changes, and formulated management and control strategies</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Description	
				<p>and practices for major potential risk scenarios; also, regularly confirm and track the effectiveness of inspections in order to pursue optimized management cost-effectiveness within the acceptable risk.</p> <p>The Company and its subsidiaries, while engaging in operating activities, should carefully review potential internal and external risks from the perspective of sustainable corporate operations; also, formulate relevant operating standards in accordance with the Company's "Risk Management Policies and Procedures" to identify, measure, control, and monitor the potential business risks and the possible impact on operations, to establish operational response procedures in conjunction with responsible units, to implement the operation of the risk management mechanism, and to enhance the risk management effect.</p> <p>Please refer to page 104-115 of the annual report of Chapter V. Review of Financial Conditions, Operating Results, and Risk Management.</p>	
	(VII) Implementation of customer relations policies	✓		<ol style="list-style-type: none"> 1. The Company regularly assesses client relationships and has the credit management regulations in place, to implement regular reviews of clients' financial and operating conditions, while controlling credit risks. 2. The Company maintains unblocked communication channels with clients, for communicating regarding products or services any time, while ensuring that the products or services meet the expected quality level, and providing timely answers to clients' questions. 3. The Company provides green products to clients through a systematic management process and sets up a green product management system and a hazardous substance management process (HSPM) internally, to identify, eliminate and control hazardous substances to comply with the Company's green product policy, clients' requirements and laws and regulations (such as EU RoHS/REACH... etc.). 	No material deviation.
	(VIII) Status of purchasing liability insurance for directors	✓		The Company has purchased liability insurances for directors and managerial officers. The coverages are reviewed annually and the coverages are reported to the Board of Directors and competent authorities.	No material deviation.
	(IX) Succession plans and operations of the Board of Directors' members and key managerial officers	✓		For the succession planning of directors, the following criteria are used to establish the database of director candidates: business judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market outlook, leadership, and decision-making ability. The Company has also clearly defined the "Board of Directors Performance Evaluation Procedures" to ensure that the Board of	No material deviation.

Evaluation Item		Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
		Yes	No	Description	
				<p>Directors is operating effectively and achieves the purpose of sustainable development through performance evaluation items. Hence, the Company prepares the succession plan and candidates of directors based on the future strategic development and transformation planning, as well as the professional knowledge, skills and experience required by the directors, as well as the diversification policy and independence standards for directors. The directors' candidates are sought, reviewed, and nominated accordingly.</p> <p>In the cultivation mechanism design for key management, the company formulates personal development plans for senior managers based on their individual specialties and job requirements. The Company's Darwin Institute is a dedicated unit to plan the talent cultivation and development policy, and plan and implement the training system, and thus, the key management is trained for their capabilities in terms of management, leadership, and operations. The Company cultivates internal senior managers, arranges for key management to attend the board meeting at least once a year to report on corporate governance matters, and communicates with directors on corporate governance matters so that key management participates in the board's operation. Their participation in the various operating units of the Group is expanded during normal times.</p> <p>Furthermore, we hold a strategic consensus camp for key management every year. Through strategy meetings, the Company focuses on its future business development direction, and systematically deploys key talents and new business development according to the business strategy.</p> <p>For the cultivation of senior managers, apart from participating in the leadership training courses of Darwin College, the emphasis is placed on the inheritance and exchange of work experience. The succession of key positions and the status of talent pool are regularly discussed in the Human Resources Review Committee and various networking gatherings on weekdays. Job rotation and cross-departmental assignments are also used to train employees for their current roles. The ESG Committee also helps senior managers participate in more depth and breadth of operations. In terms of training mechanism design, potential successors will also be arranged to participate in senior manager development courses at affiliated companies, and benchmarking and apprenticeships will be used to improve the leadership and management capabilities of successors.</p>	

Evaluation Item	Operating Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
IX. The improvement status for the result of Corporate Governance Evaluation announced by the TWSE Corporate Governance Center in the recent years, as well as the prioritized enhancements for the matters and measures not yet improved.				
(I) In response to the international trend of carbon reduction and in line with the "Sustainable Development Pathway for TWSE/TPEX Listed Companies" promoted by the competent authorities, the Company and its subsidiaries introduced the ISO14064-1:2018 greenhouse gas management system in 2022, obtained the Y2021 greenhouse gas inspection statement (including overseas subsidiaries) issued by SGS on November 21, 2022 for the first time. We will continue to complete the greenhouse gas inspection certifying every year in the future to review the effectiveness of energy-saving policy implementation and gradually achieve the goal of carbon reduction. The Y2023 greenhouse gas inspection statement was also obtained on July 5, 2024.				
(II) In order to cooperate with the Financial Supervisory Commission in issuing the "Sustainable Development Action Plan for Listed Companies", and to implement the company's sustainable development goals and strengthen sustainable governance, the Board of Directors approved the establishment of the "Sustainable Development Committee Organization Procedure" and authorized the ESG Committee to establish the "Sustainability Report Writing Process". The company's 2023 ESG report has been confirmed by a professional organization and submitted to the Board of Directors for approval.				
(III) The company will continue to promote and improve corporate governance affairs such as enhancing the structure and operations of the Board of Directors, as well as information transparency.				
(IV) The Company was ranked in the range of 21% to 35% of TWSE listed companies and in the range of 11% to 20% of TWSE/TPEX listed companies that had market capitalization between \$5 billion and \$10 billion by industry in the 11th “Corporate Governance Evaluation of TWSE/TPEX Listed Companies (2024)” sponsored by TWSE.				
The Company continues to develop sustainably in the regards of economic, environment and society and will continue to uphold the core corporate values of ethic and integrity, while sustainably managing the relationship with all stakeholders and society.				
Environment Management:				
In addition to the investment in technical capabilities, the Company also seek the product quality and environmental protection. It has been certified with ISO 9001 international quality management in 1999 and has successively obtained other certifications including IATF 16949, QC 080000, ESD20.20 quality system, ISO50001 energy management systems, ISO 14001 environment management system, ISO14064-1 greenhouse gas inventory and ISO45001 occupational safety and health management system. Meanwhile, the number of employees in the Taiwan Plant has been more than 200 and it has also obtained the TOSHMS certificate as required by law.				

Table 1: Directors' and Corporate Governance Officer's Continuing Education, 2024:

Title	Name	Date	Sponsor	Name of Course	Course Hours
Director	Kuo-Hsin (Michael) Tsai	June 3, 2024	Securities and Futures Institute	Institutional Investor Perspectives Forum	3 hours
		September 6, 2024	Securities and Futures Institute	2024 Promotion and Explanatory Seminar for Prevention of Insider Trading	3 hours
Director	Frank Ko	August 3, 2024	Independent Director Association Taiwan	Legal Planning and Risk Management of Cross-Border Enterprise Mergers and Acquisitions	3 hours
		August 3, 2024	Independent Director Association Taiwan	How Do Foreign Institutional Investors View ESG Sustainable Governance and Investment Responsibility	3 hours
Director	Feng-Cheng Su	May 2, 2024	Taiwan Corporate Governance Association	How Does The Board of Directors Ensure The Sustainable Operation of The Enterprise - Starting From The Discovery and Cultivation of Talents	3 hours
		November 6, 2024	Securities and Futures Institute	Strategic Thinking for Issue Management in Corporate Governance	3 hours
Independent Director	I-Shih Chen	August 6, 2024	Taiwan Stock Exchange Corporation	Sustainability Knowledge Empowerment Promotion and Explannatory Course-Electronics Industry of Empowering the Carbon Era with Sustainable Knowledge	6 hours
Independent Director	Huei-Shih Lung	March 29, 2024	Taiwan Corporate Governance Association	U.S.-China-Taiwan Relations and Future International Situation-Political Risks of Investing in Mainland China	3 hours
		August 22, 2024	Taiwan Corporate Governance Association	Securities Regulations and Corporate Governance	3 hours
		August 23, 2024	Taiwan Corporate Governance Association	Introduction of IFRS Sustainability Disclosure Standards and Sharing of Net-Zero Carbon Emission Trends at Home and Abroad	3 hours
Corporate Governance Officer	Kuo-Tai Ching	March 29, 2024	Securities and Futures Institute	Economic Outlook and Industry Trends in 2024	3 hours
		July 26, 2024	Securities and Futures Institute	Opportunities and challenges for Taiwan's industrial transformation under geopolitics - PMI / NMI exclusive analysis	3 hours
		August 2, 2024	Taiwan Corporate Governance Association	Corporate Governance Supervisor Compliance Work Practice	3 hours
		October 4, 2024	Taiwan Corporate Governance Association	Seminar on the Net Zero Emissions	3 hours
		November 15, 2024	Securities and Futures Institute	2024 Promotion and Explanatory Seminar for Legal Compliance of Insider's Equity Trading	3 hours

(IV) The composition, duties and operation of the Remuneration Committee

1. Information about the Company's Remuneration Committee Member

April 16, 2024

Criteria		Professionanl Qualification and Experience	Independence Status of Independent Director	Number of Other Public Companies Concurrently Serving as a member of Remuneration Committee
Title	Name			
Convener		<ul style="list-style-type: none"> ◆Please refer to page 9~11 of the annual report, Professional qualifications of Directors and independence of independent directors ◆All of them comply with Article 6 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" issued by the Financial Supervisory Commission . ◆There was no remuneration paid by the Company or its affiliates to any independent directors for business, legal, financial or accounting services in the last two years. 		
Independent Director	I-Shih Chen			
Independent Director	Cheng-Chung Li			
Independent Director	Huei-Shih Lung			3
Member	Maggie Lu	<ul style="list-style-type: none"> ◆Ph.D., Institute of Food Science and Technology, National Taiwan University ◆Deputy General Director of Biomedical Technology and Device Research Laboratories, Industrial Technology Research Institute ◆President, Metagone Biotech Inc. ◆Possessed clinical drug development and management capabilities in the biomedical industry and practical work experience in the industry 	<ul style="list-style-type: none"> ◆The member has not been in or is under any circumstances stated in Article 30 of the Company Law (page 9~10-Note 1 of the annual report). ◆Satisfy the requirements of Article 6 of 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 issued by Financial Supervisory Commission R.O.C. (Taiwan). ◆Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an “audit service” or a “non audit service” 	0

2. Duties of the Remuneration Committee

Pursuant to the laws of Republic of China, the members of the Remuneration Committee are assigned by the Board of Directors. The aim of the Remuneration Committee is to assist the Board of Directors to implement and assess the overall remuneration and benefit policy of the Company and the compensations to the directors and managerial officers. Based on the charter, the Remuneration Committee performs its duties. Please refer to the Company’s website for the Remuneration Committee Organization Procedure.

The members of the Remuneration Committee shall perform the duty of care of a good administrator, to establish and review the remuneration system linking to the performance in an independent and unbiased manner, while faithfully perform the following functions commissioned by the Board of Directors, and submit the recommendations to the Board of Directors for discussion:

- (1) Determine and periodically review the performance appraisal on the Company's directors and managerial officers and remuneration policy, system, standard and structure.
- (2) Periodically evaluate and determine the Company's remuneration to directors and managerial officers.

When performing the official powers of the preceding paragraph, the remuneration committee shall follow the principles listed below:

- (1) With respect to the performance assessment and remuneration of directors, supervisors and managerial personnel of the Company, it shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure.
- (2) It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate.
- (3) It shall take into consideration the characteristics of the industry and the nature of the Company's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of the variable part of remuneration.

3. Operations of the Remuneration Committee.

- (1) There are a total of three members in the Company's Remuneration Committee
- (2) Current term: from June 14, 2023 to June 13, 2026.

In 2024, the Remuneration Committee has held three meetings. The attendance of the Committee members is summarized as follows:

Title	Name	Number of actual attendance	Number of proxy attendance	Actual Attendance (%) (Note 1)	Remarks (Note 2)
Convener Independent Director	I-Shih Chen	3	0	100	-
Independent Director	Huei-Shih Lung	3	0	100	-
Member	Maggie Lu (Note 2)	-	-	-	The member took office on October 25, 2024. Attendance required: zero
Independent Director	Cheng-Chung Li	2	0	100	Resigned on August 30, 2024 Attendance required: two

Note 1: [Actual number of attendance/ Number of meetings during the term of office]

Note 2: Pursuant to Article 3, Paragraph 3 of the Remuneration Committee Organization Procedure of the Company, if a member of the Committee is dismissed for any reason and the number of members is less than three, a board of directors meeting shall be held within three months from the date of the occurrence of the fact to make a replacement appointment. The Company's Board of Directors has resolved to appoint a remuneration committee member to make up the quorum on October 25, 2024, with the term of office being the same as that of the current Board of Directors until June 13, 2026.

Other items to be stated:

- I. If the Board of Directors declined to adopt or will modify, a recommendation of the Remuneration Committee, state the meeting date, term, contents of motions, resolution of the Board meeting and the Company's treatment to the opinions of the Remuneration Committee (*e.g.*, the remuneration passed by the Board exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.
- II. For the resolutions adopted by the Remuneration Committee, to which a member has a dissenting or qualified opinion which has been recorded or prepared as a written declaration, state the meeting date, term, contents of motions, opinion of each member and the treatment to such opinions: None.

(3) Discussion and resolutions of the Remuneration Committee meetings and the Company's treatments of the members' opinions:

Date of meetings	Discussion	Outcomes of reviews
1st 2024 January 29, 2024	Approved the 2023 directors and managerial officers compensation	The chair inquired the opinions of all attending members and the proposal was approved as it was; submitted to the Board of Directors for resolution.
	Approved the amendment of 2024 Managerial Officers Compensation Policy, Institution, Standard and Structure	
	Approved the 2024 incentive program for retain talents	
2nd 2024 July 29, 2024	Approved the distribution of 2023 employees' remuneration for managerial officers	
3rd 2024 October 25, 2024	Approved the change of Managerial Officer	

(V) Corporate governance implementation status and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviations.

Evaluation Item	Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
	Yes	No	Description	
I. Does the Company establish a governance structure for sustainable development and set up a exclusively (or concurrently) dedicated unit to promote sustainable development and with the Board of Directors authorization for senior management to handle and is supervised by the Board of Directors?	✓		<p>The Company established the CSR Committee in March 2016 and renamed the ESG Committee in January 2022 as the highest corporate-level sustainable development promotion organization within the Company, coordinating the formulation of corporate social responsibility and sustainable development direction and goals. The chair and members review the performance and goal achieved regularly. "DARWIN Sustainable Development Committee Organization Procedure" was submitted to the Board of Directors for approval on July 29, 2024. The Chairman and CSO serves as the chair of the Committee, with a secretarial panel and four functional groups under the chair, namely operation sustainability, supply chain sustainability, society citizenship and business risk management. The seminars related to sustainable development are conducted quarterly or from time to time and reports on the progress of implementation of the long-term goals and action plans and reviews improvement measures; annual reports are made to the Board of Directors on the effectiveness of the promotion, work plan and review the Company's sustainable development blueprint at least twice a year and the Board of Directors supervises the promotion of sustainable development.</p> <p>The ESG report of 2023 has been reviewed and approved by Board of Directors and disclosed on company website and MOPS. The ESG report of 2024 will be submitted to the Board of Directors for review after completion and will not be disclosed to the public until it is approved.</p>	No material deviation.
II. Does the Company follow the materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operations and establish elated risk management policy or strategy?	✓		<p>To optimize the system and advance to a well-rounded sustainable operation, the Company has established the ESG committee and the "ESG Best Practice Principles," to establish and implement managerial policies with regards to economy, environment, society and corporate governance, while collecting feedbacks from stakeholders for continuous improvement.</p> <p>The Company performs risk identification operation of the Company and its subsidiaries in accordance with the ESG materiality principles and the "Policy and Procedures for Risk Management" established by the Company, and conducts risk assessment of important issues based on risk categories and operational concerns of the Company, and then formulates response strategies and strengthens risk control. And the Board of Directors supervises the implementation</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
		Yes	No	Description	
				of risk management. Please refer to Chapter V. Review of Financial Conditions, Operating Results, and Risk Management in the annual report (page 104-115).	
III. Environmental issues	(I) Does the Company establish suitable environmental management systems based on the characteristics of its industries?	✓		<p>1. The Company has established an environmental health and safety management system and environmental health and safety policy. The Company has also organized an occupational health and safety committee at each plant's head office to implement relevant management systems. The risk assessment items include: occupational health and safety, automatic inspections, operating environment monitoring, hazardous substances management, environmental protection implementation/tracking, energy saving and carbon reduction promotion/tracking, greenhouse gas emissions policy and management, resource management, disaster response drills, education and training, etc.</p> <p>2. The Company continues to carry out the classification, recycling and reduction activities of domestic and industrial waste pursuant to the government policies, and establishes a management and contingency system to implement it.</p> <p>3. The Company and its subsidiaries have introduced the ISO 14001 environmental management system and passed the certification by a third-party certifying company (SGS) on August 27, 2018, to obtain the new version of ISO14001:2015 certification. Currently, the validity period of the certificate obtained by the Company this certification is August 3, 2023 to June 16, 2026.</p> <p>4. In recent years, in order to achieve the goal of 2050 net-zero greenhouse gas emissions strategy, we introduced ISO14064-1 greenhouse gas inventory in 2022 and ISO50001 energy management system certification in 2023, and will continue to validate the system every year thereafter.</p> <p>5. The Company has introduced the CNS45001 Taiwan Occupational Safety and Health Management System, which has been verified by a third-party verification company (SGS). The certificate is valid from September 3, 2023 to September 2, 2026.</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons												
		Yes	No	Description													
	(II) Does the Company endeavor to improve energy efficiency and use renewable materials which have low impact on the environment?	✓		<p>The Company and its subsidiaries have installed solar power generation systems on the rooftops of major plants. Total solar power generation in 2024 was 9,242,042 KWh, which might reduce by 5,271 ton of CO_{2e}.</p> <table><tr><th>Plant</th><th>Total solar power generation (KWh)</th><th>Total CO₂ emission reduction (tons)</th></tr><tr><td>Wujiang</td><td>4,386,764</td><td>2,502</td></tr><tr><td>Xiamen</td><td>4,855,278</td><td>2,769</td></tr><tr><td>Total</td><td>9,242,042</td><td>5,271</td></tr></table> <p>In addition, we continue to improve the efficiency of resource utilization in other factories, implement process water recycling in each factory, and fully implement waste classification and resource recycling. We also promote green office, such as: using business machines for centralized printing, encouraging single-sided paper reuse, using environmentally friendly recycled paper for business card printing, etc. Besides, to set up a sustainable cultural atmosphere in DARWIN, educate and publicize the knowledge of sustainable green life through internal electronic bulletin boards, announcements, and official accounts of communication software, cultivate self-“green” good habits, and reduce waste and environmental burden.</p> <p>The Company's waste recycling and re-use ratio: 96% in 2023 and 94% in 2024. The Company is also committed to the establishment and implementation of green product hazardous substance management regulations to ensure that product and parts (materials, components and packaging materials) meet the requirements for green products.</p>	Plant	Total solar power generation (KWh)	Total CO ₂ emission reduction (tons)	Wujiang	4,386,764	2,502	Xiamen	4,855,278	2,769	Total	9,242,042	5,271	No material deviation.
Plant	Total solar power generation (KWh)	Total CO ₂ emission reduction (tons)															
Wujiang	4,386,764	2,502															
Xiamen	4,855,278	2,769															
Total	9,242,042	5,271															
	(III) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		<p>1. In response to the impact of climate change on business operations and to disclose information about climate change, the Company established the CSR Committee in 2016 and renamed the ESG Committee in 2022 to follow the vision and mission of the Company's ESG policy and continue to promote major issues and strategies. In 2021, the Company strengthened our environmental management policy in response to the climate change issue, set our annual absolute carbon reduction target and made corresponding technical management of process and energy, transformed low carbon production process and reduced energy usage. We obtained the ISO14064-1: 2018 Greenhouse Gas Management System Certification and</p>	No material deviation.												

Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
		Yes	No	Description	
				<p>ISO50001 Energy Management System Certification during the 2023 inspection period in 2024. We will continue to carry out certification work in the future and review the achievement of carbon reduction and energy saving goals accordingly. And we participated in the Carbon Disclosure Project (CDP) climate change questionnaire and received a B management grade result in 2024.</p> <p>In addition, according to the International Financial Stability Board Climate-Related Financial Disclosure Recommendation (Task Force on Climate-related Financial Disclosures, TCFD) framework to identify the company's climate risks and opportunities and establish measurement indicators and response actions based on the identification results, thereby reducing the financial impact of climate risks on operations.</p> <p>2. In 2024, a total of nineteen energy saving and five water reclamation projects were implemented; it is expected to save 109.26 million KWH of power and 442 thousands tons of reclaimed water. The Company and its subsidiaries strives to save energy and reduce carbon, while improving energy efficiency, to mitigate climate change and maintain ecological balance.</p>	
	(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years and implement policies on energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management?	✓		<p>1. The Company established the ESG Office in August, 2022, and worked with the environmental safety unit to promote greenhouse gas inventory and reduction, energy management and other businesses, and conduct monthly inventory and statistics on greenhouse gases. In response to the sustainable development of environment, having a paperless office is continuously promoted; no disposable utensils is provided; water-saving valves are installed on faucets; lights, air-conditioning are controlled by dedicated staff; and carpooling is encouraged in the practical environment.</p> <p>2. To introduce ISO14064-1: 2018 greenhouse gas inventory in 2022 for the first time, and the initial greenhouse gas verification statement for 2021 was obtained from a third-party verification agency (SGS) on November 21, 2022, and we will continue to validate them every year thereafter. The greenhouse gas verification statement for 2023 was obtained from a third-party verification agency (SGS) on July 5, 2024. The inspected greenhouse gas emission inventory for 2023 of the Company and its subsidiaries was 71,384 metric tons of CO2e, the GHG emission of scope 1 and scope</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons																														
		Yes	No	Description																															
				<p>2 was 60,575 metric tons and the gas emission intensity was 341 metric tons of CO_{2e} per NTD 100 million.</p> <p>The total greenhouse gas emission inventory of the Company and its subsidiaries for 2024 is 60,350 metric tons of CO_{2e}, and the main source of greenhouse gas generation is scope two electricity emissions.</p> <p>The GHG emissions in 2024 and 2023 are as follows:</p> <table><tr><th>Emission of GHG</th><th>2024</th><th>2023</th></tr><tr><td>Scope 1 (ton CO_{2e})</td><td>1,615</td><td>1,723</td></tr><tr><td>Scope 2 (ton CO_{2e})</td><td>58,735</td><td>58,852</td></tr><tr><td>Total CO₂ emission (tons)</td><td>60,350</td><td>60,575</td></tr><tr><td>Sales amount (NTD100 million)</td><td>208.7</td><td>177.7</td></tr><tr><td>Emission intensity (ton/NTD100 million)</td><td>289</td><td>341</td></tr></table> <p>Remarks:</p> <p>(1) Using the greenhouse gas inventory emissions of Scope 1 and Scope 2, which can be controlled by the company's perimeter as the basis for the company's greenhouse gas reduction.</p> <p>(2) The greenhouse gas inventory for 2024 was taken by ourselves, and has not yet been verified by a third-party. Please refer to the ESG report for verified information.</p> <p>3. The Compnay introduced the ISO50001 energy management system in 2023, we obtained the ISO50001:2018 (certificate valid is from January 15, 2024 to January 14, 2027) from a third-party verification agency (DNV). We continue to reduce the carbon dioxide emission equivalents by promoting energy-saving control measures through PDCA system.</p> <p>4. In response to the global shortage of water resources, the Company continues to arrange water for production, life and ecology reasonably based on the concept of reasonable resource application, to allocate water resources reasonably. Water is effectively reclaimed, the carrying capacity of water resources is improved, to secure the sustainable development.</p> <p>Volume of the used water resources in 2024 and 2023 are as following:</p> <p style="text-align: right;">Unit: 10,000 tons</p> <table><tr><th>Water resources</th><th>2024 (Note 1)</th><th>2023 (Note 2)</th></tr><tr><td>Tap water</td><td>81.0</td><td>94.5</td></tr><tr><td>Underground water</td><td>0</td><td>0</td></tr><tr><td>Reclaimed water</td><td>38.8</td><td>35.9</td></tr></table>	Emission of GHG	2024	2023	Scope 1 (ton CO _{2e})	1,615	1,723	Scope 2 (ton CO _{2e})	58,735	58,852	Total CO ₂ emission (tons)	60,350	60,575	Sales amount (NTD100 million)	208.7	177.7	Emission intensity (ton/NTD100 million)	289	341	Water resources	2024 (Note 1)	2023 (Note 2)	Tap water	81.0	94.5	Underground water	0	0	Reclaimed water	38.8	35.9	
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Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons												
		Yes	No	Description													
				<p>5. The waste generated in the Company's operations is collected and controlled at the source for classification. Recycling/re-using take the first priority, to increase the resource recovery rate, reduce the volume of generated waste, and reduce the impact on the environment. The “Regulations of Waste Cleaning Operation” is established for management. The waste generation in 2024 and 2023 is as the table below: per unit of waste output (tons/NT\$100 million) was decreased by 30.1% from 37.8 in 2023 to 26.4 in 2024.</p> <p style="text-align: right;">Unit: ton</p> <table><tr><th>Waste</th><th>2024 (Note 1)</th><th>2023 (Note 2)</th></tr><tr><td>Non-hazardous industrial waste</td><td>5,415</td><td>6,622</td></tr><tr><td>Hazardous industrial waste</td><td>100</td><td>90</td></tr><tr><td>Per unit of waste output (tons/NT\$100 million)</td><td>26.4</td><td>37.8</td></tr></table> <p>Note 1: The data in 2024 were taken by ourselves and has not been confirmed by a third party. Please refer to the ESG report for confirmed information. Note 2: Limited assurance by a third party organization (KPMG) based on ISAE3000.</p> <p>6. Reduction target:</p> <p>(1) In order to advocate international carbon-reduction trends, ESG of the Company set the goals for the Company and its subsidiaries to achieve 30% reduction of greenhouse gas emissions in office locations, 5% reduction of GHG at manufacturing locations by 2025, net zero greenhouse gas emissions in office locations, 20% reduction at manufacturing locations by 2030, and net zero greenhouse gas emissions in both office and manufacturing locations by 2050. Our inventory for 2023 was checked by a third-party (SGS) and was 60,575 ton CO_{2e}/year, and the inventory for 2024 checkde by ourselves was 60,350 ton CO_{2e}/year, with an annual reduction of 0.37%. Each plants actively promotes power-saving solutions to reduce carbon emission. In the future, the Company will continue to work towards the carbon reduction goals set for the carbon emissions generated by each unit.</p> <p>(2) In 2024, water reclaimed from the processes in the plants in Taiwan and China was totaled 388 thousands tons. The water reclaiming rate of the Company and its subsidiaries reached 45.6%, an increase</p>	Waste	2024 (Note 1)	2023 (Note 2)	Non-hazardous industrial waste	5,415	6,622	Hazardous industrial waste	100	90	Per unit of waste output (tons/NT\$100 million)	26.4	37.8	
Waste	2024 (Note 1)	2023 (Note 2)															
Non-hazardous industrial waste	5,415	6,622															
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Per unit of waste output (tons/NT\$100 million)	26.4	37.8															

Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
		Yes	No	Description	
				<p>of 16.2% from the water reclaiming rate 29.4% in 2023. It achieved the disclosure planning target for 2023 annual report (the Wujiang and Xiamen plants will save 29,000 tons water more than previous year in 2024, and the process water recovery rate of Xiamen plant will be increased to 50%). The Company will continue to improve the carrying capacity of water resources by effectively utilizing recycled water.</p> <p>(3) The direction and goal of waste resource management: continue to increase the reclaiming rate of various industrial wastes, schedule the audit plans for waste vendors, audit 12 vendors from Taiwan and China plants in 2024, achieve a 100% audit supervision rate, 4 audit deficiencies (improved) and zero environmental incidents.</p>	
IV. Social issues	(I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>In order to fulfill the corporate social responsibility and protect the basic human rights of all employees, the Company recognizes and voluntarily observes the “Universal Declaration of Human Rights,” the “United Nations Global Covenant,” the “United Nations Guiding Principles on Business and Human Rights,” “International Labor Organization” and other internationally recognized human rights standards, and compliance with Responsible Business Alliance (RBA) standards and relevant labor regulations to eliminate any violations and infringement to human rights and treat and respect all employees with fairness and justice. The Company's human rights policy is applicable to all operations and manufacturing facilities and it strictly observes laws regulations related to labor and gender equality in the place of operation, while formulating related human rights protection and labor policies and implementing related measures, including: freedom employment policies, reasonable working hours, healthy workplaces, diversity, equality and inclusion, positive labor-employer relations, etc. The working conditions of the employees of the Company are in compliance with the labor laws and regulations. Discrimination in the workplace is prohibited, gender equality in work is promoted, workplace safety and reasonable working hours are also implemented. All working rules are also complied with by all employees. There are corresponding managerial procedures to regulate.</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
		Yes	No	Description	
	(II) Does the Company formulate and implement reasonable employee benefit measures (include salary and compensation, leave and others) and appropriately link the operating performance or results to employee salary and compensation?	✓		<p>【Employee Remuneration】 The Company regularly participates in international and regional (local) market wage surveys and formulates a competitive wage structure and wage assessment standards based on the positioning of the talent market. Other than the fixed wages, to encourage employees to perform their best, the Company provides a corresponding individual performance incentive system, where the employees' remunerations are distributed by referring to the Company's operating performance. There is also a employee stock ownership trust(ESOT) assist employees in accumulating retirement pensions.</p> <p>【Employee Welfare】 When on-boarding, health insurance and labor insurance of the new recruits will be completed on the same day. The group and casualty insurance are also offered to employees for better life and safety safeguards. Other than job requirements, the Company also appreciates employees' needs in their personal and family lives. Other than providing a well-rounded leave system pursuant to the labor laws, the annual leave scheduling system is also in place, to encourage employees to apply their leaves well to arrange time with their families. The Company has a cafeteria for employees and employees enjoy meal subsidies. The plants in Taiwan has built a gym and aerobics classrooms, the plants in China has built dance training room and exercise room, equipped with fitness equipment. Sports clubs are also established for employees to enjoy sports without traveling. There is an exclusive parking lot for employees to park free-of-charge. There are employee dormitories to provide accommodation for colleagues. The plants in China has built a sun room and equipped with fitness equipment so that colleagues can exercise healthily in the living area.</p> <p>【Workplace Equality】 To realize equal pay for equal work and equal promotion opportunities, and to promote sustainable and inclusive economic growth. The Company focus on the rights and welfare of our employees, share the profits with them, maintain a good working environment, and provide comprehensive care for all ethnic groups: (1) hiring employees with disabilities and providing appropriate work duties and environmental facilities; (2) assisting foreign employees in cultural integration, life care, and health and safety; and (3) implementing a friendly workplace so that employees of all</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
		Yes	No	Description	
				genders can work with peace of mind.	
	(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		<p>Other than complying with the relevant domestic laws and regulations, the Company and its subsidiaries have obtained the internationally recognized ISO 45001 occupational safety and health management system inspection certification (certification valid until September 3, 2026), to provide employees with a safe working environment, thereby preventing occupational disasters and maintaining employees' workplace safety .</p> <p>The Company conducts inspections for work environment and improvement every six months pursuant to the laws, as well as annual employee regular health checks.</p> <p>1. A health promotion unit_ Wellness Center: The Chief nurse and nurses are engaged to regularly conduct annual health checks for employees, while caring and tracking employees' health. The health management system is introduced to manage health information electronically. Health promotion events are held regularly or from time to time, including setting up breastfeeding rooms, promotions on infectious disease prevention, healthy diet education, epidemic prevention and control for employees going on business trips and health seminars to satisfy the health needs of employees. The plants in Taiwan have obtained the Sports Enterprise Certification, Daya Plant Excellent Workplace Certification Outstanding Healthy Award in 2024. In addition, the Daya plant is a teaching site for occupational specialists from Taiwan Environmental and Occupational Medicine Association.</p> <p>2. Establish dedicated units, such as the safety and health division. Undertake the planning and management of safety, health, and environmental protection for the the Company and its subsidiaries, such as inspections to the safety of the working environment of employees, protection of machinery or equipment operation, and implementing employee safety training periodically and promotion of safety activities.</p> <p>3. The Company conducts labor work environment inspection and health check pursuant to laws. Improvements are made to the work environment accordingly and necessary protections are provide, as well as and adjusts the labor workplace.</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
		Yes	No	Description	
				<p>4. In 2024, 89 courses of environmental safety and health related were offered by the Company's and its subsidiaries' environmental safety unit and Wellness Center , and total of 249 training hours.</p> <p>5. There were 10 cases of occupational injury to employees in 2024 (Occupational Injury Rate 0.09%; Disabling Frequency FR = 0.77; Disabling Severity Rate SR = 18), which were 2 pinching/cutting injuries, 1 slipping/falling, 1 fall, 5 crush injuries, and 1 chemical splash. All of them have returned to their respective positions and are being tracked by the follow-up care center of the wellness center. The Safety and Health Division re-inventoried the SOP process for identifying risks and hazards, revising the operating practices and promoting them to all factories; updating the hazard identification and assessment for all units in the production base, inspecting the overall inventory and verification of the machine and equipment safety mechanism, and increasing the frequency of personnel education and training to enhance safety awareness.</p> <p>Remarks: Disabling Frequency Rate FR = Total Frequency of Injuries and Losses to Workers x 1,000,000/Cumulative Total Working Hours (Two decimal places are rounded down unconditionally) Disabling Severity Rate SR = Total Injury Lost Days x 1,000,000 / Accumulated Total Working Hours (Units digit is rounded down unconditionally) Employees are defined as direct employees, indirect employees, contract employees, interns, students participants in cooperative education, part-time workers, and foreign migrant workers.</p> <p>6. In 2024, there were 0 personnel injuries/deaths or interruptions in the operation of the factory due to major fires. The Company is committed to planning and promoting high-risk disaster response drills and emergency response team personnel training, and has held 119 training sessions. In addition, in order to deepen the ability of colleagues to use fire extinguishers, the Company commissioned a professional fire safety company in November to conduct real fire extinguishing training for all employees, with a total of 191 employees taking part in the training. By doing this, our colleagues are able to remain calm in the event of danger and correctly operate emergency equipment, minimizing the risk of disasters and injuries in the factory.</p>	

Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
		Yes	No	Description	
	(IV) Does the Company establish effective career development and training plans?	✓		<p>The Company has established Darwin College, dedicated to talent cultivation and development policy formulation, education and training system planning and implementation. Committee meetings are convened regularly to review the talent cultivation policies and their planning and effectiveness. Under Darwin College, there are the leadership school, the marketing school, the innovation and R&D school, the manufacturing school, with the Education and Training Executive Committee (hereafter "ETEC"). The ETEC established seven major training system based on the Company's development strategies and develops seven major education and training, including new employee training, quality training, management training, environmental safety and health training, instructor training, general knowledge and self-development training, and professional training, as well as the development of learning maps for each branch. In addition, for the development of the professional capabilities of employees, the EEC of each department applies internal instructors or external trainings, to effectively pass on specialties and skills.</p> <p>In 2024, a total of 33,873 people completed career training courses, with a total of 94,190 training hours.</p>	No material deviation.
	(V) Does the company's product and service comply with relevant laws and international standards in relation to consumers health and safety, customers privacy, marketing and labeling of products and services, and set relevant policies and grievance procedure to protect the rights of consumers or customers?	✓		<p>For sales and labelling, the Company complies with related regulations and international rules. The Company sets up a green product management system and a hazardous substance management process (HSPM) internally, to identify, eliminate and control hazardous substances to comply with the Company's green product policy, clients' requirements and laws and regulations (such as EU RoHS/REACH... etc.). Through green product management, we carefully select raw materials and suppliers to ensure that banned substances and raw materials are not used.</p> <p>In terms of product development, we strictly prohibit the unlawful infringement or disclosure of the trade secrets, trademark rights, patent rights, copyrights and intellectual property rights of other companies.</p> <p>In addition to direct contact with the sales staff or their supervisors, the customers' contact information is also disclosed on the Company's website to provide a fair, open and immediate platform for handling related issues such as complaints of customers' rights, etc.</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
		Yes	No	Description	
	(VI) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights and their implementation status?	✓		<p>Pursuant to the “Supplier Management Procedure” and “Supplier/Subcontractor ESH Audit Procedure,” the Company works with suppliers to make the best efforts to enhance the corporate social responsibility:</p> <ol style="list-style-type: none"> 1. Compliance with laws: suppliers need to take remedial actions if any violation is made and document the actions. 2. Environmental management system: Facilitate and verify the supplier to be certified with ISO 14001/ ISO 45001. 3. Environment, safety and health policy/commitment: Facilitate and verify the suppliers’ policy/commitment statement. 4. Management accountabilities and responsibilities: Facilitate and verify the supplier's environment, health and safety plans and labor rights implementation status, for the management to review. 5. Risk assessment and management: facilitate and verify suppliers’ views on environment, health, safety and labor human rights and identify and assess impacts and risks. 6. Plan implementing, monitoring and measuring performance objectives: facilitate and verify the suppliers’ performance objectives and implementation plans in terms of environment, health and safety and labor human rights. 7. Corrective measures and procedures: suppliers are required to propose improvement measures for non-conformities found in internal or external evaluations, inspections, investigations and reviews. In 2024, a total of 87 suppliers were audited under the Company’s environment, safety and health risks audits to suppliers, all audit reviews were completed in 2024Q4. <p>The Company's contracts with suppliers clearly stipulates the corporate responsibility standards, and conducts supplier conduct inspections in accordance with RBA standards.</p> <p>In order to ensure the environmental performance of suppliers, to meet the environmental requirements, make products more environmental friendly, enhance market competitiveness, and establish green supply chain management, the Company fosters good collaborative relations with suppliers, seeking to exert influence and lead suppliers, to pay attentions to social responsibility and environmental protection issues, and thus promote the sustainable development of the industry.</p>	No material deviation.

Evaluation Item	Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
	Yes	No	Description	
V. Does the company reference internationally accepted reporting standards or guidelines, and prepare ESG report that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	✓		The Company has prepared the ESG report pursuant to “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” promulgated by Taiwan Stock Exchange Corporation on January 26, 2024, the latest GRI Standards by the Global Reporting Initiative, and Electronic Manufacturing Services and Original Design Manufacturing Indicators issued by the Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD) and other indicators. And disclosed the reports on the ESG section at the Company’s website and uploaded to MOPS.	No materials deviation.
<p>VI. If the Company has established its sustainable development practice principles according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” please describe the operating status and variance. The Company established the “ESG Best Practice Principles” and the Company’s website has the “ESG Section” to fully disclose the Company’s structure of the ESG Committee, performance of ESG, and the annual ESG reports. The related operations comply with the Company’s ESG Best Practice Principles, and are disclosed in the Company’s ESG reports.</p> <p>VII. Other important information to facilitate better understanding of the company’s implementation of sustainable development (e.g., the systems and measures adopted by the Company in the regards of environment protection, social engagement, social contribution, social services, social welfare, consumer’s rights, human rights, health and safety and other social responsibility related activities and the implementations of such):</p> <p>The Company’s policy for linking ESG performance with remuneration to senior managers: To motivate senior managers (included president, vice presidents or other equivalent positions) to value their long-term overall performance, the Company links (1) business performance targets, and (2) ESG sustainable development goals to the incentive remuneration of senior managers as a basis for performance evaluation, and reviews nearly three years of accumulated outcomes. If the activation requirements are met, the senior management members will receive 10% to 20% of their fixed annual salary as a bonus so that the senior management salary can be highly linked to the company’s operating performance targets and sustainable development goals. The operating performance targets include: product revenue, gross profit margin, operation profit margin and other financial indicators. The ESG goals include six aspects: energy saving and energy creation, water saving and water creation, energy saving and waste reduction, global partnerships, friendly workplace, and social participation.</p> <p>In order to fulfill the corporate social responsibility and protect the basic human rights of all employees, the Company recognizes and voluntarily observes the “Universal Declaration of Human Rights,” the “United Nations Global Covenant,” the “United Nations Guiding Principles on Business and Human Rights,” “International Labor Organization” and other internationally recognized human rights standards, to eliminate any violations and infringement to human rights and treat all employees with dignity and respect. The Company’s human rights policy is applicable to all operations and manufacturing facilities and it strictly observes laws regulations related to labor and gender equality in the place of operation, while formulating related human rights protection and labor policies and implementing related measures.</p> <p>[Employment Policy on freedom of employment] 1. Prohibition of discrimination in employment and forced labor: The Company upholds the principles of openness and fairness. No discrimination treatment, include language, attitude or conduct, based on gender, race, socioeconomic status, age, marriage status, family, language, religion, political party, nationality, appearance, facial features, physical or mental disabilities. Eliminate all forms of forced labor; eliminate employment and working discrimination; prohibit harassment; respect privacy. It strives to create a working environment where equal opportunity, dignity, safety and equality are offered, and is free of discrimination- and harassment. 2. Prohibit the hiring of child labor: Comply with local minimum age laws and regulations and do not employ child labor.</p> <p>[Reasonable Working Hours] The Company clearly prescribes regulations of legal and reasonable working hours and overtime hours. It regularly pays</p>				

Evaluation Item	Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
	Yes	No	Description	

attention to and manage the attendance status of employees.

[Healthy Working Place]

The main theme of sustainable promotion is “Outstanding Health and Peace of Mind in Workplace” in 2024. The plants in Taiwan have obtained the Sports Enterprise Certification of the Sports Administration and the Excellent Workplace Outstanding Health Award of the Ministry of Health and Welfare in 2024. To maintain employees’ physical and mental health and cultivate good personal healthy living habits, Wellness Center regularly organize care-for-employee seminars, consultation channels and health promotion activities, etc.

Agenda of Long-Term Engagement	Management Actions	Impacts on the Company	Impacts on the Employees
Maternity care	<ol style="list-style-type: none"> 1. The Company has implemented a maternal protection program, with a full-time nurse practitioner and occupational physician assisting with measures from risk assessments, workplace hazard evaluations, and work adjustments. 2. Maternity care facilities: lactation rooms, friendly parking bays, clean room identification armbands, exclusive changing rooms, and mother-to-be kits. 	Reduce the risk of hazards in the factory	<ol style="list-style-type: none"> 1. Safe workplace 2. Comfortable environment for lactation 3. Supply of nutritional products
High-risk groups	<p>In order to improve the health of employees, we actively promote the prevention and treatment of chronic diseases such as obesity and the three highs, and implement the following management:</p> <ol style="list-style-type: none"> 1. Regular health checkups and health questionnaires are conducted in compliance with laws and regulations. 2. Develop a health management system that provides employees with health check information and strengthens their health management knowledge. 3. Provide monitoring and prevention for high-risk groups. 4. Design health promotion activities, health education knowledge and care guidance for different ethnic groups. 	<ol style="list-style-type: none"> 1. Reduce the occurrence of high-risk diseases in employees 2. Enhance employees' physical and mental health 3. Strengthen employee health behavior 	<ol style="list-style-type: none"> 1. Enhance employee self-health sensitivity 2. Healthy behavior development

[Diversity, equality and inclusion]

1. The Company has zero tolerance for any form of inhumane treatment, and implements workplace violence prevention and sexual harassment prevention. Employees must not be treated in a manner that is inhumane, including violence, sexual violence, sexual harassment, sexual assault, corporal punishment, psychological or physical abuse, bullying, public humiliation, or verbal abuse, and employees must not be threatened to perform any such act.
2. The Company has respect for the culture of diverse groups, and advocacy for gender equality awareness.

[Positive employment relations]

1. Freedom of association: The Company respects the rights and interests of its employees. Employees are free to form an association in accordance with the law, establish a diverse range of clubs, and employees are encouraged to join the clubs.
2. Labor-management consultation: In order to protect the rights of employees, we have created a win-win labor-management system and established a two-way communication channel between labor and management, providing employees with a sound labor-management relationship. We also hold regular labor-management and welfare committee meetings and employees select labor representatives to discuss labor-management issues and welfare

Evaluation Item	Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
	Yes	No	Description	
measures.				
3. Communication mechanism: To achieve the goal of full communication and effective problem solving, the Company organizes physical seminars and provides diverse and confidential complaint channels, establishing a mechanism for the protection for filing complaints.				
Human Rights Issue		Implementation		
Prohibit the hiring of child labor		The Company follows the “Measures for the Recruitment and Appointment of Personnel” to check the age of job seekers at the time of recruitment to ensure that no child labor is hired.		
Prohibition of employment discrimination		Employment sufficient amounts for people with disabilities according to law		
Prohibition of forced labor		1. Advocacy of the zero-fee policy on foreign migrant workers 2. Implementation of employment contracts		
Prevention of abnormal working hours		Establishment of a mechanism for system alerts on abnormal working hours, implementation of a flexible working hours system		
Prevention of workplace violence		1. Amendment of regulation of preventing illegal violence from duties and implementation of unlawful infringement in the workplace plan 2. Issue statement of prohibition of unlawful infringement in the workplace and post on the bulletin board 3. Using “Self Checklist for Unlawful Infringement in The Workplace” to remind supervisors to self-examine the extent of unlawful infringement in the workplace 4. Identify high-risk groups within the Company and conduct “Hazard Identification and Risk Assessment of Workplace Violence” 5. “Prevention of Workplace Violence Education and Training” for all employees in Taiwan each year 6. Slogans are produced and played on the Company's intranet		
Prevention of sexual harassment		1. Amendment to the “Guidelines for Prevention and Management of Sexual Harassment” to implement the prevention of sexual harassment in the workplace 2. “Workplace Harassment Prevention and Penalty Measures” are posted on the bulletin board 3. “Prevention of Sexual Harassment in the Workplace” related education and training are conducted for directors, managers, and all employees in Taiwan every year. 4. “Workplace Sexual Harassment Prevention Announcement” is produced for promotion 5. “Dedicated Complaint Channels” are set up: sexual harassment prevention email, sexual harassment complaint hotline		
Gender and racial equality		1. Foreign migrant workers' communication seminars are held every quarter, and health promotion seminars are held from time to time. 2. The proportion of female supervisors increased from 23.4% to 24.7% 3. Employment sufficient amounts of indigenous peoples		
Freedom of association		The Company has established a variety of clubs in accordance with the Club Management Measures, and encourages employees to freely join the clubs.		
Labor-management negotiation		The Taiwan factory holds regular labor-management and welfare committee meetings every quarter. The China factory holds an employee representative replacement meeting every year to discuss labor-management and welfare issues.		
Communication Mechanism		1. Physical seminars encompass business briefings and employee care seminars. 2. Open transparent channels for complaints: We have a suggestion mailbox, online suggestion mailbox, and general manager mailbox in place.		

Evaluation Item	Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
	Yes	No	Description	

Human Rights Issue	Implementation
Human rights training	1. RBA basic general course for all employees: 21,139 trainees / 11,304 training hours 2. The prevention of unlawful infringement course for all employees in Taiwan: 463 trainees / 463 training hours 3. The prevention of sexual harassment course for directors, managers and all employees in Taiwan: 480 trainees / 297 training hours

The Company upholds the consistent “green commitment” to the society and the environment. In addition to continual innovation of products and technologies, it is committed to the promotion of social responsibility and environment, safety and health management practices and concepts, with the goals of feeding back to the society, improving labor rights, and the quality of the living environment. The Company fulfills the CSR based on the following principles:

- We uphold the highest standards of integrity. Any and all forms of bribery, extortion, and Illegal profits are strictly prohibited.
- We operate in full compliance with the laws and regulations, and adhere to internationally recognized standards and initiatives.
- We support the Universal Declarations of Human Rights and place importance on equal opportunities, and labor rights.
- We promote work-life balance and maintain a comfortable and safe environment to ensure human capital development.
- We foster continuous product innovation and are dedicated to technology advancement.
- We believe enhanced resources and greater energy efficiency will stimulate a more circular economy.
- We wish to reduce adverse environmental impacts, mitigate climate change, and preserve ecological balance.
- We actively engage in corporate citizenship and make valuable contributions to the society.
- We promote greater transparency and accountability by enabling proactive information disclosure and sharing.
- By strengthening partnerships with our value chain, we seek joint value optimization and positive impacts.

With the spirit of giving back to society, the Company actively participates in various community activities and supports public welfare organizations with concrete actions to deepen the connection between the Company and the community. Since the Dream Fulfillment Project was launched in 2013, we have raised Christmas gifts for disadvantaged children in remote villages and social welfare organizations over the past decades. Since 2022, the Company has partnered with AUO Sustainability Foundation to participate in the activities of the "School Literacy Scholarship Fundraiser." Employees were invited to donate one day to help thousands of children go to school. In 2024, a total of NTD 98 thousand was raised. In 2023, we launched the "Grow Up with You Project" to help rural schools upgrade educational resources and enrich diversified teaching equipment. In 2024, in addition to continuing to care for the hardware needs of the remote schools which we helped in 2023, we also donated multimedia displays to Hua Hsing Elementary School in Hsinchu County, participated in graduation ceremony, sports day, and worked with school teachers to guide children on the path to wisdom and achieve a better future.

In 2024, the subsidiary of the Company, Darwin Precisions (Xiamen) Corp., donated RMB \$80 thousand to the “BenQ Foundation” in order to promote the development of public welfare undertakings.

The Company has engaged the following social and public agenda as in the following table:

Agenda of Long-Term Engagement	Activities engaged	Impacts on the Company and Employees	Impact on the Public
Care for the environment	Mountain cleaning hikes Beach cleaning Street cleaning	Employees are encouraged to get closer to nature and appreciate the importance of environmental conservation.	“Beach Cleaning”, “Mountain Cleaning Hikes”, and “Street Cleaning” charity events were held from time to time where the plant is located to invite colleagues and their families to take a stroll in nature and practice sustainability through actions by protecting the nature together, implementing environmental protection and green life. In 2024, the Taiwan plants participated in the AUO Sustainability Foundation beach cleaning campaign, picked up a total of 1,239 kilograms of waste; overseas plants also held mountain and street cleaning campaigns, cleaned a total of 102 kilograms of general garbage.

Evaluation Item	Operating Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Reasons
	Yes	No	Description	

Agenda of Long-Term Engagement	Activities engaged	Impacts on the Company and Employees	Impact on the Public
Care for the communities	Blood donation and local farmer's market	Employees are encouraged to care about the community development and fulfill the responsibilities as a good neighbor.	To fulfill the duty of feed backing to the society, each plant of the Company held five local small farmers' special sales and four employee blood donation activity in 2024. With the promotions by the nurses at each plant, to invite employees for blood donation. employees donated a total of 91,450 ml of blood and the number of blood donations reached 246 in 2024. This is to give a hand to the medical care in each location.
Charitable support	Warmth in winter, book donations and Dreams-come-true program	Foster compassion and philanthropy among employees.	Promote the positive developments of social welfare institutions, and care the underprivileged together. 1. In 2024, the Company, AUO Foundation and BenQ Foudation collaborated to participate in the "Student Literacy Scholarship Fund Raising" and "99 for Charity" campaign. The Company invited employees to participate in the fundraising project, together for good, which raised a total of NT\$158 thousand. 2. In 2024, each plant of the Company held three clothes and book donations activities and three dreams-come-true programs to spread love and warmth to disadvantaged children and elderly people in the gerocomium.

Company Climate-related Information

1. Implementation of Climate-related Information

Item	Implementation																																										
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<p>1. The Board of Directors is the highest governance body to oversee climate-related risks and opportunities. The ESG Committee reports to the Board of Directors at least twice a year on the specific promotion plans and implementation results of sustainable development, including the short-term (2025), medium (2030), and long-term (2050) net zero strategic goals, the annual projects implementation outcomes, the proactive carbon reduction for corporate sustainability in the face of climate change, and the future direction of sustainable development. The goals of corporate sustainable development are realized through the supervision and guidance of the Board of Directors to ensure the Company’s management cycle of Plan, Do, Check, Act (PDCA).</p> <p>2. The ESG Committee is chaired by the Chairman and Chief Strategy Officer, with senior executives serving as ex-officio members. Quarterly meetings are held to discuss and manage the impacts of climate change on operations, and to review the progress and implementation of various projects. In 2024, a total of 4 meetings were held.</p>																																										
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	In response to the introduction of operational risk control and climate risk and opportunity methods, the climate risk and opportunity identification results from 2023 to 2024 are jointly identified. The next identification is 2025. The results of the climate risk and opportunity identification from 2023 to 2024 are as follows:																																										
3. Describe the financial impact of extreme climate events and transformation actions.	<table><tr><th>Risk / Opportunities</th><th>Item</th><th>Significant Risk identify</th><th>Impact Time</th><th>Occurrences Stage</th><th>Estimated Impact (TWD in Million)</th></tr><tr><td rowspan="7">Opportunities</td><td>Reduce water use and consumption</td><td>No</td><td>Short-term</td><td>-</td><td>1~10</td></tr><tr><td>Obtain government resources and cooperation</td><td>No</td><td>Mid-term</td><td>-</td><td>1~10</td></tr><tr><td>Enhance efficiency of transportation modes / production and distribution processes</td><td>No</td><td>Short-term</td><td>-</td><td>10~100</td></tr><tr><td>Changes in consumer preferences / ability to explore new markets / business diversification</td><td>Yes</td><td>Short-term</td><td>-</td><td>100~1,000</td></tr><tr><td>Actively understand / participate in the carbon trading market</td><td>No</td><td>Mid-term</td><td>-</td><td>1~10</td></tr><tr><td>Transformation to promote low-carbon manufacturing (including recycling)</td><td>No</td><td>Mid-term</td><td>-</td><td>10~100</td></tr><tr><td>Develop green products and energy-saving products / technologies and enhance product energy efficiency</td><td>No</td><td>Short-term</td><td>-</td><td>10~100</td></tr></table>	Risk / Opportunities	Item	Significant Risk identify	Impact Time	Occurrences Stage	Estimated Impact (TWD in Million)	Opportunities	Reduce water use and consumption	No	Short-term	-	1~10	Obtain government resources and cooperation	No	Mid-term	-	1~10	Enhance efficiency of transportation modes / production and distribution processes	No	Short-term	-	10~100	Changes in consumer preferences / ability to explore new markets / business diversification	Yes	Short-term	-	100~1,000	Actively understand / participate in the carbon trading market	No	Mid-term	-	1~10	Transformation to promote low-carbon manufacturing (including recycling)	No	Mid-term	-	10~100	Develop green products and energy-saving products / technologies and enhance product energy efficiency	No	Short-term	-	10~100
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	Risk	Typhoon	No	Short-term	Upstream of the Company / Darwin's operation	1~10
		Drought	No	Short-term	Darwin's operation	1~10
		Net zero emission trend / policy	No	Mid-term	Darwin's operation	10~100
		Carbon pricing mechanism	No	Mid-term	Darwin's operation	10~100
		Impact on corporate reputation	No	Mid-term	Darwin's operation	10~100
		Lower emission options emerge in the market to replace existing products and services	No	Mid-term	Darwin's operation / downstream of the Company	10~100
		Heat wave	No	Short-term	Darwin's operation	0~1
		Temperature changes (air, fresh water, sea water)	No	Short-term	Darwin's operation	10~100
		Increase in raw material costs	No	Short-term	Darwin's operation	10~100
		Changes in consumer behavior and preferences / market uncertainty	No	Short-term	Downstream of the Company	100~1,000
		Heavy rainfall (rain, hail)	No	Short-term	Darwin's operation	1~100

<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>1. The Company has established a complete risk management framework organization, policy, management standards, and scope of risks, including but not limited to operational risk, market risk, environmental safety and health risk (including environment and climate change), financial risk, human resource risk, information security risk and other risks that may cause significant losses to the company; also, the Company continues to pay attention to the development of domestic and foreign risks in order to grasp risk trends and identify emerging risks. The Company regards climate change as an emerging risk, and incorporates its identification, measurement and management process into the Company's overall risk procedures.</p> <p>2. The Company's climate risk management process is mainly divided into six major steps, including risk identification, discrimination, hierarchical management, improvement monitoring, BOD supervision and disclosure, which are described below:</p> <table border="1" data-bbox="544 504 1439 1395"> <thead> <tr> <th>Management Process</th><th>Content</th></tr> </thead> <tbody> <tr> <td>Risk Identification</td><td> 1. In line with the corporate governance planning schedule, the Company identifies climate risks and opportunities based on the characteristics of its business. 2. The Secretary of the ESG Committee integrates the overall risk identification. 3. Refer to the climate risk reports of international institutions and peer companies' climate-related financial disclosure (TCFD) reports. </td></tr> <tr> <td>Risk Discrimination</td><td> 1. The Company evaluates the impact and degree of impact of each risk based on the characteristics of its business. 2. The scope of measurement includes the impact path, the time and geographical scope of the impact, the position in the value chain and the financial impact. </td></tr> <tr> <td>Hierarchical Management</td><td>Draw up a matrix of climate risks and opportunities, and perform graded management according to the level of financial impact.</td></tr> <tr> <td>Improvement Monitoring</td><td> 1. The relevant departments formulate key indicators, management measures, evaluation mechanisms, and mitigation or remedial measures. 2. Monitor the climate risk monitoring indicators to control the value loss caused by the climate risk. </td></tr> <tr> <td>BOD Supervision</td><td>The Secretary of the ESG Committee reports the management of various risk indicators to the Board of Directors at least once a year.</td></tr> <tr> <td>Disclosure</td><td>The results of risk control are publicly disclosed on the Company's official website, annual report and ESG report every year.</td></tr> </tbody> </table>	Management Process	Content	Risk Identification	1. In line with the corporate governance planning schedule, the Company identifies climate risks and opportunities based on the characteristics of its business. 2. The Secretary of the ESG Committee integrates the overall risk identification. 3. Refer to the climate risk reports of international institutions and peer companies' climate-related financial disclosure (TCFD) reports.	Risk Discrimination	1. The Company evaluates the impact and degree of impact of each risk based on the characteristics of its business. 2. The scope of measurement includes the impact path, the time and geographical scope of the impact, the position in the value chain and the financial impact.	Hierarchical Management	Draw up a matrix of climate risks and opportunities, and perform graded management according to the level of financial impact.	Improvement Monitoring	1. The relevant departments formulate key indicators, management measures, evaluation mechanisms, and mitigation or remedial measures. 2. Monitor the climate risk monitoring indicators to control the value loss caused by the climate risk.	BOD Supervision	The Secretary of the ESG Committee reports the management of various risk indicators to the Board of Directors at least once a year.	Disclosure	The results of risk control are publicly disclosed on the Company's official website, annual report and ESG report every year.
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<p>5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.</p>	<p>To comply with the "Limit global warming to 1.5°C" of the Paris Agreement and Taiwan's 2050 net zero goal, we have used the Taiwan Climate Change Assessment Information and Adaptation Platform (TCCIP) and the IPCC AR6 SSP 8.5 worst-case climate change scenarios to conduct future risk estimation by taking the average model to prioritize the estimation and analysis of physical risks such as temperature and rainfall at the locations of the plants in Taiwan. Due to the difficulty in obtaining historical meteorological data in Mainland China, the monthly average/yearly average data on a larger time scale is temporarily used to examine the impact of past natural disasters.</p>														
<p>6. If a transformation plan is in place to manage climate-related risks, specify the plan's content, and the indicators and targets used to identify and manage physical risks and transformation risks.</p>	<p>The Company's greenhouse gas emission reduction (category 1 and category 2) has short-term/mid-term/long-term goals. The achievement of the goals is as follows:</p> <p>1. Greenhouse gas emissions (Category 1, Category 2)</p> <p>(1) The Company reduced carbon emissions by 0.37% in 2024 compared to the previous year, and will continue to move towards the goal of reducing carbon emissions by 30% in 2030.</p> <p>(2) In 2024, due to the increase in production capacity and revenue, the reduction in greenhouse gas emissions was smaller than in previous year. However, each production site continues to promote power saving plans to reduce carbon emissions, resulting in the decrease in carbon emission of major emission source category 2. The Company will continue to monitor the emission.</p> <p>2. Renewable energy utilization</p> <p>(1) The Wujiang Plant and the Xiamen Plant, our main production bases,</p>														

	commissioned green electricity in 2021 and 2022, respectively. The usage of green electricity in 2024 was 9.24 million kWh, a decrease of 1% from 9.34 million kWh in 2023. Through IR scanning and maintenance, the original power generation efficiency has been restored subsequently.									
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	In 2024, the average annual carbon reduction cost per ton was NTD 1,345, which was calculated based on implicit pricing. The Company will collect the information on the international carbon tax/carbon tariff to assess shadow prices.									
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, it should be explained of the exchange for the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs).	Based on Taiwan's net zero carbon reduction goal in 2050 and the carbon reduction goal for large customers leading small customers, a carbon reduction pathway for the net zero goal is proposed using 2021 as the base year. The 2030 greenhouse gases (scope I and II) are net zero emissions for office locations, and production site emissions are to be reduced by 30%, achieving net zero emissions for 2050. In 2022, the Company obtained the ISO14064-1 inspection declaration for the first time, completed the base year inspection and verification in 2021, and will continue the inspection and verification every year thereafter. By installing solar power generation equipment, increasing the use of renewable energy, updating energy-saving equipment and implementing energy-saving production management, we hope to gradually achieve our short-, medium-, and long-term reduction and net zero emission goals.									
		2021	2022	2023	2024	2025	...	2030	...	2050
	Carbon Reduction Target	Base year	Office : 0~30%				3%~100%		100%	
			Production Location : 0~5%				5%~30%		30%~100%	
	Total Energy Saving and Energy Creation (tons of CO _{2e})	-	6,572	9,973	11,641	-	-	-	-	-
	Total CO ₂ Emissions (Scope I+II) (ton)	84,729	63,862	60,575	60,350	-	-	-	-	-
	Emission Intensity (tons / NT\$100 million)	418	441	341	289	-	-	-	-	-
	Reduction rate compared to base year (%)	-	24.6%	28.5%	28.7%	-	-	-	-	-
Note: The greenhouse gas inventory for 2024 was taken by ourselves, and has not yet been verified by a third-party.										
9. Greenhouse gas inventory and assurance, and reduction goals, strategies, and concrete action plans:										
9-1. Greeehouse gas inventory and assurance in the last 2 years										
9-1-1 Greenhouse Gas Inventory Information (2022 and 2023)										
Greenhouse gas emission volume (metric tons CO _{2e}), intensity (metric tons CO _{2e} /NTD million) and data coverage for the most recent two years:										
On September 21, 2023, the Company obtained the 2022 ISO 14064-1:2018 Greenhouse Gas Verification Statement from third-party verification institution, SGS, and found that the 2022 greenhouse gas emission inventory of the Company and its subsidiaries was 75,939.058 tons CO _{2e} , GHG intensity was 5.25 (tons CO _{2e} /NTD million), greenhouse gas inventory data coverage: Category 1 + Category 2 + Category 4.										
On July 5, 2024, the Company obtained the 2023 ISO 14064-1:2018 Greenhouse Gas Verification Statement from third-party verification institution, SGS, and found that the 2023 greenhouse gas emission inventory of the Company and its subsidiaries was 71,383.809 tons CO _{2e} , GHG intensity was 4.02 (tons CO _{2e} /NTD million), greenhouse gas inventory data coverage: Category 1 + Category 2 + Category 4.										
Year	Category 1 (tons of CO _{2e})	Category 2 (tons of CO _{2e})	Category 4 (tons of CO _{2e})	Total Emission (tons of CO _{2e})	Inspection Standards		Guarantee Agency			
2022	3,144.2653	60,717.4105	12,077.3821	75,939.058	ISO14064-1:2018		SGS			
2023	1,722.7518	58,852.6621	10,808.3948	71,383.809	ISO14064-1:2018		SGS			
Note 1: Amount of direct emissions (scope I/category 1, i.e. directly from emission sources owned or controlled by the Company), indirect emissions (scope II/category 2, i.e. indirect emissions from imported electricity, heat or										

steam) and other indirect emissions (scope III/categories 3~6, i.e. emissions generated from corporate activities that are not indirect energy emissions but come from sources owned or controlled by other companies).

Note 2: Greenhouse gas inventory standard: Based on ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 3: The greenhouse gas emission intensity is calculated based on the turnover in NTD million.

9-1-2 Greenhouse Gas Assurance Information

As of the date of publication of the annual report, description of the assurance situation in the last 2 years, including the scope of assurance, body of assurance, criteria of assurance, and opinions of assurance:

Among the total greenhouse gas emissions disclosed by the Company and its subsidiaries in 2022, 75,939.058 tons of CO_{2e} (accounting for 100% of total emissions) were verified by the assurance agency SGS using ISO14064-3, and the assurance opinion was that the level of assurance for category 1 and category 2 for the Taiwan factory agreed is that of reasonable assurance, and the remote verification for categories 1 to 6 of the China factory and category 3 to category 6 of the Taiwan factory were conducted to obtain the verification statements for limited assurance.

Among the total greenhouse gas emissions disclosed by the Company and its subsidiaries in 2023, 71,383.809 tons of CO_{2e} (accounting for 100% of total emissions) were verified by the assurance agency SGS using ISO14064-3, and the assurance opinion was that the level of assurance for category 1 and category 2 for the Taiwan factory agreed is that of reasonable assurance, and the remote verification for categories 1 to 6 of the China factory and category 3 to category 6 of the Taiwan factory were conducted to obtain verification statements for limited assurance.

The greenhouse gas assurance information of the Company and its subsidiaries for 2024 will be disclosed in the ESG reports, and the complete assurance information will be disclosed in the next annual report.

Note: Amount of direct emissions (scope I/category 1, i.e. directly from emission sources owned or controlled by the Company), indirect emissions (scope II/category 2, i.e. indirect emissions from imported electricity, heat or steam) and other indirect emissions (scope III/categories 3~6, i.e. emissions generated from corporate activities that are not indirect energy emissions but come from sources owned or controlled by other companies).

9-2. Greenhouse gas reduction goals, strategies and concrete action plans

Greenhouse gas reduction base year and data, reduction targets, strategies and concrete action plans, reduction targets, and their state of achievement:

Taking 2021 as the base year for greenhouse gas reduction, the Company has emitted a total amount (scope I + II) of 84,729 tons of CO_{2e}. With the launching of energy saving measures for factory and machinery equipment, promotion of low carbon manufacturing, increasing production efficiency, implementation of green office and more, the Company will achieve the net zero emission of greenhouse gases (scope I and II) for office sites in 2030, and reduce emissions by 30% for production sites striving to achieve net zero emission of greenhouse gases by 2050.

The total amount of greenhouse gas emissions (scope I + II) in 2024 was 60,350 tons CO_{2e}, a decrease of 24,379 tons CO_{2e} (28.7%) from the base year, of which 20 energy-saving actions were implemented, which saved an estimated 22.99 million kWh of electricity, equivalent to the reduction of carbon emissions by 11,641 tons of CO_{2e}.

Note: Amount of direct emissions (scope I/category 1, i.e. directly from emission sources owned or controlled by the Company), indirect emissions (scope II/category 2, i.e. indirect emissions from imported electricity, heat or steam)

(VI) Fulfillment of Ethical Corporate Management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviations

Evaluation Item		Operating Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reason.
		Yes	No	Description	
I. Establishment of ethical corporate management policies and programs	(I) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		<p>In the employee's manual, it is specified that ethics are the principle for all employees to observe, and the "Ethical Corporate Management Best Practice Principles" are disclosed on the Company's website. The performance of ethical management is reported to the Board of Directors annually based on the "Ethical Corporate Management Best Practice Principles" in place. For robust ethical management, the HR Unit is in charge of the formulating and implementing of the ethical management policies and preventive measures, checking and evaluating whether the preventive measures established for implementation of integrity management are operating effectively, and regularly checks the compliance status of relevant business processes and should be reported to senior management. The Company should be reported to the board of directors for supervision at least once a year. Meanwhile, the following actions are taken to implement the ethical management:</p> <ol style="list-style-type: none"> 1. The "Ethical Corporate Management Principles" are disclosed on the Company's website and the ESG section discloses the ethical management policies, along with the annual campaign of employee ethical conducts and the ethical statement. 2. Produce promotional contents regarding integrity and ethics, to be broadcast on the Company's electronic bulletin board, digital signage such as intellectual properties, commercial integrity, protection of personal information, promotion of anti-trust and anti-corruption, to strengthen employee professional ethics and integrity awareness. 3. Annual signing "Ethical and Integrity Management Principles". 4. Set up transparent and smooth internal and external reporting channels and a whistleblower protection system. 5. Require the signing of "Integrity Commitment" and "Declaration of Conformity with Supplier/Outsourcer Code of Conduct" before any transaction with suppliers / contractors to ensure that both parties abide by integrity, fair and transparent trading practices. 6. Promote supplier integrity through RBA supplier audits to check for violations of integrity and ethics. 	No material deviation.

Evaluation Item		Operating Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reason.
		Yes	No	Description	
				7. Annual trainings related to integrity management are arranged to strengthen awareness of compliance with laws and regulations.	
	(II) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		<p>To implement ethical management, the Company has the “Ethical Corporate Management Best Practice Principles” and the “Codes of Ethical Management Policy” as the foundations for the management and employees to observe, and regularly or irregularly analyzes and evaluates possible occurrences within the business scope. Potential unethical risks are used to formulate measures to prevent unethical, and standard operating procedures and behavior guidelines related to work and business are stipulated in each plan to facilitate compliance.</p> <p>In the Company’s employee’s manual, it is specified that the Company may take disciplinary actions pursuant to the laws should there be any violations to the principles, in order to promote the prevention of unethical conduct.</p> <p>In the Corporate Ethic Policy, the Company states the prevention measures to the following unethical conduct.</p> <ul style="list-style-type: none"> ●Prohibition of offering and acceptance of bribes ●Prohibition of illegal political donations ●Prohibition of improper charitable donations or sponsorships ●Prohibition of offering or acceptance of unreasonable presents or hospitality, or other improper benefits ●Prohibition of infringing on business secrets, trademark rights, patent rights, copyrights and other intellectual property rights ●Prohibition of conducting unfair competition ●Prevention of harmful products/services to stakeholders <p>In the orientation provided on the first day on-board, all new recruits are required to understand the Procedures for Managing Employee Ethics and the Employee’s Code of Conduct, which are available to them in the employee’s manual. Furthermore, promotions are made via the internal communication channels from time to time, so that both management and employees appreciate that the ethic is a core value of the Company.</p>	No material deviation.
	(III) Does the Company provide clearly the operating procedures, code of conduct, disciplinary	✓		The Company values ethics and integrity greatly and has formulated the “Ethical Corporate Management Best Practice Principles,” “odes of Ethical Management Policy” and “The Rewards and Disciplinary sanctions Policy.” To implement and enhance the ethics in the core of employees, the HR department holds the “Ethical Education”	No material deviation.

Evaluation Item		Operating Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reason.
		Yes	No	Description	
	actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?			courses regularly and continuously promotes the standards of integrity conduct.	
II. Implementing ethical operation	(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		1. All vendors with a business relationship must sign a promissory note of ethical transaction; rights and obligations of both parties when concluding contracts are specified therein. 2. Ethical requirements are specified in the employment contracts to all employees.	No material deviation.
	(II) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		For robust ethical management, the HR Unit is in charge of the formulating of the ethical management policies and preventive measures, as well as supervising the implementation should be reported to the board of directors at least once a year. The ethical management implementation of the year is disclosed on the Company's website. The Company has reported the ethical management implementation of 2024 to the Board of Directors on February 11, 2025, including: ●Target and implementation of ethical management. ●Annual trainings related to integrity management are arranged. ●Contractor's commitment to integrity transactions. ●Promote suppliers integrity ●Establish the transparent and integrity corporate culture: implement the integrity job control mechanism, make internal and external complaint reporting channels transparent, continuously promote honest ethics (signing the Ethical and Integrity Management Principles, producing promotional contents regarding integrity and ethics, to be broadcast on the Company's electronic bulletin board, digital signage, such as commercial integrity, protection of personal information and promotion of anti-trust.	No material deviation.
	(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication	✓		1. The "Rules and Procedures of Board of Director Meetings" set for the recusal system, requires directors to recuse themselves if they have interests in any proposal and may be harmful to the Company's interest, they shall refrain from the discussion and poll with	No material deviation.

Evaluation Item		Operating Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reason.
		Yes	No	Description	
	channels, and implement it?			<p>recusal.</p> <p>2. To implement the integrity management and control mechanism. Based on the scope of integrity duties, conduct an annual inventory of the list of individuals with integrity and conduct a "conflict of interest declaration investigation" on colleagues with integrity and supervisors at or above the department level. We also conduct classified control of integrity duties every year to strengthen the education and training courses on compliance with laws and regulations respectively.</p> <p>3. Conflicts of interests shall be reported to the line managers or to the President's mailbox.</p>	
	<p>(IV) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?</p>	✓		<p>The Company has established the effective "accounting system" and "internal control system" pursuant to laws. The internal audit unit will regularly assess unethical conduct risk and formulate audit plans, perform relevant audits according to its plans and perform project audits as needed, while regularly reporting to the Audit Committee and the Board of Directors for the results of the inspection, so that the management would understand the implementation of the internal control for the purpose of management.</p>	No material deviation.
	<p>(V) Does the company regularly hold internal and external educational trainings on operational integrity?</p>	✓		<p>The integrity promotion course is included in the orientation to the newly recruited. All functions carry out the promotions of the related ethic concept.</p> <p>General education courses of integrity and ethics are conducted and the Ethical and Integrity Management Principles are signed regularly every year. The integrity, ethics and honest conducts are continuously promoted.</p> <p>In order to establish the internal ethical norms, strengthen corporate governance and adopt to the government's initiatives of partnering with enterprises for anti-corruption, in 2024 five courses, namely general courses of integrity and ethics, antitrust law, regulations and prevention of</p>	No material deviation.

Evaluation Item		Operating Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reason.
		Yes	No	Description	
				insider trading, and the basic and advanced courses on integrity management and anti-corruption were arranged.	
III. Operation of the integrity channel	I. Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		<p>The Company has established the “Organizational Communication Management Policy” and the “Channels for Whistleblowers and Whistleblower Protection Mechanisms.” Upon the acceptance of a whistleblowing complaint, an investigation will be assigned based on the duties. The related parties in the investigations will be kept confidential pursuant to the Personal Information Protection Act. If any illegal or unethical facts are known to any concerned persons when conducting business, they may report to their line managers or report such incident via the internal Employee Opinion Box and the auditors and HR will investigate the reports.</p> <p>The Company has set up an audit mailbox: Auditcommittee@darwinprecisions.com for internal and external parties to report any illegal (including corruption) and unethical conduct. The Chairman designate the head of the audit unit as the investigation unit to be responsible for handling the reporting cases.</p> <p>In addition, the “Organizational Communication Management Policy” are established under the “Procedures for Communication Management within the Organization” to encourage and support stakeholders to report and feedback pursuant to the laws. Attacking or retaliating against whistleblowers by any party is strictly forbidden. The content of the report should be sufficient and specific, including the real name, contact information, information of the alleged person(s). The whistleblowers can remain anonymous. The unit in charge will observe the requirements of confidentiality. The acceptance of whistleblowing, investigation and outcomes shall be documented for five-year retention by the dedicated unit.</p> <p>The Company has various internal channels, such as the sexual harassment complaint mailbox, the President's mailbox and the Employee Opinion Box. Periodic labor-employer meetings are convened pursuant to the laws for promoting labor-employer interactions.</p>	No material deviation.
	II. Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up	✓		The Company has established the “Organizational Communication Management Policy” and the “Channels for Whistleblowers and Whistleblower Protection Mechanisms.” Upon the acceptance of a whistleblowing complaint, an investigation will be assigned based on the duties. The related parties in the investigations will be kept	No material deviation.

Evaluation Item		Operating Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reason.
		Yes	No	Description	
	actions and relevant post-investigation confidentiality measures?			confidential pursuant to the Personal Information Protection Act. After receiving the accusation, the relevant unit shall register each case, truthfully record and accept the accusation, and inform the informant of the investigation or handling results within two months of receiving the accusation; if it cannot be informed within the time limit, it shall explain the reason to the informant.	
	III. Does the Company adopt proper measures to protect a whistle blower from retaliation for his/her whistle-blowing?	✓		Pursuant to the “Channels for Whistleblowers and Whistleblower Protection Mechanisms,” unless otherwise required by laws, the personal information and information provided and privacy of the whistleblowers are protected and kept confidential with proper measures. All departments of the Company and agencies or organizations that have jurisdiction over the reported unit, the person reported, and the content of the report shall cooperate with each other in accordance with their respective responsibilities, accept reports according to law, and jointly do a good job in protecting the legitimate rights and interests of the whistleblower. No unit or individual shall interfere with or hinder the undertaking unit and its staff from accepting reports and investigating and handling reported cases according to law. Anyone who violates the provisions of this article shall be given disciplinary sanctions depending on the severity of the circumstances; if a crime is constituted, criminal responsibility shall be investigated according to law.	No material deviation.
IV. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?		✓		The Company discloses the content and performance of the “Ethical Corporate Management Best Practice Principles” on the Company’s website.	No material deviation.
V. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation.: The Company has established the ethical corporate management principles pursuant to the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.” The implementation does not differ materially to the established principles.					

Evaluation Item	Operating Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reason.																		
	Yes	No	Description																			
VI. Other important information to facilitate better understanding of the company’s ethical corporate management practices: (e.g., reviewing and amending the company’s corporate management best practice principles). For robust ethical management, the HR Unit is in charge of the formulating of the ethical management policies and preventive measures, as well as supervising the implementation should be reported to the board of directors at least once a year. Meanwhile, the following actions are taken to implement the ethical management: 1. The “Ethical Corporate Management Principles” are disclosed on the Company’s website and the ESG section discloses the ethical management policies, along with the annual campaign of employee ethical conducts and the ethical statement. 2. Produce promotional contents regarding integrity and ethics, to be broadcast on the Company's electronic bulletin board, digital signage, such as intellectual properties, commercial integrity, protection of personal information, promotion of anti-trust and anti-corruption, to strengthen employee professional ethics and integrity awareness. 3. Annual signing " Ethical and Integrity Management Principles" (A total of 21,140 people signed in 2024, with a signing rate of 100%). 4. The Company has established a transparent internal and external whistleblowing system and whistleblower protection system (in 2024, there were no major breaches of ethical conduct with a fine exceeding NTD 1 million, and no corruption-related incidents). 5. The Company implements an integrity control mechanism (1. In 2024, a total of 295 people served as integrity control workers, including 187 of whom were listed in the main roster and 108 of whom were listed in the other roster. They were put into groups to receive education and training to strengthen compliance with the law; 2. The scope of the conflict of interest declaration survey was expanded to all indirect employees. According to the survey, no indirect employees were subject to conflicts of interest. All high-risk personnel implemented the integrity control mechanism and strengthened compliance with anti-corruption laws and regulations through education and training.) 6. Require the signing of "Integrity Commitment" and "Declaration of Conformity with Supplier/Outsourcer Code of Conduct" before any transaction with suppliers / contractors to ensure that both parties abide by integrity, fair and transparent trading practices (In 2024, there were 385 actual trading suppliers, and 385 integrity commitment and supplier / outsourcer code of conduct were signed, with a signing rate of 100%). 7. Suppliers are encouraged to promote ethical conduct. RBA supplier audits are conducted to review suppliers for any violations of ethical conduct (A total of 39 suppliers were audited in 2024, and no corruption or violation of ethical conduct was found). 8. Annual trainings related to ethic management are arranged, to strengthen awareness of compliance with laws and regulations:																						
<table><tr><th>Description of Course</th><th>Number of employees attending trainings in 2024</th><th>Total training hours</th></tr><tr><td>General courses of integrity and ethics</td><td>21,140</td><td>3,593.8</td></tr><tr><td>Sharing and promotion of anti-trust law-joint behavior practice</td><td>36</td><td>36</td></tr><tr><td>Promotion of insider trading regulations and prevention</td><td>26</td><td>119</td></tr><tr><td>【Basic】 Integrity management- Anti-corruption</td><td>292</td><td>78.8</td></tr><tr><td>【Advanced】 Integrity management- Integrity and Anti-corruption</td><td>185</td><td>56.9</td></tr></table>					Description of Course	Number of employees attending trainings in 2024	Total training hours	General courses of integrity and ethics	21,140	3,593.8	Sharing and promotion of anti-trust law-joint behavior practice	36	36	Promotion of insider trading regulations and prevention	26	119	【Basic】 Integrity management- Anti-corruption	292	78.8	【Advanced】 Integrity management- Integrity and Anti-corruption	185	56.9
Description of Course	Number of employees attending trainings in 2024	Total training hours																				
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Sharing and promotion of anti-trust law-joint behavior practice	36	36																				
Promotion of insider trading regulations and prevention	26	119																				
【Basic】 Integrity management- Anti-corruption	292	78.8																				
【Advanced】 Integrity management- Integrity and Anti-corruption	185	56.9																				

(VII) Other information to facilitate better understanding of the company's operations of corporate governance:

The Company has the "Rules and Procedures for Internal Material Information," to specify the handling and disclosure procedure for the internal material information, for the directors, managerial officers and employees to comply with. The related procedure have been submitted to the Board of Directors and approved, before being announced in the Company, with the trainings to all employees, in order to avoid improper disclosure of information and ensure the consistency and accuracy of information disclosure.

Directors' and Corporate Governance Officer's Continuing Education in 2024, please refer to page 38 of the annual report. The accounting chief and audit chief also participate in further education and training related to corporate governance from time to time.

(VIII) Implementation of the internal control system

1. Statement of Internal Control System:

DARWIN PRECISIONS CORPORATION
Statement of Internal Control System

Date: February 11, 2025

Based on the findings of a self-assessment, DARWIN PRECISIONS CORPORATION (hereinafter “the Company”) states the following with regard to its internal control system during the year 2024:

- I. The Company is fully aware that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and managers. The Company has established such a system with an aim to providing reasonable assurance for the achievement of the following objectives: The effectiveness and efficiency of business operation (including profitability, performance, and safe-guarding of company assets; The reliability, timeliness, transparency, and regulatory compliance of financial reporting and other related reports; and The compliance with applicable laws, regulations and rulings.
- II. An internal control system has inherent limitations. No matter how perfectly it is designed, an effective internal control system can provide only reasonable assurance of achieving the three above-mentioned objectives. Moreover, the effectiveness of the internal control system may be subject to changes of environment or circumstances. Nonetheless, the Company's internal control system comprises of self-monitoring mechanisms, and the Company immediately undertakes corrective measures once a deficiency is identified
- III. The Company assesses the design and operating effectiveness of its internal control system in accordance with the criteria stated in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “the Regulations”). The criteria stipulated in the Regulations identify five essential elements of an internal control system based on managerial control process, including 1). Control environment, 2). Risk assessment 3). Control activities, 4). Information and communication, and 5). Monitoring activities. Each essential element further contains several items. Please see the Regulations for the aforementioned items.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- V. Based on the results of the abovementioned assessment, the Company believes that, as of December 31, 2024, its internal control system, including its supervision and management of subsidiaries, was effective in design and operation and provided reasonable assurance of achievement of operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable laws, regulations and rulings.
- VI. This Statement constitutes an integral part of the Annual Report for the year 2020 and the Prospectus of the Company 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 in the Securities and Exchange Act.
- VII. This Statement has been approved by the Board of Directors in their meeting held on February 11, 2025, with none of the five attending directors expressing dissenting opinions, and the remainder all affirming the contents of this Statement.

DARWIN PRECISIONS CORPORATION

Chairman: Kuo-Hsin (Michael) Tsai

President: Sheng-Kai (SK) Huang

2. If certified public accountants (CPAs) are retained to conduct a special audit of the company's internal control systems, the audit report shall be disclosed: None.

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

1. Materials resolutions of 2024 AGM and implementations

Key resolutions	Implementation
<ul style="list-style-type: none"> ◆ Accepted 2023 Business Report and Financial Statements ◆ Accepted the proposal for the distribution of 2023 earnings ◆ Approved the amendment to the Articles of Incorporation 	<ul style="list-style-type: none"> ◆ Resolution approved, and announcement was made on MOPS and the Company's website. ◆ Resolution approved, and announcement was made on MOPS. ◆ Resolution approved, the revised Articles of Incorporation effected on June 14, 2024 and was announced on the MOPS on the same day, and has been updated and disclosed on the company's website. In addition, on June 28, 2024, it was approved by the Ministry of Economic Affairs to complete the company change registration

2. Material resolutions of a board of directors' meeting from 2024 up to the date of publication of the annual report

Date of meeting	Material resolutions
1st 2024 January 5, 2024	Approved the disposal of equipments
2nd 2024 January 29, 2024	Accepted the Internal Control Systems Declaration for 2023 Accepted the 2023 Parent Company Only and Consolidated Financial Statements Approved the 2024 service items, fees and independence assessment of the Certified Public Accountant Approved the 2024 Company's and subsidiaries' capital expenditure budget Approved the amendment of the "Articles of Incorporation" Approved the date of convening the 2024 Annual General Shareholders' Meeting, convening means, meeting agenda, submission period of shareholder proposals Approved the renewal and addition of banking facilities Approved the amounts of employees' remuneration and directors' remuneration for 2023 Approved the 2023 directors and managerial officers compensation Approved the amendment of 2024 Managerial Officers Compensation Policy, Institution, Standard and Structure Approved the 2024 incentive program for retain talents
3rd 2024 March 1, 2024	Approved additional long-term strategic equity investment
4th 2024 May 2, 2024	Accepted the Consolidated Financial Statements for the period ended March 31, 2024 Accepted the 2023 Business Report Accepted the proposal for the distribution of 2023 earnings Approved the cash distribution from capital surplus Approved the amendment of the "Articles of Incorporation" Approved the amendment to the meeting agenda of 2024 Annual General Shareholders' Meeting Approved the increase/reduction of the Company's and subsidiaries 2024 capital expenditure budget Approved the change of Managerial Officer
5th 2024 July 29, 2024	Approved the 2023 ESG report Approved the "Sustainable Development Committee Organization Procedure" and appointment of members Accepted the Consolidated Financial Statements for the period ended June 30, 2024 Approved capital increase of long-term strategic equity investment Approved the increase/reduction of the Company's and subsidiaries 2024 capital expenditure budget Approved the distribution of 2023 employees' remuneration for managerial officers Approved the renewal and addition of banking facilities

Date of meeting	Material resolutions
6th 2024 October 25, 2024	<p>Approved the amendment of the “Internal Control Systems”</p> <p>Approved the 2025 annual audit plan</p> <p>Accepted the Consolidated Financial Statements for the period ended September 30, 2024</p> <p>Approved the increase/reduction of the Company’s and subsidiaries 2024 capital expenditure budget</p> <p>Approved the change of Managerial Officer</p> <p>Approved the appointment of a member of the sixth term remuneration committee of the Company</p> <p>Approved the amendments of the “Rules and Procedures of Board of Director Meetings” and “Audit Committee Charter”</p> <p>Approved the amendment of the “Rules Governing Financial and Business Matters Between this Corporation and its Related Parties”</p>
1st 2025 February 11, 2025	<p>Accepted the Internal Control Systems Declaration for 2024</p> <p>Approved the employees’ remuneration and directors’ remuneration for 2024</p> <p>Accepted the 2024 Parent Company Only and Consolidated Financial Statements</p> <p>Approved the 2025 service items, fees and independence assessment of the Certified Public Accountant</p> <p>Approved the 2025 Company’s and subsidiaries’ capital expenditure budget</p> <p>Approved the date of convening the 2025 Annual General Shareholders’ Meeting, convening means, meeting agenda, submission period of shareholder proposals and directors nomination</p> <p>Approved the renewal and addition of banking facilities</p> <p>Approved the 2024 directors and managerial officers compensation</p> <p>Approved the amendment of 2025 Managerial Officers Compensation Policy, Institution, Standard and Structure</p> <p>Approved the 2025 incentive program for retain talents</p>

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

IV. Information on Attesting CPA Professional Fees

(I) CPA professional fees

Unit: NT\$ (thousands)

Name of Accounting Firm	Name of Accountants	Audit Period	Audit Fee	Non-Audit Fees	Total	Remarks
KPMG Certificated Public Accountants, Taiwan	Yen-Hui Chen Shyh-Huar Kuo	January 1, 2024 to December 31, 2024	3,820	1,410	5,230	The non-audit fees were the Transfer Pricing Report, Tax Compliance Audit, English Financial Report Translation, Limited Assurance Service of ESG Report and Financial Status Opinion Service about Mailand China Investment Issued by Accountants.

- (II) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
- (III) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

V. Information about replacement of CPAs:

If any CPA was replaced in the recent two years and afterwards:

(I) About the former CPA

Date of replacement	April 25, 2023		
Replacement reasons and explanations	Due to the internal adjustment of KPMG Certificated Public Accountants, Taiwan, Chun-Yuan Wu, CPA was replaced by Yen-Hui Chen, CPA.		
Describe whether the Company terminated or the CPA did not accept the appointment	Counterpart		
	Status	Accountant	Client
	Termination of appointment	—	—
	No longer accepted (continued) the appointment	—	—
The Opinions other than Unqualified Opinions issued within the last two years and cause thereof	None		
Differences with the Company	Yes		Accounting principles or practices
			Disclosure of financial report
			Scope or steps of audit
			Others
	None	✓	
	Description		
Other disclosures (To be disclosed under the sub-paragraphs 6.1(4)~(7) of Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies)	None		

(II) About the successor CPA

Name of Accounting Firm	KPMG Certificated Public Accountants, Taiwan		
Name of Accountants	Yen-Hui Chen, CPA		
Date of commission	April 25, 2023		
Consultation about the accounting treatment or application of accounting principles to a specific transaction or the type of audit opinion that might be rendered prior to the formal engagement, and the consultation results.	None		
Written opinion from the successor CPA regarding the matters disagreed by the former CPA	None		

(III) The former CPA's response to the items referred to in the paragraph 1, subparagraphs 5(1) and (2)3 of Article 10 of the Standards: None.

VI. Name of Auditing Firm or Its Affiliates at Which the Company's Chairman, President or Managers Responsible for Financial or Accounting Matters was an Employee over the Past Year, His/Her Position and Employment Period: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests during the most recent fiscal year or (during the current fiscal year up to the date of publication of the annual report) by a director, managerial officer or shareholder with a stake of more than 10% during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:
(I) Changes in shares held by of directors, managerial officers and shareholders holding 10% or more of shares:

Unit: shares

Title	Name	2024		2025 up to April 13	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Director and major shareholder	AUO Corporation	0	0	0	0
Representative of the Director, Chairman and CSO	Kuo-Hsin (Michael) Tsai	156,942	0	152,188	0
Representative of the Director	Frank Ko	0	0	0	0
Director	Feng-Cheng Su	0	0	0	0
Independent Director	I-Shih Chen	0	0	0	0
Independent Director	Huei-Shih Lung	0	0	0	0
President	Sheng-Kai (SK) Huang	127,923	0	198,527	0
Vice President	KC Feng	92,879	0	90,790	0
Vice President and Chief Finance Officer	Kuo-Tai Ching	(54,208)	0	97,776	0
Associate Vice President	Martin Tsai	84,121	0	74,526	0
Associate Vice President	Danny Huang	91,100	0	81,507	0
Associate Vice President	Allen Lan	79,823	0	(64,474)	0
Associate Vice President	Wenbin Wu	102,795	0	90,294	0
Associate Vice President	CC Lee	102,793	0	95,279	0
Associate Vice President	Brad Chiu (Note 2)	0	0	0	0

Note 1: Referring to these who still serve in the position on the publication date of the annual report. Referring to the increase (decrease) in shares held when serving as the director or managerial officer of the Company.

Note 2: Mr. Chiu Brad serve as the Associate Vice President on October 1, 2024.

(II) Any counterpart of a share transfer is a related party:

Name (Note)	Reason for equity transfer	Transaction date	Transaction counterpart	Relationship between Counterparty and the Company and its Directors, Supervisors and shareholders with shareholding Ratio exceeding 10%	Number of shares (thousand shares)	Transaction price
KC Feng	Inheritance (assigned)	2024.03.19	○-Chin Feng Hsiao	Lineal ascendants	1	14

Note: Referring to these who still serve in the position on the publication date of the annual report.

(III) Any counterpart of a share pledge is a related party: None.

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

April 13, 2025; Unit: thousand shares; %

Name	Shares held by the shareholder		Shareholding of spouses and minor children		Shareholdings by nominee arrangement		Related parties, or spousal relationship or relatives within the second degree of kinship, among top ten shareholders, including their names and relationships		Remarks
	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Name	Relationship	
AUO Corporation Representative: Shuang-Lang (Paul) Peng	190,108	28.56	0	0.00	0	0.00	Konly Venture Corp. Ronly Venture Corp.	Affiliate	-
Konly Venture Corp. Representative: Shuang-Lang (Paul) Peng	42,598	6.40	0	0.00	0	0.00	AUO Corporation Ronly Venture Corp.	Affiliate	-
Ronly Venture Corp. Representative: Shuang-Lang (Paul) Peng	40,509	6.09	0	0.00	0	0.00	AUO Corporation Konly Venture Corp.	Affiliate	-
Kao-Huang Lin	11,000	1.65	0	0.00	0	0.00	—	—	—
Trust Holding for Employees for DARWIN PRECISIONS CORPORATION	8,184	1.23	0	0.00	0	0.00	—	—	—
Polunin Emerging Markets Small Cap Fund, LLC	8,108	1.22	0	0.00	0	0.00	—	—	—
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	6,186	0.93	0	0.00	0	0.00	—	—	—
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	5,858	0.88	0	0.00	0	0.00	—	—	—
Te-Feng Weng	3,605	0.54	0	0.00	0	0.00	—	—	—
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	3,208	0.48	0	0.00	0	0.00	—	—	—

Note: The information is the entries recorded on the shareholders' register on date of book closure (April 13, 2025).

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors, managerial officers, and any companies controlled either directly or indirectly by the company

December 31, 2024; Unit: thousand shares

Invested enterprise (Note 1)	Investment made by the Company		Investment by directors, managerial officers and by directly or indirectly controlled enterprises		Total investment	
	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)
MicroDoctor Biomedical Corporation	500	100.00	—	—	500	100.00
UFO Touch Technology Corporation	500	100.00	—	—	500	100.00
OneSmart Solution Corporation	500	100.00	—	—	500	100.00
Darwin Precisions (L) Corp.	76,846	100.00	—	—	76,846	100.00
Forhouse International Holding Ltd.	22,206	100.00	—	—	22,206	100.00
Forefront Corporation	653	100.00	—	—	653	100.00
DARWIN SUMMIT CORPORATION LTD. (Note 1)	40	40.00	—	—	40	40.00
Shine Biomedical Technology Corporation (Note 1)	5,305	33.58	—	—	5,305	33.58
Darwin Precisions (Hong Kong) Limited	—	—	10	100.00	10	100.00
Fortech International Corp.	—	—	6,503	100.00	6,503	100.00
Forward Optronics International Corporation	—	—	19,000	100.00	19,000	100.00
Darwin Precisions (Xiamen) Corp.	—	—	—	100.00	—	100.00
Fortech Electronics (Suzhou) Co., Ltd.	—	—	—	100.00	—	100.00
Suzhou Forplax Optronics Co., Ltd.	—	—	—	100.00	—	100.00
Forhouse Electronics (Suzhou) Co., Ltd.	—	—	—	100.00	—	100.00

Note 1: Long-term investment through the equity method by the Company

Chapter III. Capital Overview

I. Capital and Shares

(I) Share Capital

Unit: share; NTD

Month/Year	Issuance Price (NTD)	Approved Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Shares paid with properties other than cash	Others
October 1989	10	500,000	5,000,000	500,000	5,000,000	Capital of foundation	None	-
May 1995	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash for NTD25,000,000	None	-
November 1997	10	19,000,000	190,000,000	19,000,000	190,000,000	Capital increase in cash for NTD140,000,000 Capital increase from surplus for NTD20,000,000	None	-
October 1998	10	30,000,000	300,000,000	30,000,000	300,000,000	Capital increase in cash for NTD90,000,000 Capital increase from surplus for NTD20,000,000	None	Note 1
October 1999	12 10	70,000,000	700,000,000	40,900,000	409,000,000	Capital increase in cash for NTD49,000,000 Capital increase from surplus for NTD60,000,000	None	Note 2
September 2000	14 10	70,000,000	700,000,000	48,500,000	485,000,000	Capital increase in cash for NTD49,000,000 Capital increase from surplus for NTD27,000,000 (Including the capital increase from the employees' bonus for NTD6,550,000)	None	Note 3
October 2001	32 10	70,000,000	700,000,000	70,000,000	700,000,000	Capital increase in cash for NTD157,900,000 Capital increase from surplus for NTD57,100,000 (Including the capital increase from the employees' bonus for NTD8,600,000)	None	Note 4
August 2002	10	140,000,000	1,400,000,000	86,000,000	860,000,000	Capital increase from surplus for NTD160,000,000 (Including the capital increase from the employees' bonus for NTD20,000,000)	None	Note 5

Month/Year	Issuance Price (NTD)	Approved Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Shares paid with properties other than cash	Others
September 2003	10	240,000,000	2,400,000,000	96,000,000	966,000,000	Capital increase from surplus for NTD106,000,000 (Including the capital increase from the employees' bonus for NTD20,000,000)	None	Note 6
February 2004	26.64	240,000,000	2,400,000,000	98,191,587	981,915,870	Convertible bonds (I) converted to common shares for NTD15,915,870	None	Note 7
April 2004	26.64	240,000,000	2,400,000,000	99,107,499	991,074,990	Convertible bonds (I) converted to common shares for NTD9,159,120	None	Note 8
August 2004	30 26.64	240,000,000	2,400,000,000	116,060,932	1,160,609,320	Capital increase in cash for NTD110,000,000 Convertible bonds (I) converted to common shares for NTD59,534,330	None	Note 9
November 2004	10 25.15	280,000,000	2,800,000,000	127,238,191	1,272,381,910	Capital increase from surplus for NTD69,553,750 Convertible bonds (I) converted to common shares for NTD42,218,840	None	Note 10
January 2005	25.15 31.15	280,000,000	2,800,000,000	131,444,315	1,314,443,150	Convertible bonds (I) and (II) converted to common shares for NTD42,061,240	None	Note 11
March 2005	25.15 31.15	280,000,000	2,800,000,000	140,575,467	1,405,754,670	Convertible bonds (I) and (II) converted to common shares for NTD91,311,520	None	Note 12
May 2005	54.6	280,000,000	2,800,000,000	172,575,467	1,725,754,670	Capital increase in cash for NTD320,000,000	None	Note 13
June 2005	25.15 31.15	330,000,000	3,300,000,000	174,120,378	1,741,203,780	Convertible bonds (I) and (II) converted to common shares for NTD15,449,110	None	Note 14
September 2005	10	330,000,000	3,300,000,000	202,006,698	2,020,066,980	Capital increase from surplus for NTD278,863,200 (Including the capital increase from the employees' bonus for NTD20,000,000)	None	Note 15
September 2005	25.15 26.86	330,000,000	3,300,000,000	202,591,765	2,025,917,650	Convertible bonds (I) and (II) converted to common shares for NTD5,850,670	None	Note 16
December 2005	26.86	330,000,000	3,300,000,000	202,632,718	2,026,327,180	Convertible bonds (II) converted to common shares for NTD409,530	None	Note 17

Month/Year	Issuance Price (NTD)	Approved Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Shares paid with properties other than cash	Others
March 2006	26.86	330,000,000	3,300,000,000	202,640,164	2,026,401,640	Convertible bonds (II) converted to common shares for NTD74,460	None	Note 18
October 2006	10	330,000,000	3,300,000,000	230,983,364	2,309,833,640	Capital increase from surplus for NTD283,432,000 (Including the capital increase from the employees' bonus for NTD20,000,000)	None	Note 19
October 2006	23.56	330,000,000	3,300,000,000	231,581,835	2,315,818,350	Convertible bonds (II) converted to common shares for NTD5,984,710	None	Note 20
March 2007	22.10	330,000,000	3,300,000,000	232,263,835	2,322,638,350	Employees' warrants converted to common shares for NTD6,820,000	None	Note 21
May 2007	23.56 22.10	330,000,000	3,300,000,000	261,525,791	2,615,257,910	Capital increase in cash for NTD250,000,000 Convertible bonds (II) converted to common shares for NTD29,159,560 Employees' warrants converted to common shares for NTD13,460,000	None	Note 22
October 2007	23.56 19.90	400,000,000	4,000,000,000	277,856,903	2,778,569,030	Capital increase from surplus for NTD151,265,510 (Including the capital increase from the employees' bonus for NTD20,000,000) Convertible bonds (II) converted to common shares for NTD7,215,610 Employees' warrants converted to common shares for NTD4,830,000	None	Note 23
November 2007	19.90	400,000,000	4,000,000,000	278,296,403	2,782,964,030	Employees' warrants converted to common shares for NTD4,395,000	None	Note 24
April 2008	30.67 19.90	400,000,000	4,000,000,000	278,828,108	2,788,281,080	Convertible bonds (III) converted to common shares for NTD2,967,050 Employees' warrants converted to common shares for NTD2,350,000	None	Note 25

Month/Year	Issuance Price (NTD)	Approved Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Shares paid with properties other than cash	Others
September 2008	10 9	520,000,000	5,200,000,000	339,144,748	3,391,447,480	Capital increase from surplus for NTD103,166,400 Capital increase from private placement in cash for NTD500,000,000	None	Note 26
October 2009	10	520,000,000	5,200,000,000	400,840,406	4,008,404,060	Employees' warrants converted to common shares for NTD29,555,380 Convertible bonds (III) converted to common shares for NTD41,549,680 Privately placed unsecured convertible bonds converted to common shares for NTD545,851,520	None	Note 27
February 2010	10	520,000,000	5,200,000,000	420,501,471	4,205,014,710	Employees' warrants converted to common shares for NTD48,550,580 Convertible bonds (III) converted to common shares for NTD148,060,070	None	Note 28
June 2010	10	520,000,000	5,200,000,000	421,373,963	4,213,739,630	Employees' warrants converted to common shares for NTD3,725,000 Convertible bonds (III) converted to common shares for NTD4,999,920	None	Note 29
November 2010	10	700,000,000	7,000,000,000	544,714,214	5,447,142,140	Merged with Taiwan Nano Electro-Optical Technology Co., Ltd. with NTD1,233,402,510	None	Note 30
December 2010	10	700,000,000	7,000,000,000	546,286,503	5,462,865,030	Employees' warrants converted to common shares for NTD12,415,000 Convertible bonds (III) converted to common shares for NTD3,307,890	None	Note 31
April 2011	10	700,000,000	7,000,000,000	546,592,628	5,465,926,280	Employees' warrants converted to common shares for NTD3,061,250	None	Note 32
July 2011	10	700,000,000	7,000,000,000	547,079,560	5,470,795,600	Employees' warrants converted to common shares for NTD4,869,320	None	Note 33
July 2011	10	700,000,000	7,000,000,000	497,612,560	4,976,125,600	Treasury shares written off for NTD494,670,000	None	Note 34

Month/Year	Issuance Price (NTD)	Approved Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Shares paid with properties other than cash	Others
September 2011	10	700,000,000	7,000,000,000	497,725,060	4,977,250,600	Employees' warrants converted to common shares for NTD1,125,000	None	Note 35
November 2011	10	700,000,000	7,000,000,000	473,919,560	4,739,195,600	Employees' warrants converted to common shares for NTD235,000 Treasury shares written off for NTD238,290,000	None	Note 36
March 2012	10	700,000,000	7,000,000,000	473,932,310	4,739,323,100	Employees' warrants converted to common shares for NTD127,500	None	Note 37
June 2012	10	700,000,000	7,000,000,000	481,715,633	4,817,156,330	Employees' warrants converted to common shares for NTD5,369,500 Convertible bonds (III) converted to common shares for NTD72,463,730	None	Note 38
August 2012	10	700,000,000	7,000,000,000	481,747,633	4,817,476,330	Employees' warrants converted to common shares for NTD320,000	None	Note 39
April 2013	10	700,000,000	7,000,000,000	456,330,633	4,563,306,330	Employees' warrants converted to common shares for NTD600,000 Treasury shares written off for NTD254,770,000	None	Note 40
May 2013	10	700,000,000	7,000,000,000	456,353,883	4,563,538,830	Employees' warrants converted to common shares for NTD232,500	None	Note 41
December 2014	10	850,000,000	8,500,000,000	781,245,114	7,812,451,140	Issued NTD4,294,763,830 to merge BriView Corporation; and NTD1,045,851,520 was written off due to the merger.	None	Note 42
March 2015	10	850,000,000	8,500,000,000	749,967,114	7,499,671,140	Treasury shares written off for NTD312,780,000	None	Note 43
November 2015	10	850,000,000	8,500,000,000	735,806,114	7,358,061,140	Treasury shares written off for NTD141,610,000	None	Note 44
June 2016	10	850,000,000	8,500,000,000	700,516,114	7,005,161,140	Treasury shares written off for NTD352,900,000	None	Note 45
November 2016	10	850,000,000	8,500,000,000	665,555,114	6,655,551,140	Treasury shares written off for NTD349,610,000	None	Note 46

Note 1: July 21, 1998, (1998) Tai-Cai-Zheng (I) No. 59473.

Note 2: July 21, 1999, (1999) Tai-Cai-Zheng (I) No. 63133.

Note 3: July 10, 2000, (2000) Tai-Cai-Zheng (I) No. 59075.

Note 4: July 18, 2001, (2001) Tai-Cai-Zheng (I) No. 144189.
Note 5: July 9, 2002, (2002) Tai-Cai-Zheng (I) No. 0910137128.
Note 6: July 15, 2003, (2003) Tai-Cai-Zheng (I) No. 0920131560.
Note 7: February 10, 2004, Jing-Shou-Shan-Zhi No. 09301020600.
Note 8: April 28, 2004, Jing-Shou-Shan-Zhi No. 09301068960.
Note 9: August 16, 2004, Jing-Shou-Shan-Zhi No. 09301153960.
Note 10: November 10, 2004, Jing-Shou-Shan-Zhi No. 09301207930.
Note 11: January 21, 2005, Jing-Shou-Shan-Zhi No. 09401008020.
Note 12: May 3, 2005, Jing-Shou-Shan-Zhi No. 09401078350.
Note 13: June 7, 2005, Jing-Shou-Shan-Zhi No. 09401099000.
Note 14: August 25, 2005, Jing-Shou-Shan-Zhi No. 09401167670.
Note 15: October 12, 2005, Jing-Shou-Shan-Zhi No. 09401199980.
Note 16: October 20, 2005, Jing-Shou-Shan-Zhi No. 09401207630.
Note 17: February 13, 2006, Jing-Shou-Shan-Zhi No. 09501024530.
Note 18: April 21, 2006, Jing-Shou-Shan-Zhi No. 09501073250.
Note 19: October 2, 2006, Jing-Shou-Shan-Zhi No. 09501222080.
Note 20: October 19, 2005, Jing-Shou-Shan-Zhi No. 09501236040.
Note 21: March 30, 2007, Jing-Shou-Shan-Zhi No. 09601060690.
Note 22: May 7, 2007, Jing-Shou-Shan-Zhi No. 09601098380.
Note 23: October 30, 2007, Jing-Shou-Shan-Zhi No. 09601266860.
Note 24: November 20, 2007, Jing-Shou-Shan-Zhi No. 09601282890.
Note 25: April 11, 2008, Jing-Shou-Shan-Zhi No. 09701087800.
Note 26: September 12, 2008, Jing-Shou-Shan-Zhi No. 09701235420.
Note 27: November 18, 2009, Jing-Shou-Shan-Zhi No. 09801267350.
Note 28: March 26, 2010, Jing-Shou-Shan-Zhi No. 09901045920.
Note 29: June 25, 2010, Jing-Shou-Shan-Zhi No. 09901125390.
Note 30: November 11, 2010, Jing-Shou-Shan-Zhi No. 09901251790.
Note 31: December 31, 2010, Jing-Shou-Shan-Zhi No. 09901291900.
Note 32: April 26, 2011, Jing-Shou-Shan-Zhi No. 10001083160.
Note 33: July 28, 2011, Jing-Shou-Shan-Zhi No. 10001171710.
Note 34: July 29, 2011, Jing-Shou-Shan-Zhi No. 10001163610.
Note 35: September 28, 2011, Jing-Shou-Shan-Zhi No. 10001222980.
Note 36: November 24, 2010, Jing-Shou-Shan-Zhi No. 10001263060.
Note 37: March 19, 2012, Jing-Shou-Shan-Zhi No. 10101047480.
Note 38: June 27, 2012, Jing-Shou-Shan-Zhi No. 10101119980.
Note 39: August 17, 2012, Jing-Shou-Shan-Zhi No. 10101171470.
Note 40: April 2, 2013, Jing-Shou-Shan-Zhi No. 10201052080.
Note 41: May 24, 2013, Jing-Shou-Shan-Zhi No. 10201088290.
Note 42: December 23, 2014, Jing-Shou-Shan-Zhi No. 10301264500.
Note 43: March 17, 2015, Jing-Shou-Shan-Zhi No. 10401046610.
Note 44: November 20, 2015, Jing-Shou-Shan-Zhi No. 10401246500.
Note 45: June 28, 2016, Jing-Shou-Shan-Zhi No. 10501134320.
Note 46: November 22, 2016, Jing-Shou-Shan-Zhi No. 10501268820.

April 13, 2025

Types of Shares	Approved Share Capital			
	Outstanding Shares	Unissued Shares	Total	Remarks
Registered Common Shares	665,555,114	184,444,886	850,000,000	Listed Shares

Information Related to Shelf Registration: N/A

(II) List of Major Shareholders (Top ten shareholders who own most shares)

Base date of shareholdings : April 13, 2025 Unit: shares

Name of major shareholder	Shares	Shareholding shares	Shareholding percentage
AUO Corporation		190,107,961	28.56%
Konly Venture Corp.		42,598,076	6.40%
Ronly Venture Corp.		40,509,046	6.09%
Kao-Huang Lin		11,000,000	1.65%
Trust Holding for Employees for DARWIN PRECISIONS CORPORATION		8,183,975	1.23%
Polunin Emerging Markets Small Cap Fund, LLC		8,108,000	1.22%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		6,185,570	0.93%
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS		5,857,900	0.88%
Te-Feng Weng		3,605,000	0.54%
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II		3,208,000	0.48%

(III) Dividends policy and Implementation

1. Dividends policy in the Articles of Incorporation

The dividends policy in the Articles of Incorporation in effect:

Article 18-2

Where the Company has a profit at the end of each fiscal year, the Company shall first allocate the profit to pay taxes and cover accumulated losses, and then 10% of the remaining net earnings shall be allocated as the Company's legal reserve unless and until the accumulated legal reserve reaches the paid in capital. Certain amount shall be further allocated as special reserve or the special reserve shall be reversed in accordance with applicable laws and regulations or as requested by the competent authority. If there is still remaining earning, it shall be combined with the accumulated undistributed earnings for the Board of Directors to prepare an earnings distribution proposal in order to execute the distribution thereof through resolution according to the laws. Dividend distribution in the form of shares in whole or in part shall be approved by the shareholders' meeting. Dividend distribution in the form of cash shall be approved by the Board of Directors and a report of such distribution shall be submitted to the shareholders' meeting. The Company's dividend policy is to pay dividends from surplus considering factors such as the Company's current and future investment environment, cash requirements, domestic and overseas competitive conditions and capital budget requirements, and taking into account the shareholders' interest, maintenance of a balanced dividend and the Company's long term financial plan. The shareholders' dividend distribution ratio, in principle, could be zero percent to eighty percent of the distributable earnings. The ratio of the cash dividends paid shall not be less than thirty percent of the total amount of the cash and stock dividends paid in the current year.

2. The intended dividends distribution proposed in this AGM

As of the publication date of the annual report, the Board of Directors has not yet approved the proposal for 2024 earnings distribution. The Company will convene a Board meeting 40 days prior to the annual general meeting, as required by law, to resolve it. The related information will be announced on MOPS at that time.

3. If a material change in dividend policy is expected, provide an explanation: No material change.

(IV) The effects of stock grants proposed at this shareholders' meeting on business performance and earnings per share: Not applicable.

(V) Employee and directors' remuneration

1. The Articles of Incorporation stipulation

The Articles of Incorporation of the Company in effect stipulates that:

(1) Article 18:

Where the Company has a profit before tax for each fiscal year, the Company shall first reserve certain amount of the profit to recover losses for preceding years, and then set aside no less than 1% of the remaining profit for distribution to employees as remuneration and no more than 1% of the remaining profit for distribution to directors as remuneration.

(2) Article 18-4:

The employees who are entitled to the bought back shares to be transferred by the Company, employee stock option, employees remunerations in the form of shares or cash, the new shares reserved for employees subscription in the Company's share offering and restricted employee stock include employees of subsidiaries of the Company meeting certain specific qualifications and the Board of Directors or the person duly designated by the Board of Directors is authorized to decide such qualifications and allocation.

2. The basis for estimating the amount of employee, director, and supervisor remuneration, 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 estimates the employees and the directors' compensation based on the profit of the year (*i.e.*, the profit where the pre-tax income deducting the compensation distributed to employees and directors), deducting the accumulated losses and multiplying the percentage of employees and directors' compensation specified on the resolution of Board of Directors. Such compensation will be recorded as operating costs or proper item under the operating expenses based on the nature of employees and directors' compensation. Should there be any changes after the publication date of the financial statement next year, such changes will be treated as accounting estimation change and the effect of such changes will be recognized as income/loss of the next year.

3. Information on any approval by the board of directors of distribution of compensation:

(1) Remuneration to employees and directors allocated in cash or in the form of stock bonus:

The Board of Directors of the Company approved the employees' and directors' remuneration for 2024 on February 11, 2025, and paid NT\$16,486,084 in cash for employees and NT\$1,648,608 for directors. There is no difference from the estimated amount of the recognized expense year.

(2) The amount of employees' remuneration distributed in shares and the percentage in the net profit after tax in the parent-only or individual financial statements and in the total employees' remuneration:

The Company does not distribute employees' remuneration in shares and thus this is not applicable.

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 discrepancies between the actual distribution and the recognized employee and director compensation, additionally the discrepancy, cause and how it is treated: The actual employees' and directors' remuneration for 2023 distributed in cash were NT\$8,873,207 and NT\$887,321 in 2024. The actual amount is identical to the estimated amount.

- (VI) Status of a company repurchasing its own shares: For the recent year up to the publication date of the annual report, the Company has not repurchased any shares.
- II. Issuance of Corporate Bonds (including unretired bonds and unissued bonds for which an issue is currently under preparation)
- (I) Issuance of corporate bonds: None.
 - (II) Convertible corporate bonds: None.
 - (III) Exchange corporate bonds: None.
 - (IV) Corporation bonds for shelf registration: None.
 - (V) Corporation bonds with warrants: None.
- III. Issuance of Preferential Shares (outstanding and unissued shares for which an issue is currently under preparation)
- (I) Issuance of preferential shares: None.
 - (II) Preferential shares with warrants: None.
- IV. Global Depositary Receipts (receipts issues that remain partially outstanding, and on unissued receipts for which an issue is currently under preparation): None.
- V. Issuance of Employee Share Subscription Warrants
- (I) The unexpired employee subscription warrants issued by the company in existence as of the date of publication of the annual report, and shall explain the effect of such warrants upon shareholders' equity: None.
 - (II) The names of top-level company executives holding employee share subscription warrants and the cumulative number of such warrants exercised by said executives as of the date of publication of the annual report: None.
- VI. Issuance of New Restricted Employee Shares
- (I) For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equity: None.
 - (II) Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired, cumulative to the date of publication of the annual report: None.
- VII. New shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies
- (I) During the current fiscal year up to the date of publication of the annual report, the company has completed any issuance of new shares in connection with a merger or acquisition or with acquisition of shares of any other company: None.
 - (II) The Board of Directors has, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, adopted a resolution approving any issuance of shares in connection with a merger or acquisition or with acquisition of shares of any other company: None.
- VIII. Implementation of the Capital Allocation Plans
- (I) For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits, the annual report shall provide a detailed description of the plan for each such public issue and private placement: None.
 - (II) For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits, the annual report shall provide a detailed description of the plan for each such public issue and private placement: Not applicable.

Chapter IV. Operational Highlights

I. Business

(I) Scopes

1. Major Businesses of the Company

Numbe	Code	Description of Business
1	CC01080	Electronics Components Manufacturing
2	CC01120	Data Storage Media Manufacturing and Duplicating
3	CQ01010	Mold and Die Manufacturing
4	C805010	Manufacture of Plastic Sheets, Pipes and Tubes
5	C805050	Industrial Plastic Products Manufacturing
6	C805990	Other Plastic Products Manufacturing
7	CA02990	Other Metal Products Manufacturing
8	CE01990	Other Optics and Precision Instrument Manufacturing
9	CC01030	Electrical Appliances and Audiovisual Electronic Products Manufacturing
10	F401010	International Trade
11	I501010	Product Designing
12	CC01040	Lighting Equipment Manufacturing
13	CC01100	Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
14	I301030	Electronic Information Supply Services
15	ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Sales Weight of Each Product in 2024

Product	Sales amount (thousand NTD)	Weight (%)
LCD monitor & Modules	16,544,895	79.27
Optronic Products & Precision component	4,327,676	20.73
Total	20,872,571	100.00

3. Current Products and Services

The Company is a leading manufacturer that integrates the upstream and downstream, from optical components, precision machine parts and molds, and full-size backlight modules to television products and services. We produce professional backlight module products including LCD TVs, personal monitors, notebooks, and automotive monitors.

4. New Products (Services) Intended to be Developed

With the full support from the industry R&D team and technical cooperation, the Company, combining the enterprises under the same group, developed various display modules and software and hardware integration solutions (including desktop displays, notebooks, automotive displays, public information displays, medical displays, electronic papers and smart bus stop systems, smart poles, smart harbor, AI translation and smart customer service, smart traffic display system, and etc.), related component module product technologies (including medical, electric vehicles, light guide plates, LED Lens, metal and plastic parts, and insert molding parts, etc.) and precision mold production). In order to provide clients a one-stop complete design services, the company constructs a one-stop service, from product planning, R&D designing, to the complete product manufacturing. Furthermore, to let the consumers experience a vertically integrated total solution, the Company covers all the design of key component, backlight, and LCD panel, and the development of production and manufacturing mold. Combining all the benefits as above, the Company provided software and hardware integration solutions and developed the unique core capabilities to grasp the global competitive advantages. Therefore, the Company focuses on the development of the following new technologies and products:

Technologies/ Products Developed	Description of Function
MNT High-efficiency LGP	The newly developed pyramid structure dots may directly increase the brightness of the BLU through the horizontal and vertical light collection characteristics of the pyramid to meet the energy-saving requirements.
Curved LGP for automotive	Combining precision molds and molding technology with

Technologies/ Products Developed	Description of Function
	advanced optical design simulation, the curved light guide plates (LGP) for automotive are developed, to meet the diversified applications in automotive dashboards, center consoles and rear mirrors.
Automotive LCM with Switchable Viewing Angles	Monitors for co-drivers have the need for electronically switchable viewing angles in consideration of driving safety.
Automotive Local Dimming Mini-LEDs BLU	A lamp cup design was adopted with new five-sided light-emitting LEDs to design a backlight module with local dimming effects. Applicable to embedded automotive displays.
NB High-efficiency BLU	New film structures were designed to work with the microstructures on the light guide plate. It is applied on portable monitors and can prolong the battery life of products significantly.
MNT Low blue light LCM	By adjusting the wavelength of the LED chip and re-matching other optical components, the proportion of harmful blue light can be effectively reduced to achieve the effect of low blue light eye protection.
NB Ultra-thin LGP	An ultra-thin pmma/pc LGP was developed by improving the molding technologies and optimizing the injection parameters.
Development of technology for high brightness and energy-saving of outdoor displays	Developing high-resolution displays with ultra-high brightness, energy-saving area backlight control, combined with high-efficiency heat dissipation, water and dust-proof, weather-resistant and sunshine-resistant. Develop total solutions of large-sized display applications, such as outdoor station signs and video walls, and can be used with different zones, backlight modules, panels..., while providing customized and standardized design modules for clients to choose from.
FPGA applications for professional display products	Apply the programmable logic gates of FPGA to achieve hardware acceleration functions meeting product requirements, or to generate hardware circuit functions not available in general ICs via programmable logic. Features HDR display, photography assistance ... and other functions to meet the needs of real-time confirmation of the quality of photography. The Company has also developed specialized accessories (rabbit cages, lens hoods) and battery UPS to provide customers with comprehensive solutions.
HMI Display (Human Machine Interface)	The visualized human-machine interface is provided to help the operator optimize the human-machine interaction and improve the efficiency of the operating process, which can be used in the operation of various equipment, such as medical control equipment, industrial automation control equipment, and car cockpits.
Out Solar-Powered Bus Stop Displays	With the power-saving design, the system does not rely on main electricity but on solar power to provide system operation, which thereby increases the installation popularity.
Smart Poles	The Company has developed a multi-mode AI recognition smart-link modular design for easy expansion and maintenance, with no additional equipment to affect the functionality and aesthetics, establishing a camera cluster effect, protecting the city and ensuring traffic safety.
Smart Harbour	AI and IoT technology are introduced to instantly monitor the arrival of vessels into the port, and to detect vessels that are not in the port to maintain the safety of the port. Monitor the departure time of vessels and docks in the port, and automatically identify the damage to the offshore facilities and personnel safety. The warehouse uses an AI image monitoring system, combined with drone inspections, to optimize warehouse operations and prevent workplace safety incidents. Enhance port efficiency and safety through automation and smart AI detection, and create a new era of port operations.
AI real-time two-way translation solution	A large language model (LLM) is used to provide a fast,

Technologies/ Products Developed	Description of Function
	accurate and natural system that crosses language barriers, automatically identifying languages from different countries, and manual selection of languages is not required. The solution helps adjust special terms in the field and continues to learn, and provides an offline single-machine version that does not require Internet connection.
Development of the UFO TOUCH non-contact button	This technology makes use of a matrix lens in conjunction with specialized graphic files to produce the illusion of floating 3D images. By integrating it with floating touch technology, a multitude of application products can be created that enable users to manipulate images in the air, thereby enhancing the intuitiveness of the operating experience.
Microfluidic biomedicine and sensing chip system solutions	Combining precision mold core processing, casting, transfer technology and simulation design, we develop organ chips for biomedical applications and precision medical testing chips system solutions.
Dissolvable microneedle patch and microneedle roller	Integrated precision mold processing and electrochemical technologies and developed microneedle patches with fine structures. This product is a new transdermal delivery technology that can penetrate the stratum corneum and work directly on the dermis layer; it can be used for medical aesthetics, medical treatment, vaccines and bio-sensing applications in the future. The Company further developed a micro-needle roller for large-scale skin care, such as cellulite improvement or hair growth applications.

(II) Industry overview

1. Current status and development of the industry

In 2024, the industry slowed down due to the sluggish demand in the consumer electronics market. However, the emerging applications of Mini LED, Micro LED, OLED display technology and various displays continue to drive the upgrade and transformation of the display industry. Display is an important interface between technology and human beings, which can transform complex technology into an intuitive and user-friendly experience. With the explosion of AI, the increase in demand for automotive display and Micro LED markets, the wave of computer replacements and international sports, the display optoelectronics industry is expected to perform well.

In addition to technological transformation, it shows that display manufacturers are targeting four major application fields, including smart medicine, smart retail, smart mobility, and smart entertainment, aiming to become smart display solution providers, to bring new business opportunities and transformation to the display industry, and to reduce the competition of production capacity. Target high-end markets for specific applications, such as automotive, industrial control, and medical panel demand, to reduce operational impacts.

2. Correlations among the up-, mid- and downstream industries

The Company's main products are the key components of flat panel displays. The upstream, midstream and downstream structures of the flat panel display industry are listed as follows:

Upstream industries	Glass substrate, color filter, polarizer, driver IC, printed circuit board, fine metal mask, optical grade acrylic plate, light guide plate, backlight source, panel, electronic paper, etc.
Mid-stream industries	Backlight modules, and LCD modules, among other things
Downstream industries	LCD TVs, tablets, notebooks, desktop displays, mobile communications, commercial displays, e-books and other electronic products.

3. Development trends and competition of products

Development trends of products:

Products and services	Development trends
Backlight modules and LCD modules	Mini LED / Micro LED display, 3D display, curved display, high-brightness/ultra-thin/ultra-narrow bezel display, touch panel technology, flexible electronic paper display technology, AMOLED display technology
Key components	Privacy protection light guide plates, high-brightness ultra-power-saving light guide plates and mini LED optical components
System integration solutions	Touch display solutions, smart healthcare solutions, and smart mobility solutions

Competition status:

Competitors	Business	Business in competition
Coretronic Corporation	Digital projectors, backlight and touch modules, industrial and medical displays	Backlight modules and LCD displays
Radiant Opto-Electronics Corporation	LGP and backlight modules	LGP and backlight modules

(III) Overview of technologies and developments

1. Research and development expenditures during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Fiscal year	2023	2024
Total R&D Expenses (NT\$ thousands)	351,346	398,476

2. The successfully developed technologies or products during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

A. Design and development capabilities for Mini-LEDs BLU

- a-1. Development of microstructured panels to reduce the number of LEDs or reduce the thickness of the product
- a-2. Design and process the structure on the surface of the mini LED light board to reduce the number of LEDs
- a-3. Designed lamp cup structures to use on automotive monitors, which can solve the problem of the Halo Effect
- a-4. The circuit is designed to achieve the control of the backlight area and to improve the contrast effect

B. Design and development capabilities of edge-in backlight

- b-1. Highly directional structure LGP, applied to collimated backlight
- b-2. Designed new prism sheets to work with microstructure light guide plates, applied to power-saving backlight
- b-3. Special microstructure LGP, applied to switchable viewing angle backlight

C. Precision machining technology

- c-1. Electric carving process technology: able to improve the brightness efficiency of the backlight module; applicable to TV/MNT/GD/NB
- c-2. Two-way ultra-precision machining technology, with depth accuracy of $\pm 0.1\mu\text{m}$, applicable to Car/NB

D. Backlight modules for narrow-bezel thin type notebook

- d-1. Design and manufacture of inserts in the integral iron and plastic frame
- d-2. Design and manufacture of ultra-thin light guide plate
- d-3. Design and manufacture of ultra-thin frame (1.7mm) module design technology

E. Development capability of 6.5"- 34" backlight modules for automotive

- e-1. Development technology for injected/compressed molds
- e-2. Thin or curved light guide plates technology
- e-3. The above-mentioned Mini-LEDs BLU technology can be combined simultaneously
- e-4. Or the above-mentioned high-efficiency side-entry backlighting technology

F. POS device based on modular design.

- f-1. POS products for restaurants, cinemas, gas stations, retail industries, etc.
- f-2. To meet the needs of customers for various product combinations, the components are modularized to enhance mutual compatibility, and to extend various functional products.
- f-3. Splash-proof design, whole-device strength design, overall stability design, ID design

G. Display modules with adjustable curvature

- g-1. Patented technology of the Company is introduced and the back panel curvature can be adjusted according to customer needs
- g-2. Available in C Type and J Type
- g-3. Choosing to match or not match the touch module

H. Photography auxiliary display of using field programmable logic gate

- h-1. The feature of programmable logic gate is used to develop the IP of the photography auxiliary function
- h-2. Use color correction to achieve $\Delta E < 2$ in the target color gamut
- h-3. The heat dissipation structure design is used to achieve the purpose of fanless, and avoid the noise generated by the fan that rotates for heat dissipation

- I. 4.3" LCD with Touch surgical light control panel
 - i-1. The human-machine interface is visualized, enhancing the efficiency of the operating process
 - i-2. Customized visual interface to improve the efficiency of the operating process
 - i-3. Customized design combined with surgical lighting structure. With waterproof and dust-proof features to facilitate cleaning and disinfection, and is certified as a medical-grade product
- J. FPD-Link (Flat-panel Display Link) HMI Display
 - j-1. Visual interface for convenient human-machine control
 - j-2. The power source and signal integration (video/audio signal/control signal) are integrated, with streamlined wires and convenient assembly
 - j-3. Control device for a variety of fields
 - j-4. Various fixing methods are designed to meet different customer needs
- K. 75", 200 zone Local Dimming Display
 - k-1. High brightness of 4000 nits
 - k-2. Supports 200 zone local dimming, achieves ESG energy saving goals; enhances contrast to improve the viewing experience
- L. Cell Counter
 - l-1. Combined with blue light, the samples can be used to observe the details of cells marked with fluorescent light
 - l-2. The design and application of the entire framework for monitoring microflow chips
- M. Multi-mode AI smart link
 - m-1. City aesthetic to improve city looks
 - m-2. Modular design for easy expansion and maintenance, with no additional equipment to affect the functionality and aesthetics
 - m-3. Multi-mode AI identification smart pole
 - m-4. Establish the effect of camera clusters to protect the safety of the city and traffic
 - m-5. Offer multiple display choices
- N. Smart Harbour
 - n-1. Dynamic monitoring of ships
 - n-2. Work safety alerts
 - n-3. Automatic detection of damage to offshore facilities
 - n-4. Warehousing management
- O. Warehousing management
 - o-1. Support languages of multiple countries
 - o-2. Automatic language detection, without the need to manually select the language
 - o-3. Adjusts special terms in the field and continues to learn
 - o-4. Provides an offline single-machine version that does not require Internet connection
 - o-5. ASR (voice-to-text AI model)
- P. Dissolvable microneedle patch and microneedle roller
 - p-1. Microneedle density and height can be adjusted according to customer needs
 - p-2. The new transdermal delivery technology can achieve faster and more effective results
 - p-3. Available in long-acting and instant-dissolving versions, customized ingredient formulas can be used in the field of medical aesthetics, medicine and pharma
- Q. Elevator UFO TOUCH non-contact button
 - q-1. Intuitive guided operations achieve a better experience
 - q-2. Prevent simultaneous sensing function on multiple floors to avoid accidental touch problems
 - q-3. Keep physical button function
 - q-4. Single button design allows quick replacement

(IV) Long and Short-Term Business Development Plans

The Company, combining the enterprises under the same group, with the full support from the industry R&D team and technical cooperation and exchanges, develops various display modules (including desktop displays, notebooks, automotive displays, public information displays, medical displays and smart bus stop systems, smart traffic display system, and etc.), related component module product technologies (including medical, electric vehicles, light guide plates, LED Lens, iron and plastic parts, and inserts, etc.) to provide clients with one-stop complete design services, from key component designs, production and manufacturing mold developments, backlight modules, LCD panel and other key component designs, to complete machine design as a vertically integrated holistic design and manufacturing service along with unique core capabilities that are developed to grasp the global competitive advantages.

1. Short-Term Business Development Plans

- A. In response to the trend of multiple screens per vehicle and the size enlargement of automotive displays, we combine optical design and ultra-precision processing technology to lock in three high value-added applications of switchable viewing angle backlights, Mini LED backlights, and curved surfaces, and accelerate the layout and formation of technology patents. At the same time, we strengthen the order-taking capacity of in-vehicle BLU in the China and international markets and complete the automotive market realization of collimated back light (CBL) components. Their application fields include: privacy display applications and brightened energy-saving display applications, Mini LED backlight module GLP thinning technology in automotive displays.
- B. Develop peripheral products related to photography auxiliary displays, such as image wireless transmission modules, which can transmit or receive images wirelessly when paired with photography auxiliary displays to increase the competitiveness of display products. Research and functional development and verification are conducted for some individual fields (such as military regulations, navigation, transportation, medical care, etc.), such as sunshine requirements, salt mist requirements, vibration requirements, etc., in order to expand the application of displays in new fields.
- C. Advanced field applications: Combine AI algorithms, dedicated cameras and other advanced technologies to develop complete solutions, such as commodity promotion and shelf inventory management, real-time traffic monitoring and improvement, etc., to strengthen the expansion of the application of innovative display technology in retail, mobile and other fields.

2. Long-Term Business Development Plans

- A. Maintain the company's stable and healthy operating environment, strengthen technological innovation and research and development capabilities, and actively drive patent portfolio management. In response to the future development trends of the display panel industry, we will continue to expand the portfolio of high-end products and the efficiency of automated production ; to increase the company's market share and profitability in niche products.
- B. Accelerate our competitive advantages in optical components and display technology, and seek new business opportunities in the optical applications, medical industry, automotive, semiconductor components and integrated solutions. By crossing over into diversified application scenarios, the Company shall explore additional growth opportunities and enhance its overall enterprise value.

II. Analysis of the market, the production and marketing situation

(I) Market analysis

1. Geographic areas where the main products (services) of the company are provided (supplied)

Unit: NT\$ (thousands)

Fiscal year		2024	
Area		Amount	Percentage (%)
Domestic sales		2,866,462	13.73%
Foreign sales	Asia	18,002,873	86.25%
	Others	3,236	0.02%
Total		20,872,571	100.00%

2. Market share

The major products of the Company are LCD displays, LCD backlight modules and panel modules. In 2024, the global LCD display monitor shipments were about 127 million units in total; the total shipments of notebooks were about 174 million units; and the total shipments of automotive display panels were 210 million units. In 2024, the Company's shipments of monitor panel modules were approximately 10 million, with a market share of approximately 7.8%; the shipments of notebook backlight and panel modules were approximately 12.6 million, with a market share of approximately 7.2%; and automotive backlight module shipments were about 2.6 million, with a market share of approximately 1.2%.

3. The future demand and supply conditions for the market and the growth potential

According to the latest survey by TrendForce, the global notebook market in 2024 was affected by high interest rates and geopolitical factors, and the demand recovered slowly. It is expected that the full year shipment volume will be 174 million units, with an annual growth rate of 3.9%. Looking ahead to 2025, with Windows 10 phasing out and the demand for replacement of commercial notebooks, notebook shipments are expected to grow 5.2% annually to 183 million units in 2025.

The popularity of AI PCs is expected to increase the demand for high-resolution and high-speed display. AI PCs require stronger computing and visual presentation capabilities. Therefore, the demand for OLED and Mini LED panels is to increase significantly in the second half of this year. The market scale of TFT PCB in 2023 was USD 15.72 billion, and it is expected to reach USD 16.5 billion in 2024, and USD 23.84 billion in 2030, with an annual compound growth rate of 6.12%.

With the growing popularity of smart cockpits and the increasing level of automotive electronics, the demand for automotive displays continues to grow. The global shipment of automotive display in 2024 reached 209 million pieces, with an annual growth rate of about 3.0%. Demand for larger automotive displays is growing, in particular the demand for displays larger than 9 inches. 9-inch+ automotive display shipments will account for 40.7% of the total automotive display shipments in 2024. In addition to center consoles and dashboards, the demand for HUDs and rear-view mirror

displays is also increasing. These applications will further drive market growth. It is expected that the compound annual growth rate (CAGR) of the 9-inch and above automotive display will reach 10.7% from 2024 to 2029.

4. Competitive niche

A. Advantages of optical machine integration and one-stop production model:

The Company has relevant component module product technologies (including light guide plates, LED lens, and iron-plastic parts), to provide clients with one-stop complete design services, which are a vertical integrated design and manufacturing services from key component design, mold manufacturing and development, backlight modules, LCD modules to the whole sets, not only the product development timeline is shortened, but also the production efficiency is improved.

B. Diversified market:

The Company is actively expanding into new markets, including automotive displays and other applications such as smart entertainment, smart transportation, smart retail, smart customer service, smart medicine, etc. In addition, the Company is also actively diversifying the development of technologies such as aesthetic medicine, floating image touch, and bio-medicine testing, and the expansion of customers, which helps diversify risks and increase revenue sources.

C. Sound finance and patent layout:

In addition, The Company has a robust financial position, which enables it to maintain stability during market fluctuations, and to conduct technology R&D and market development., through a complete patent layout and talent training system, the Company continues to refine and improve itself, strengthen its own competitiveness in the market and maintain its superior position in high-precision and high-technology key components.

5. Positive and negative factors for future development, and the company's response to such factors

Positive factors:

A. Growth of automotive smart cabin display applications

Due to the increase in demand for larger, panoramic, interactive, and intuitive displays in vehicles, the demand for automotive control panels, rear view panels and even passenger panels is growing. The size of the panel used in seats is getting bigger and driving demand for automobiles. Currently, the global leading car manufacturers have different smart cockpit depth, but all of them continue to promote this inevitable trend to provide a more intuitive human-machine interface.

B. Development of artificial intelligence (AI) applications and IoT

In the future, artificial intelligence (AI) applications will bring more and more automation scenarios. The interaction between human beings and automated machines will require panel display as the interface. In the future, display applications will become more diverse and ubiquitous. Developments of new business models and applications will be accelerated to bring more diversified and extensive display applications. Meanwhile, various applications have advanced to large sizes, and the areas required by panels will continue to grow. Smart retailing, smart entertainment, smart on-board equipment, smart medical and other application fields all require value-added application products, including ultra-high resolution, curved surface, wide gamut, ultra-high dynamic contrast technology integrated touch, and floating, to exploit the integrated advantages to enhance added value, create differentiated and high-value products with technological diversity and embrace the business opportunities in the era of Artificial Intelligence (AI) and Internet of Things.

Negative factors and response:

A. Fierce market competition and cost pressure

In recent years, competitors in China have concentrated on high-generation production lines and continued to expand production capacities, which in turn has impacted the balance of supply and demand of panels and increased cost pressure. In addition, high tariffs and high inflation will cause fluctuations in raw material prices and higher labor costs, which may lead to an impact on corporate profit margins

●Responses:

1. Increase investment in R&D and develop new technologies and new products, such as ultra-thin and highly efficient back lighting modules, to improve market competitiveness.
2. Enhance technology and improve production automation to reduce production cost and elevate product quality.
3. Establish long-term cooperation relationships with key component suppliers to ensure stable raw material supply.

B. Next-generation display technology

As the AMOLED technology matures and costs are reduced, more smart phones, TVs and other display equipment have adopted AMOLED panels, which leads to a gradually decreasing market share for LCD panels. AMOLED panels are self-luminous and do not require a backlight module, which makes them better than LCD panels in terms of contrast, color saturation and thickness. These technical advantages make AMOLED more attractive in the high-end market. As the production technology of AMOLED panels is improved and the yield rate increased, the production cost is gradually reduced. AMOLED panels are expected to be lower than LCD panels in the next few years.. This is a huge challenge for the LCD industry.

●Responses:

1. Strengthen R&D investment: Strengthen technology innovation, improve LCD performance, such as increasing resolution, reducing energy consumption and improving display effects, in order to maintain competitive edge.

2. Expand market applications: Incubate a new business with the economic scale of backlight module assembly, and actively develop the applications of new technologies and new materials. The Company's R&D and design capabilities in optical component technology will be the main focus of the next phase of the Company's development and performance, which will help the Company play the role of a provider of key components to continue to deliver exciting new developments and prospects.

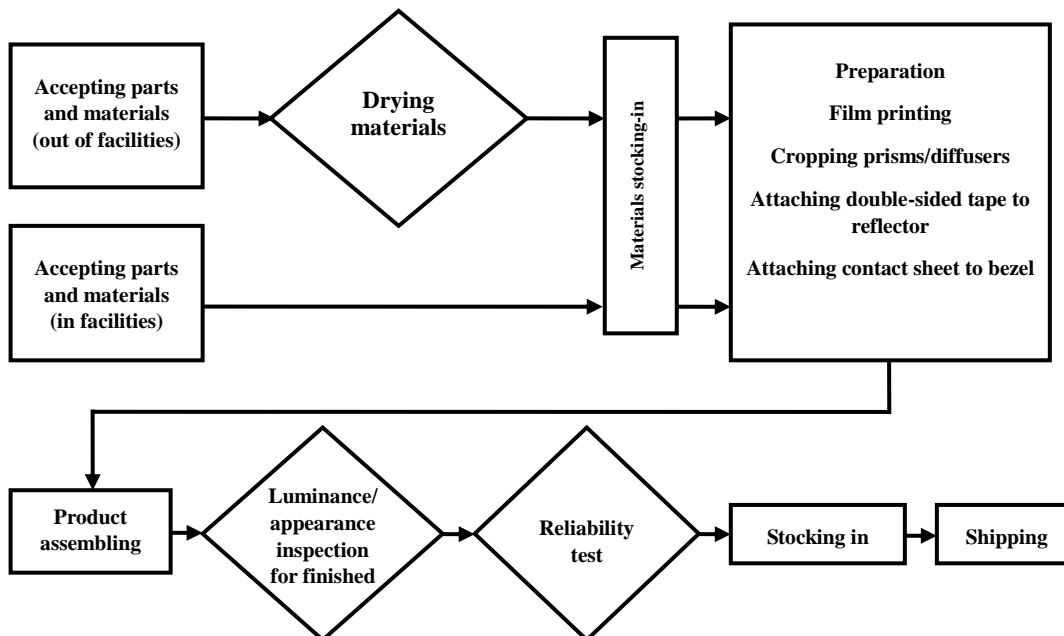
(II) Usage and manufacturing processes for the company's main products.

1. Usage of products:

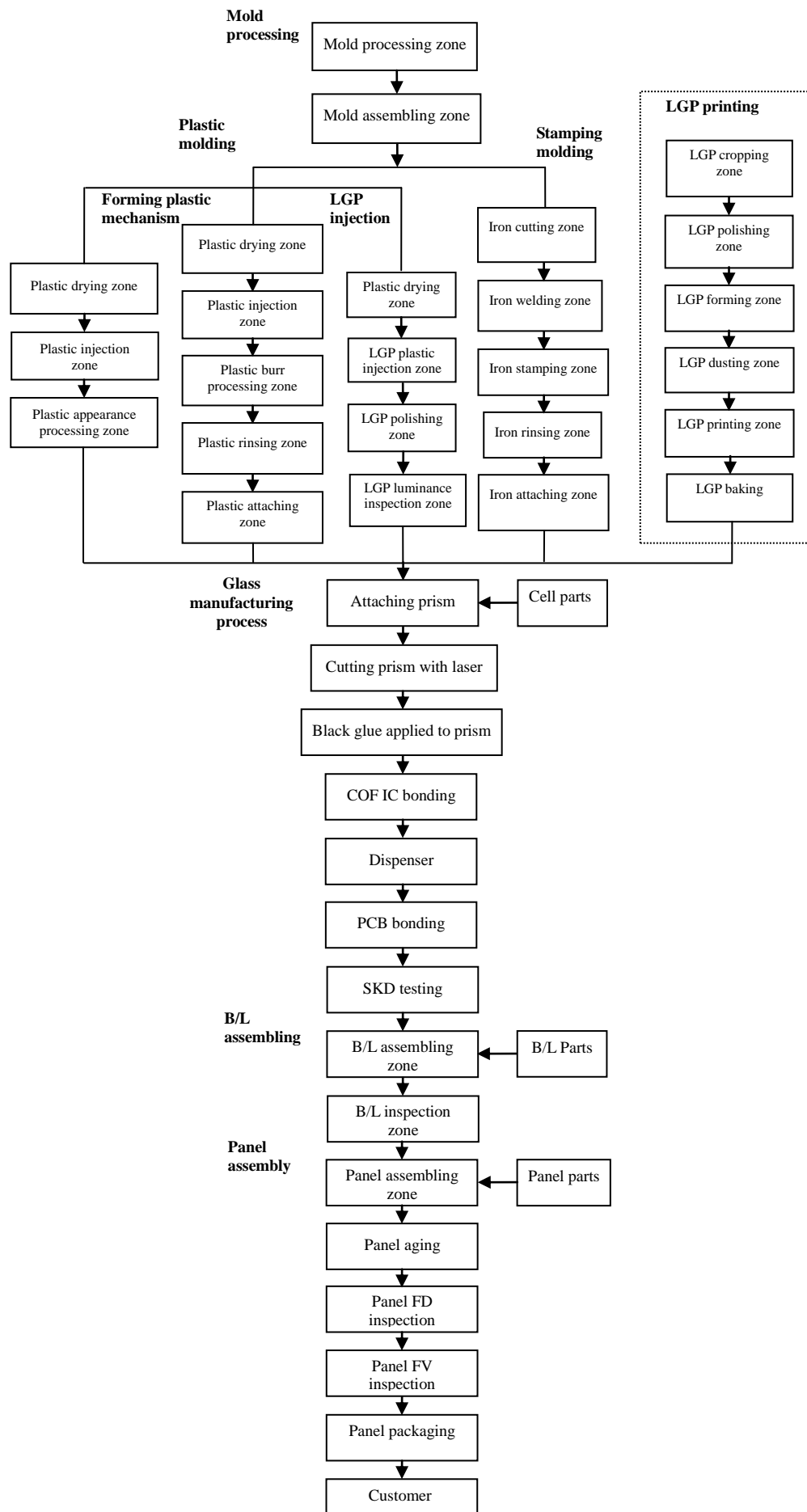
Product or Service	Key usage or functions
Backlight modules	It is a component providing a back light source to a product. It may be applied to various information, communication, and consumer products, such as LCDs, scanners, and so on.
OEM assembly of LCDs and end products	Provided for notebooks, LCDs, LCD TVs, electric toys, mobile phones, digital cameras, car displays, wearable displays, medical displays, smart bus stop systems, vehicle headlights, industrial instrument panels, among other things. The whole sets of TV/monitor are mainly used for multimedia and audio-video entertainment playback, PID public information display and playback.

2. Process of product manufacturing processes:

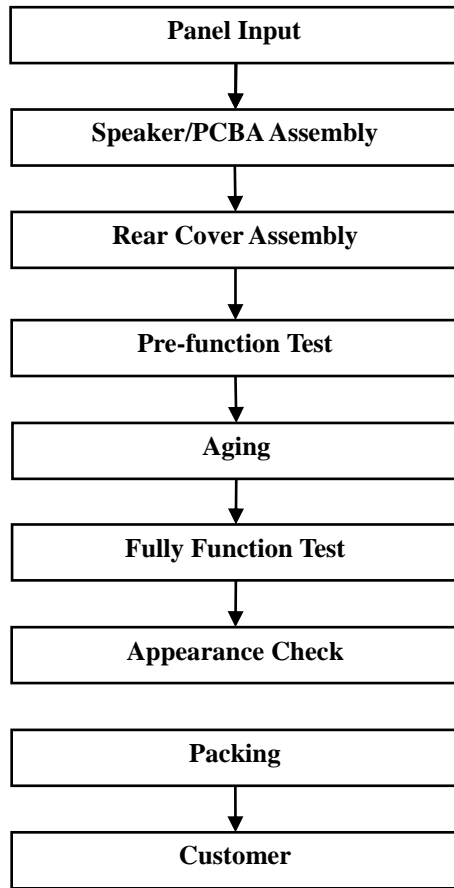
(1) Backlight modules



(2) LCD panels



(3) Television/whole display



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

The raw materials of the Company's main products are optical films, LED light bars, drivers/power supplies, acrylic sheets, galvanized steel plates, plastic particles, PCBA, iron parts, plastic parts, etc. The Company has always maintained good relationships with domestic and overseas raw materials suppliers to enhance the stability of supply; the key raw materials and components are purchased from more than two suppliers, to secure the procurement flexibility while reducing the risk of excessive concentration of raw materials.

(IV) Suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. Major suppliers in the recent two years

Unit: NT\$ (thousands)

Item	2023				2024			
	Name	Amount	Percentage in the net purchase of whole year (%)	Relation with the issuer	Name	Amount	Percentage in the net purchase of whole year (%)	Relation with the issuer
1	A Company	5,211,457	38.51	-	A Company	6,414,286	40.10	-
2	Others	8,322,304	61.49	-	Others	9,581,128	59.90	-
	Net purchase	13,533,761	100.00	-	Net purchase	15,995,414	100.00	-

Note 1: A list of any suppliers accounting for 10% or more of the company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: As of the publication date of the annual report, there is no 2025 Q1 financial information audited by CPAs.

Explanation of increase/decrease:

- (1) Increased purchase from Supplier: as the order demands from clients increased, resulting in increased purchases.

2. Major clients in the recent two years

Unit: NT\$ (thousands)

Item	2023				2024			
	Name	Amount	Percentage in the net sales of whole year (%)	Relation with the issuer	Name	Amount	Percentage in the net sales of whole year (%)	Relation with the issuer
1	A Company	8,910,516	50.14	-	A Company	12,936,637	61.98	-
2	AUO Corporation	2,780,342	15.65	The Company's parent company	AUO Corporation	2,078,451	9.96	The Company's parent company
3	Others	6,079,124	34.21	-	Others	5,857,483	28.06	-
	Net sales	17,769,982	100.00	-	Net sales	20,872,571	100.00	-

Note 1: A list of clients accounting for 10 percent or more of the company's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each. Where the company is prohibited by contract from revealing the name of a client or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: As of the publication date of the annual report, there is no 2025 Q1 financial information audited by CPAs.

Explanation of increase/decrease:

- (1) Increased sales to client: mainly due to the growth in the terminal market, resulting in increased sales.

III. Information of Employees

The number of employee, average years of service, average age and distribution of academic background for the last two years and as of the end of the last quarter of the current year are as follows:

Unit: person

Fiscal year		2023	2024	As of March 31, 2025
Number of employee	Production and manufacturing personnel	5,872	5,089	4,842
	Engineering technology personnel	137	142	138
	Sales and marketing personnel	70	86	71
	Management and administrative personnel	222	228	225
	Total	6,301	5,545	5,276
Average age (year-old)		27.31	27.63	28.92
Average years of service (year)		2.70	3.17	3.23
Distribution of academic background (%)	PhD	0.05%	0.05%	0.06%
	Master	3.49%	3.77%	3.64%
	College	16.35%	17.13%	19.45%
	Senior high school	29.87%	26.77%	32.82%
	Under senior high school	50.24%	52.28%	43.03%
	Total	100.00%	100.00%	100.00%

IV. Disbursements for Environmental Protection

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

V. Labor relations

(I) List any 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.

1. Employee benefits:

Introduction of wage system:

- (1) Wage system: Competitive wage level; wages are adjusted based on the the Company's overall operating performance and the annual personal performance appraisals. The wage system satisfies the requirement of CSR, without discrimination and personal bias and the criteria are just and open.
- (2) Incentive system: To encourage employees to perform their best, motivation bonuses, performance bonuses, and employee compensations are given in due course based on individual production and Company's operating performance.
- (3) Bonus system: pursuant to the Company's articles of incorporation, when there is a profit for the year, the employee's remuneration will be appropriated for no less than 1%. However, the Company's profit is closely related to the employees' performance. The concerted efforts of all employees are required to outperform, in order to seek a better bonus.
- (4) Insurance system: Apart from the statutory national health insurance and labor insurance, the Company provides additional benefits, such as group insurance and casualty insurance for employees, so that employees have a better life and safety protection. Employees are entitled to labor insurance, National Health Insurance, and group insurance on the first day of work. On the other hand, the employees are entitled to add their family members to their national health insurance and group insurance.
- (5) Leave and attendance: other than job requirements, the Company also appreciates employees' needs in their personal and family lives. Therefore, other than providing a well-rounded leave system, the annual leave scheduling system is also in place, to encourage employees to apply their leaves well to arrange for time with their families.

Employee benefits:

- (1) With the aim of taking care of workers' lives, promoting physical and mental health and maintaining harmony between labor and employer, the Employee Welfare Committee was established, through a well-rounded benefit system and various employee activities, the employee benefits are promoted.
- (2) Subsidies for marriage, birth, funeral, hospitalization, birthday gifts and holiday bonuses.
- (3) Employee outings, clubs, family days various ball games among other employee events.
- (4) Establish a wellness center, breastfeeding room and the clinical visits by physicians to the plants for health consultancy, and hold annual employee physical examination and health promotion activities irregularly.
- (5) Comfortable cafeteria and a variety of meal options.
- (6) Parking lots for cars and scooters.
- (7) Gym, aerobics classroom and library in the plants.

2. Continuing training:

Darwin College is the Company's professional organization dedicated to talent cultivation and development policy formulation, education and training system planning and implementation. The President serves as the chief of the College, leading the leadership school, the marketing school, the innovation and R&D school, the manufacturing school, with the Education and Training Executive Committee (hereafter "ETEC"). The chief of each school are assigned to officers of associate vice presidents or above. They are in charge of introducing external new knowledge and professional training; the head of human resources serves as the director-general of the EEC, and convene committee meetings to review the talent cultivation policies, planning and implementation performance. The EEC established seven major training system based on the Company's development strategies, and develops learning maps for each branch.

- (1) Orientation and care system for new employees: assist new recruits to get to know the Company, understand main systems and regulations and accelerate their adaption to the working place.
- (2) Professional trainings by department: each branch organizes courses for various professional knowledge or skills related to work.
- (3) Quality training: training courses to improve the Company's various process management and product and service quality.
- (4) Management training: to enhance the managers' abilities to lead "people" or manage "affairs."
- (5) Environment, Safety and Health (ESH) training: the course as compliance with and implementation of the government's laws and regulations regarding health and safety.
- (6) Instructor training: cultivate the qualified internal lecturers, strengthen their knowledge management and experience passing-on capabilities.
- (7) General education and self-development training: to improve the ability of general staff to manage "people" or "affairs;" or self-learning programs (including degree upgrade and reading programs) initiated by employees.

3. Retirement system and implementation:

- (1) The facilities in Taiwan has the Pension Supervision and Management Committee established pursuant to the laws, to be responsible for pension management and implementation of retirement procedures, contributing monthly to the old-system pension reserve accounts in Bank of Taiwan, to protect employees' interests.
- (2) Besides, the new recruited or employees who elect to apply for the Labor Pension Acts, 6% of their wages will be contributed to personal a pension account monthly based on their pension ranges. In addition to the Company's fixed contribution, employees may also choose to contribute additionally within 6% to their pension account to enjoy tax-free concessions. Once an employee is qualified for retirement, he/she may apply retirement, and the pension in the dedicated account is to be withdrawn once the required age is attained.
- (3) The Company has applied the Labor Standards Act and Labor Pension Act as follows:
 - (A) Voluntary retirement
An employee may apply for voluntary retirement under any of the following conditions:
 - (a) Where the worker attains the age of fifty-five and has worked for fifteen years.
 - (b) Where the worker has worked for more than twenty-five years.
 - (c) Where the worker attains the age of sixty and has worked for ten years.
 - (B) Mandatory retirement
The Company shall not force an employee to retire unless any of the following situations has occurred:
 - (a) Where the worker attains the age of sixty-five.
 - (b) Where the worker is unable to perform his/ her duties due to a disability.The Company may request the central competent authority to adjust the age prescribed in Sub-paragraph 1 of the preceding paragraph if the specific job entails risks, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.
 - (C) The criteria for payment of employee pensions shall be as follows:
 - (a) For reaching seniority before and after the Labor Standard Act applies, the criteria for payment of pensions are pursuant to Article 55 or Article 84-2 of the Labor Standards Act.
 - (b) For reaching seniority before the Labor Standard Act applies, unless otherwise agreed upon between the employer and employee, the Labor Standards Act shall be complied with.

- (c) Those who elect to apply the pension requirements in the “Labor Standards Act” pursuant to the Labor Pension Act, or reserve seniority before the application of the Labor Pension Act, their pensions are paid as described in the precedent two paragraphs.
- (d) By applying pension requirements in the Labor Standards Act and as set forth in sub-paragraph 2 of Paragraph 1 of Article 54, an additional 20% on top of the amount calculated according to the preceding sub-paragraph shall be given to employee forced to retire due to disability incurred from the execution of their duties.
- (e) For the employees applicable to the requirements of the Labor Pension Act, the Company contributes 6% of their wages monthly to their pension accounts.
- (D) Pension payment
The pensions that the employees entitled to pursuant to the pension requirements in the Labor Standards Act, shall be paid within 30 days from the date the employees retire.
- (4) The local staff in the overseas facilities are entitled to the pension contributions pursuant to the local laws and regulations, to protect their related interests.

4. Existing key labor-employer agreements and implementation:

In the future, the Company will continue to strengthen communication between labor and employer, in order to promote the Company's prosperity while protecting the employees' interests, seeking to prevent labor disputes on a peaceful and rational foundation. In addition, in order to maintain a transparent and barrier-free communication environment, the Company regularly convene labor-employer meetings, business briefings and seminars of managers at various level, employee care seminar, to communicate key information and policies to employees. The communication platforms such as “Audit Mailbox,” “President’s Mailbox,” “Sexual Harassment Prevention Mailbox,” and “Employee Opinion Box” are established for collecting, understanding, and solving employees' problems, so that the goals of joint engagement between labor and employer and adequate communication are achieved.

5. Protections of each interest of employees:

The Company has established comprehensive management procedures, clearly stipulating the rights and obligations of employees and benefits, to protect the employees' interests.

- (II) List any losses suffered by the company in the most recent 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: None.

VI: Information Security Management

- (I) The information security risk management framework, information security policies, concrete management programs, and investments in resources for information security management

Information Security Risk Management Framework:

The company has founded the “Information Security Committee” in 2017 to be responsible for information security management. The Chairman and CSO of the company is appointed as the chairperson of the “Information Security Committee.” The high-level supervisors of each unit serve as the committee members. The unit heads of the Information Technology serves as the executive officers. The Audit Unit is also take part in order to provide opinions on the procedures and regulations. The Information Security System Department holds an internal information security meeting quarterly to promote internal information security policies, plan and implement information security operations; also, report the company’s information security governance overview to the “Information Security Committee” and the “Board of Directors” at least once a year.

Information Security Policy:

The company’s information security policy is to protect the company's intellectual property, raise the overall awareness of information security and enhanced corporate governance:

- (1) System Regulations: Formulate the company’s information security management system, regulate personnel operations, to establish a dedicated unit for information security and set up an information security supervisor and information security personnel.
The company has established a number of information security regulations and systems to regulate the personnel's information security operation. The company also regularly annually reviews whether the relevant systems accommodate the operating environment changes with the necessary adjustments made accordingly.
- (2) Technology Application: Establish information security management equipment and implement information security management measures.
For preventing external information security threats and adopting a segregated network structure design, the

company has built various information security protection systems to enhance the overall information environment security. The company has the operating procedures and information security system tools designed to help the internal personnel operate in conformity with the company's system specifications to substantiate the personnel information security management measures.

- (3) Personnel Training: Implement information security education and training to enhance all personnel's information security awareness.

The Company regularly announces "Information Security Management Regulations" and "Everyone is responsible for using legal software", and implements information security education and training courses for employees to enhance their awareness of information security.

Information Security Management Plan and Investments in Resources:

The information center is set up under the management support division of the Company with an information security supervisor and several information security staff to regularly review the implementation of the internal information security regulations and prevention of information security risks, and to hold regular information security meetings to track and discuss the implementation status and effectiveness of information security policies, and reports the information security governance overview in the "Information Security Committee." The company also complies with NIST information security frameworks, assesses information security threats and impacts, formulates security measures to enhance the overall information security environment..

The information security assessment is as follows:

- Information structure review: Check the appropriateness of relevant measures adopted for continuous operations, check whether the structure and maintenance mechanisms have the risk of a single point of failure, and conduct risk analysis of business on-going concern, and provide the information structure security assessment results with recommendations proposed.
- Network activity check: Check the access records of the network equipment system, and servers; check whether the account authorization comply with the internal control operational standard; check the abnormal records of identification and confirm alert mechanism.
- Vulnerability scanning : Regularly performing vulnerability scanning of external websites, network equipment, and servers and improving and repairing of the scan results to reduce the overall information security risk.
- Security setting check: Check the server (such as: Domain Services Active Directory) about the changes of "Admin authorization" and "Group Policy Distribution," and check whether the relevant changes are abnormal.
- Information security drills: Develop contingency plans in response to the information security threats, and perform regular drills to verify the feasibility and effectiveness of the relevant plan.. Ensure that the unit personnel can respond to the information security incidents in accordance with the contents of the contingency plans. To achieve all units of the Company implement the effects of information security protection.
- E-mail social engineering drills - for company personnel, send exercise e-mails, test, promote, and strengthen information communication safety education within the scope of internal security monitoring. The goal of a drill is to help the personnel understand the risks of using e-mail, improve their awareness of preventing social engineering attacks, and continue to rehearse in order to reduce the risks caused by social engineering attacks to achieve the purpose of protecting customer data and important operating information and services.
- Collection of Information Security Intelligence - Joined the Taiwan CERT/CSIRT Alliance to improve the Company's ability to collect, exchange, and analyze intelligence on information security, understand different types of information security threats and information on vulnerabilities, perform effective preventive measures for possible threats, and strengthen the Company's overall information security protection capabilities.
- Information security resource investment - The information security work group has been established (consisting of 1 information security supervisor and 8 members). Information security expenses account for 5 - 10% of the total information expenses.

Implementation in 2024:

- Four information security work meetings and information security committee meeting were held during the year to report on the implementation of information security policies, and there were no incidents that threatened information security during the year.
- System recovery exercises, social engineering exercises and information security incident exercises were regularly conducted during the year to enhance employees' reaction and awareness of information security. In 2024, the number of participants in the education and training courses on information security standards, planning, and equipment environment introduction was 1,203, with a total training time of 251 hours.
- The Company passed ISO / IEC 27001:2022 Information Security Management System Certification by the third-party organization SGS. The certification is valid from December 9, 2023 to December 9, 2026.

Information Security Outlook:

While facing the rapidly changing cybersecurity threats, the existing information security environment is affected by various emerging technologies' innovative applications. The "Information Security Committee" of the company will continue to coordinate various information security measures. The company will strive to comply with the governing law and regulations and improve all units' information security management capabilities. Regularly review the information security document specifications to improve the information security policy and objective, to budget for enhancing information technology security appropriately and ensure the company's operating system's high availability and protect the company's business secrets.

- (II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant information 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.

VII: Important contracts

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year:

(I) Long-term borrowing contracts

Nature of contract	Counterpart	Commencement dates and expiration dates	Major content	Restrictive terms
Financing	Land Bank of Taiwan	April 10, 2017 to April 10, 2032	Purchasing lands, buildings, and attached equipment	Pledged with lands and buildings
Financing	Hua Nan Commercial Bank	July 7, 2023 to July 7, 2025	Credit and secured credit contract	Mortgage with real estate
Financing	Xiamen Xiang'an Branch, Agricultural Bank of China Limited	October 30, 2023 to October 29, 2026	Highest limit of financing agreement for institution and the highest limit mortgage contract	Mortgage with real estate

(II) Other contracts

Nature of contract	Counterpart	Commencement dates and expiration dates	Major content	Restrictive terms
Investment contract	Non-related party	March 4, 2024	Invested RMB 85million	Confidentiality
Equipment sales contract	Non-related party	January 9, 2024	Used equipment for sale and the Company's liability for defects is exempted	Exemption from liability for defects Confidentiality

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

I. Financial position review and analysis (consolidated)

Unit: NT\$ (thousand)

Item \ Fiscal year	2023 fiscal year	2024 fiscal year	Difference	
			Amount	%
Current assets	11,688,158	11,431,862	(256,296)	(2.19%)
Investments accounted for using the equity method	49,138	59,761	10,623	21.62%
Property, plant and equipment	5,028,776	4,711,712	(317,064)	(6.30%)
Other assets	1,459,323	1,791,293	331,970	22.75%
Total assets	18,225,395	17,994,628	(230,767)	(1.27%)
Current liabilities	5,966,839	5,977,930	11,091	0.19%
Non-current liabilities	3,036,785	2,401,562	(635,223)	(20.92%)
Total liabilities	9,003,624	8,379,492	(624,132)	(6.93%)
Common stock	6,655,551	6,655,551	0	0.00%
Capital surplus	2,837,442	2,770,911	(66,531)	(2.34%)
Retained earnings	944,953	1,131,974	187,021	19.79%
Other components of equity	(1,216,175)	(943,300)	272,875	22.44%
Treasury stock	0	0	0	-
Non-controlling interests	0	0	0	-
Total shareholder's equity	9,221,771	9,615,136	393,365	4.27%

The main reasons for the significant changes (more than 20%) in assets, liabilities, and shareholders' equity in the last two years:

1. The increase in investments accounted for using the equity method was mainly due to the capital increase of affiliated companies.
2. The increase in other assets was mainly due to the investment in the domestic and foreign non-listed (OTC) companies.
3. The decrease in non-current liabilities was mainly due to the repayment of borrowing.
4. The decrease in other components of equity was mainly due to exchange gains from the translation of financial statements of foreign operating entities due to exchange rate fluctuations

II. Financial performance review and analysis (consolidated)

Unit: NT\$ (thousands)

Item \ Year	2023 fiscal year	2024 fiscal year	Increase (decrease) amount	Change ratio (%)
Operating revenue	17,769,982	20,872,571	3,102,589	17.46%
Operating cost	16,917,772	19,806,768	2,888,996	17.08%
Gross profit (loss)	852,210	1,065,803	213,593	25.06%
Operating expenses	1,129,631	1,213,458	83,827	7.42%
Operating profit (loss)	(277,421)	(147,655)	129,766	46.78%
Non-operating income and expenses	255,286	625,771	370,485	145.13%
Profit (loss) before tax	(22,135)	478,116	500,251	2260.00%
Income tax expense	(136,794)	291,095	427,889	312.80%
Net income (loss)	114,659	187,021	72,362	63.11%

The main reasons for the significant changes (more than 20%) in operating revenue, operating profit, and net profit before tax in the last two years:

The growth in operating revenue this year resulted in the increase in gross profit and the decrease in operating loss. In addition, the disposal of equipment and other benefits this year increased non-operating income, resulting in net profit.

III. Cash flow review and analysis

(I) Analysis of changes in cash flow in recent years (consolidated)

Item \ Year	2023 fiscal year	2024 fiscal year	Increase (decrease) ratio (%)
Cash flow ratio (%)	5.33	33.74	533.02%
Cash flow adequacy ratio (%)	30.29	57.08	88.45%
Cash flow reinvestment ratio (%)	1.04	9.50	813.46%

Description of changes in the increase/decrease ratio (not applicable if the increase/decrease ratio is less than 20%):
Mainly due to the significant increase in net cash inflow from operating activities this year.

Analysis of changes in consolidated cash flow in 2024

Unit: NT\$ (thousands)

Cash and cash equivalents balance at the beginning of the period	Yearly net cash flow from operating activities	Yearly net cash flow from investing activities	Yearly net cash flow from financing activities	Cash balance amount (Including effect of exchange rate)
5,332,533	2,017,109	(315,804)	(1,290,362)	5,871,695

(1) Operating activities: Mainly due to the growth in the operating revenue this year.

(2) Investing activities: Mainly due to the investment in the domestic and foreign non-listed (OTC) companies.

(3) Financing activities: Mainly due to repayment of borrowings and payment of cash dividends.

(II) Improvement plan for insufficient liquidity: No cash shortage issue.

(III) Analysis of cash liquidity in next year (consolidated)

Unit: NT\$ (thousands)

Cash balance at the beginning of the period (1)	Yearly net cash flow from operating activities (2)	Yearly net cash flow from investing and financing activities (3)	Cash Surplus (Shortage) (1)+(2)+(3)	Remedies for cash shortage	
				Investment plan	Financing plan
5,871,695	700,000	(1,430,000)	5,141,695	None.	None.

1. Analysis of the 2025 cash flow:

Under the precondition of maintaining stable cash liquidity, the company will prudently plan and control various cash expenditures related to investment and operations with the considerations of the cash balance, cash flow from operating activities and investing activities, and financial market conditions. And the Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

- (1) Operating activities: Under the precondition of maintaining stable cash liquidity and financial structure, the Company continuously expands business and develops niche products with high value-added effect continuously that helps improve profitability continuously. Therefore, the company expects that operating activities will be with a net cash inflow after booking the depreciation and amortization expenses without cash outflow.
- (2) Investing activities: Refers to the acquisition of additional production and factory equipment, and periodic replacement and addition of production equipment. And to repay other long-term loans by other financial assets (time deposits) step by step.
- (3) Financing activities: The remaining funds will be used to gradually repay bank loans and pay cash dividends or implement capital adequacy measures after the net cash inflow from operating activities and investing activities be used to finance investment expenses such as the purchase of additional equipment.

2. Remedy for expected cash shortage and liquidity analysis: Not applicable.

IV. The impact of significant capital expenditures on financial operations in the most recent year

- (I) The implementation of significant capital expenditures and the source of funds: There is no single significant capital expenditure exceeding 20% of the capital or NT\$1 billion in the most recent year.
- (II) Expected benefits: Not applicable.

V. Investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the improvement plan, and investment plans for the coming year

The company's investment policy meets the mid-term and long-term development strategy and operational needs to seek appropriate strategic partners. The main scope of investment is the upstream and downstream companies related to the company's industry or industrial companies related to operational development strategies. The net investment loss recognized under the equity method in the Company's 2024 consolidated financial statements was NT\$6,559 thousands. The main reason for the loss is that the company's maintenance costs were high in the initial stage of its business and its business is currently being expanded.

There was no investment in company for an amount exceeding 5% of the paid-in capital conducted in the most recent year.

VI. Risk Issues for the Most Recent Year until the Publication Date of the Annual Report

- (I) The impact of changes in the interest rate, exchange rate, and inflation on the company's profit and loss and future countermeasures

1. Impact of changes in interest rate

The company expects the scale of operations to grow continuously and the demand for working capital will go up. The company has applied to the cooperating banks for credit lines as a source of funds for future working capital needed. Therefore, the impact of changes in the company's interest rate mainly comes from the floating interest rate debt for supporting the operating and investing activities. The changes in the market interest rate will also cause the floating interest rate to change. However, the company will assess bank loan interest rates occasionally and maintain a good relationship with banks to obtain more favorable interest rates, and adjust the implementation of funds according to the changes in interest rate in a timely manner in order to reduce the impact of changes in interest rates on the company's profit and loss.

2. The impact of changes in the exchange rate

The company's sales revenue and procurement expenditures are mainly denominated in U.S. dollars. The effort of offset assets in foreign currency against liabilities in foreign currency is to achieve a natural hedging effect of foreign currency net position. The company will also pay close attention to information related to exchange rate fluctuations and grasp exchange rate trends in real-time. The company will adjust the positions of assets and liabilities in foreign currency in accordance with global macroeconomy, exchange rate, and future capital needs; also, adopt a combination of spot and forward foreign exchange transactions to hedge foreign currency fluctuation risks in order to reduce the impact of exchange rate risks on the company's profit and loss.

3. Inflation effect

The company will focus on developing new products and reducing costs in response to the impact of raw materials price increase. The company will continue to pay attention to domestic and international inflation and adjust inventory and production capacity in a timely manner to reduce possible risks.

(II) Policies on transactions involving high risks, highly leveraged investments, funds lending to others, endorsement or guarantee and derivatives, the main reasons for the profit or loss of these transactions and future countermeasures

1. The Company and the subsidiaries are not engaged in high-risk and high-leverage investments. Funds allocation and hedging activities are carried out in accordance with the principle of conservativeness and stability.

2. The company and the subsidiaries, when engaging in the funds lending to others, endorsement or guarantee and derivatives, in addition to complying with relevant operating procedures, regularly handle announcements and reporting in accordance with the regulations of the competent authority.

(1) Funds lending to others: As of the publication date of the annual report, the Company and subsidiaries had made no funds lending.

(2) Endorsement or guarantee: As of the annual report's publication date, the Company and its subsidiaries had made no endorsements/guarantees.

(3) The company engages in derivatives transactions in accordance with the positions arising from the company's operations to hedge market risks and reduce the company's operational risks. Also, it is handled in accordance with Chapter 3 regarding the control of derivatives transactions of the "Procedures for the Acquisition or Disposal of Assets."

(III) Future research & development projects and corresponding budget

1. Future research & development projects

Develop three major directions of new-generation panel module/backlight module technology, display technology and optical design applications in new fields, and precision component plastic materials, by taking advantage of the Group's dominance in the panel industry and accommodating the company's operational development plans and future R&D directions.

(1) New-generation panel module/backlight module technology:

Build up the technology development capability of direct thin/side-light LED B/L, mass production technology of related components (such as light-guiding plate, LGP) and new LGP pattern processing technology; pursue ultra-brightness of the display, upgrade product standby time, and integrate the internal plug-in technology of iron parts and plastic frame to have a big screen/backlight liquid-crystal display (LCD). The deployment of LCD backlight applications will be developed in line with the needs of customers; also, prepare for the technology development and mass production of the LED-TV/MNT/NB/GD/PID/CAR and deployment of key components by taking advantage of the established technology energy, such as precision mold technology, ultra-precision process, optical mechanical design, and mass production of key components.

(2) Application of display technology and optical design in new fields:

In addition to the application of televisions, personal computer monitors, notebook computers, public information displays, electronic paper display, and label, through the integration of display technology, optical design, and software services, expand the market for new applications, such as smart stop sign systems, electric vehicles market (car display, smart traffic display including Location-Based Service (LBS) software integration), medical display, IoT integration system, etc., through vertical integration, and meet customer's demand for customized products. Develop 3D sensing components by combining ultra-precision processing and micro-component optical design, as well as UV micro-printing. Implement programmable chips application technology into the system. In terms of image processing, utilize hardware acceleration to make the processing performance more promptly and more flexible; also, expand the market for new applications in order to enhance profitability and seize opportunities for business transformation.

(3) Precision components:

Precision molding technologies created with monitors and backlight modules, ultra-precision processing technology and micro (or nano) imprinting, precision injection molding, and other processing technologies were used to develop precision optics as well as touch control and microstructured components to apply in the optoelectronics, semiconductor, and medical industries.

(4) Three-stage goals are planned according to the R&D schedule:

a. Short-term goal:

Focus on the cultivation of R&D talents, form R&D and process teams, and take advantage of the Group's dominance in panel business to vertically integrate and deploy the key components of the panel - backlight module- TV/display unit in order to upgrade product quality, reduce costs, improve production yield rate, strengthen cost competitiveness, expand technical integration services for customers, win over more partners, and expand IoT system integration business. Based on the excellent components development capabilities to expand customer base, increase system products, and increase its profitability.

b. Mid-term goal:

Develop more competitive key components and customized-design services by taking advantage of the core competence of precision machinery including cooperation with the software and hardware functional system integration service design of the electronic industry. Initiate patent deployment comprehensively, take charge with innovative technologies, increase the added value of products, and strive to maximize the company's profits.

c. Long-term goal:

"Passion·Quality·Innovation" is the business philosophy of the company. The R&D team has become a value-creating integrator or a valuable team integrated with continuous innovation, continuous improvement, and value creation as its backbone. The R&D team has actively constructed a new stage for cultivating and integrating innovation capacities, enhanced the overall competitiveness of the optoelectronic industry in Taiwan, created employment opportunities, taken into account the development of green energy design technology, and fulfilled corporate social responsibility.

2. Estimated research and development expenses

The company, for achieving the concept of sustainable operation, plans to invest in R&D expenditure for NT\$424,000 thousand in 2025, especially for the investment in R&D personnel training that will be budgeted gradually according to the development of the planned new product and new technology; also, it will be adjusted according to the overall market environment and actual business operation in order to ensure the company's competitive advantage.

(IV) Effects of and response to changes in domestic and foreign policies and regulations relating to corporate finance and sales:

The company has conducted daily operations in compliance with relevant domestic and foreign laws and regulations. Also, it pays attention to the development and trends of domestic and foreign policies and changes in law and regulations. It adjusts the company's internal relevant systems to fully grasp and respond to changes in the market environment. As of today, the company's finance and sales has not been significantly affected by the changes in domestic and foreign policies or the law.

(V) Effects of and response to changes in technology (included information security risk) and the industry relating to corporate finance and sales

Although the Company has established comprehensive network and computer-related information security measures, in the face of rapidly changing information security threats and the advancement of new technologies, the Company cannot guarantee that its control of critical computer systems, such as that for manufacturing operations and accounting, will be completely protected from malicious cyber attacks and theft of business secrets by third parties. The Company will continue to task the Information Security Committee to coordinate information security measures, review and evaluate information security regulations and procedures to ensure their appropriateness and effectiveness and to protect the Company's business secrets.

Backlight modules and TV/display systems are the main products of the company. We also vertically integrate the development and manufacturing of parts and components with the core technologies of precision tooling, complete machine software/hardware and mechanism design. Along with the prosperous development of the LCD industry, the popularization of LED light sources, and the trend of interactive smart networking functions, the company's product development is also aimed at innovation and diversified operations; also, the company constantly pays attention to the technological changes and technological development of the industry and quickly grasps the industry development, continuously improves research and development capabilities, and actively expands new technology derivative applications in response to the impact of technological changes and industrial changes on the company.

2024 achievements

1. MNT LGP-related technology adopts a hot rolling process to improve cost competitiveness and make the differentiation. It was verified in 2024Q2 and has been produced in 2024Q4.
2. MNT narrow border LCM, developed with high-precision printing LGP and high scattering ink, has been put into

production in 2024Q4.

3. The automotive ODM E-Lite Backlight 9"/12.3"/15 and the development of the Company's in-house iron-plastic self-made parts have successfully won orders from major panel manufacturers. It has been produced in 2024Q3.
4. Automotive ODM Mini-LEDs Backlight 9.9"/16"/17"/41.7" with MLP & Cavity and other new technologies can effectively improve product efficiency and reduce the Halo Effect. It is expected to be produced in 2025Q4.
5. The switchable viewing angle automotive Backlight has been favored by foreign Tier 1 leading manufacturers. There are three models of 12" left/right drive and 10.9" right drive models. It is expected to be fully produced in 2026Q2.
6. The front light module's continuous development is with new LGP pattern processing technology adopted, which can effectively improve the brightness and contrast, greatly improve the screen reading visibility of the front light module. The company is committed to developing green energy products. The product has been successfully implemented in 7.8" / 10.1" / 13.3" reflective LCD modules.
7. 7" portable photography auxiliary display. It can be used on the set of a film or by self-media creatives. The high brightness of 2000 Nits enables the monitor to display clearly under strong outdoor light. The fanless design allows the machine to operate without noise and does not affect the sound recording of videos. The flagship photography assist function allows users to more easily ensure that the exposure and focus of the image are correct, and that the composition of the shot is as expected. The built-in 3D Lut function allows users to view the effect after applying the filter. There are also other functions that allow users to process images to assist them in completing the shooting. The development of accessories (rabbit cages and lens hoods can provide a more comprehensive user scenario.
8. A series of display modules (Open Frame) 15.6"/ 21.5"/ 23.8"/ 27"/ 32"/ 43"/ 55" (LCM + AD board[optional] + Power board + Touch Panel[optional]).
9. 75" high luminance energy-saving display module, with 4000 nits and 200 zone local dimming, is suitable for outdoor scenarios.
10. The patient card for smart wards, certified by Kuang Tien General Hospital and China Medical University, has been developed to reduce the burden of medical personnel.
11. A large language model (LLM) and transparent display are combined to develop translation and two-way customer service, and are being used in important transportation areas such as Taoyuan Airport, Songshan Airport, Xiaogang Airport, Taipei Main Station, and Taoyuan MRT.
12. 210 solar-powered smart bus stops were completed in Taichung City and Hsinchu City, and an overseas demonstration conducted in Okinawa, Japan.
13. Completed the large-scale display and AI application integration solutions, integrating smart signage, shelf labels, ultra-thin LED screens, combining multi-modality and generating display AI to provide a complete smart retail solution to increase sales volume at Hands Tailung, Miramar.
14. The large-scale display of traffic information boards and two-way translation project of highway buses at Taoyuan International Airport.
15. The large-scale integration project was completed at Kaohsiung Port Warehouse No.2. According to the characteristics of the site, a large curved LED display interactive program, installation art made with 70 pieces of electronic paper, electronic paper signage corridors, transparent displays, and long outdoor rigid displays, as well as charging points and a Line push system, enhancing the experience of the tourists.
16. Microneedle roller technology and samples have been developed and can be used for medical aesthetics applications.
17. The Bio-Chip system solutions and samples have been developed, which can be used as an alternative to animal testing, new drug development, and personalized precision medicine related applications.
18. Elevator UFO TOUCH non-contact button was introduced into Taipei 101 Shopping Mall and won the Taiwan Excellence Award. UFO TOUCH can be applied to global public health security needs. Based on the three-dimensional floating image, the floating button can be triggered by lightly touching the floating image with a sense of futuristic and technological sense, achieving a more intuitive and user-friendly operating experience. In today's anti-pandemic environment, UFO TOUCH technology has brought a major change to the operation of elevator buttons. Users can easily trigger the button without touching the button, thereby greatly reducing the risk of virus transmission. At the same time, zero contact reduces the transmission route and provides users with a safer and friendly environment.

Direction of development in 2025

1. Actively search for new fields and new businesses with the existing design/manufacturing capabilities.
The company has sufficient experience in electronic system/mechanical/optical design and comprehensive mold development/component manufacturing/module assembly. Therefore, the company has based on the one-stop design/production practice to explore new fields (such as IoT/automotive market/ medical display/traffic information board, etc.) in order to have the business operation transformed and a new business created.
2. In response to the trend of big screens and long standby notebook models, the company has integrated the optical design and new pattern processing technology to upgrade the LGP luminous efficiency. We also developed a new brightness enhancement film to further improve the efficiency of the backlight module, and reduced the power consumption to meet long standby demands. As product penetration increases, increase options for future product applications The combination of thin board made of material with low water absorption and mechanical design is to narrow down the gap between parts and effectively reduce the edge of the module for a big screen that can help

increase the company's competitiveness and enter the high-end application market.

3. In recent years, with the popularization of new energy vehicles, the number and size of automotive displays have increased significantly. Combining optical design and ultra-precision processing technology, our current target is on the three major applications in high value-added backlights with switchable viewing angles, Mini-LED backlighting, and curved surfaces. A project R&D and sales team has been assembled to make plans for accelerating product promotion. A number of Tier 1 companies have already expressed great interest in Darwin's technology, and we expect to expand our sales channels in the automotive field and increase the Company's profits.
4. Aim for high-end MNT LCM, with two main targets: four-sided borderless high-end panels and LCD modules with high color saturation and low blue light. It is hoped to gradually change the product group and increase gross profit.
5. Programmable logic gate technology was applied to develop functions that general ASICs (Application Specific Integrated Circuits) could not support, and they were applied on products. For example, auxiliary monitors for photography. It can also respond to the plan for diverse products with a small quantity demand where the functional requirements of products vary greatly; therefore the features of programmable chips can be used to plan circuit designs to meet the different product functions, increasing the flexibility of hardware and software designs significantly. We will continue to optimize existing IP and develop new IP in 2025.
6. System Board Development for Various Types of Monitors
For future various monitor demands and custom applications, the development of system boards can meet the diverse changes and demands of customers, and various effective solutions can be provided. In addition, the development and design of System Board standards can also be incorporated into the design in order to provide a solution that is more affordable.
7. Develop peripheral products related to photography auxiliary displays, to enhance the user experience and increase the competitiveness of display products.
8. Conduct research and function development verification for the needs of some individual fields (such as military regulations, navigation, transportation, medical treatment, etc.). Such as sunshine requirements, salt spray requirements, vibration requirements, strong requirements, etc. In the hope to expand the application of displays in new fields.
9. To meet the ESG requirements, we will assess new technologies for high luminance products, with the aim to achieve the goal of increasing the number of local dimming zones and reducing the overall power consumption.
10. Integrate software/hardware/institution/optical design capabilities, develop the whole machine products.
11. Multi-Camera Multi-Object Tracking (MCMT): The MCMT technology is used to track ships, and solve the abnormal ship management in the port, and monitor the port's navigation safety. In terms of road traffic, the traffic flow can be analyzed to solve safety and traffic congestion problems.
12. Large Language Model (LLM), and the use of knowledge distillation and other technologies to achieve model miniaturization, which applied to smart customer service and other areas, to create a new human-machine interface.
13. The microneedle patch and roller moves to production stage. Samples are first moving towards the field of medical aesthetics, and research and development of whitening and anti-wrinkle skin care products are being carried out. Later, they are developed into the field of medicine and pharma.
14. The Bio-Chip system solutions technology continues to focus on potential projects, cultivate different types of application fields, develop micro-channel simulation technology, and simultaneously integrate the development of chip and observation system equipment, hoping to provide one-stop service for downstream customers and shorten the time for customers to develop new products.
15. The UFO touch technology has been widely used in the elevators of Taipei 101 shopping mall, and is now being actively expanded to more end-users such as hospitals, department stores, construction companies, and other public venues. The medical field has high requirements for public health and safety. The UFO TOUCH has effectively reduced the risk of cross-contamination, further improved the safety standards of the medical environment, which will become a key momentum for the acceleration of hospitals and related institutions to adopt this technology. With continued breakthroughs, UFO TOUCH technology can be applied to ticket machines and POS cash registers in the future, so that the technology of floating images seen in futuristic movies can be truly incorporated into reality, bringing a new experience for public health and technology innovation.

(VI) Impact of change in the corporate image on crisis management, and countermeasures

The company, since the incorporation, has complied with relevant law and regulations, actively strengthened internal management and improved management quality and performance. It has also maintained a harmonious labor-management relationship to maintain a good corporate image. No event affected the corporate image as of the annual report's publication date.

(VII) Expected benefits from, risks relating to, and response to merger and acquisition plans

The company and the subsidiaries did not have any merger and acquisition plan implemented as of the annual report's publication date.

(VIII) Expected benefits from, risks relating to, and response to factory expansion plans

The company and the subsidiaries did not have any major plant expansion plan implemented as of the annual

report's publication date.

(IX) Risks relating to and responses to excessive concentration of purchasing sources and excessive customer concentration

1. Risks relating to and responses to excessive concentration of purchasing sources

LCD monitor & modules and optronic products & precision component are the main products of the company. The raw material procurement strategy is to have two or more suppliers for each key material. Domestic and foreign suppliers are recruited by the company that allows the company to decentralize procurement with a good cooperation relationship maintained; therefore, there should be no risk of concentration of purchases.

2. Risks relating to and respond to excessive customer concentration

The company's revenue is generated mostly from LCD monitor & modules and optronic products & precision component. The 2024 consolidated revenue was approximately NT\$20.87 billion, of which LCD monitor & modules accounted for about 79.27% and optronic products & precision component accounted for about 20.73%. The backlight module and panel final assembly are the core to liquid crystal display; therefore, the mode of cooperation with panel manufacturers is crucial. The company has the technology development of iron plastic parts, molds, and LGP, a complete supply chain of backlight module assembly and final panel assembly, and the support of upstream panel factories; therefore, the core technology in the supply chain of the company has given the company an edge in market competition. The company is also actively cooperating with major brand manufacturers and successfully completed the product verification by major manufacturers in Japan, South Korea, and China with a new source of revenue created. The company's production bases are located in East China, South China, Taiwan, and Southeast Asia; therefore, the risk relating to excessive customer concentration is minimized. Furthermore, The major customers of the Company are centralized in the LCD optoelectronic products industry, thus the credit risk is significantly centralized. The Company continuously evaluates its customer's financial position and actual collection situation, and, if necessary, the Company flexibly uses credit protection tools such as advance receipt, transfer of accounts receivable claims, credit insurance, or requires the customer to provide collateral or guarantees to reduce the customer's credit risk. The current credit risk is within management's expectation of control.

(X) Effects of, risks relating to, and response to large share transfers or changes in shareholdings by Directors or Shareholders with shareholdings of over 10%

There was no large share transfer or change as of the publication date of the annual report. If any, the share transfers or changes are normal financial management of the shareholders that do not have any impact on the company.

(XI) Effects of, risks relating to, and response to the changes in management

There was no change in management occurred to the company as of the annual report's publication date.

(XII) For litigation or non-litigation cases involving the Company, Directors, General Manager, actual persons in-charge or major Shareholders with a stake of 10% or more and affiliated companies that have been concluded or are still pending and have a material impact on the Shareholders' interest or security prices, the disclosure should be made regarding the content of the disputes, the sum of penalty or claim, the commencement date of the suits, the parties involved and the status as of the publication date of the annual report

1. The litigation, non-litigation, and administrative litigation cases of the company that are still pending currently:

The company and the affiliated companies have no major litigation, non-litigation or administrative litigation cases concluded or pending that may have a material impact on the shareholders' interest or security prices.

2. The litigation, non-litigation, and administrative litigation cases involving the company's Directors, Supervisors, and major Shareholders with a stake of 10% or more that may have a material impact on the Shareholders' interest or security prices:

The events related to the company's corporate director, AUO Corporation. (hereinafter referred to as "AUO"), are explained as follows:

(Data source: The 2024 Annual Report of AUO)

Patent Litigation

Phenix Longhorn LLC ("Phenix") filed a lawsuit in October 2023 in the U.S. District Court for the Eastern District of Texas against two companies, including AUO, alleging infringement of certain U.S. patents related to LCD panel manufacturing owned by Phenix. The lawsuit seeks unspecified monetary damages and an injunction against future alleged infringements. AUO intends to actively defend itself in this case, but the final outcome remains uncertain. The Company continues to evaluate the substantive content of this litigation.

Antitrust Civil Litigation

In May 2024, Nanjing LG New Port Display Co., Ltd. and seven of its affiliated companies (plaintiffs) filed a

civil lawsuit against several LCD manufacturers, including AUO, in the Seoul Central District Court in South Korea, alleging overcharges and seeking damages. In November 2023, the initial trial court in South Korea ruled that AUO must pay the plaintiffs approximately KRW 29.099 billion plus interest. This case stems from a derivative civil litigation related to the LCD antitrust case that concluded in 2006. The lawsuit has been ongoing since the plaintiffs initiated the claim in 2014. AUO filed an appeal in December 2023 and deposited a guarantee of KRW 29.099 billion plus interest with the court in January 2024. The plaintiffs also filed an appeal in March 2024. At this stage, the final outcome of the case remains uncertain, and AUO continues to assess the substantive content of this litigation.

Non-Litigation Matters

Since 2010, there have been environmental proceedings relating to the development project of the Central Taiwan Science Park in Houli, Taichung, which AUO's second 8.5 generation fab is located at (the "Project"). The Environmental Protection Administration ("EPA") of the Executive Yuan of Taiwan issued the environmental assessment and development approval on November 6, 2018. On October 24, 2019, the Appeal Review Committee of the Executive Yuan rejected the administrative appeal filed by five local residents. On December 24, 2019, the residents filed an administrative action for invalidating the environmental assessment again and the Appeal Review Committee of the Executive Yuan ruled in the residents' favor on July 21, 2022 and invalidated the environmental assessment approval. The EPA filed an appeal in the Supreme Administrative Court on August 17, 2022. The Company will continue to monitor the development of this event.

Impact Assessment

As of the publication date of this annual report, AUO evaluates the reasonableness of recognizing expenses based on the nature of each case, the materiality of potential losses, case progress, and opinions from professional advisors during each financial reporting period, making necessary adjustments as deemed appropriate. However, the final amounts will only be determined upon the conclusion of the related cases. AUO intends to actively defend against the ongoing lawsuits that have not been settled, but the final outcomes remain uncertain, and the potential losses (if any) cannot be accurately estimated at this time. The Company continues to assess the substantive impact of these lawsuits. Additionally, AUO is involved in other litigation cases arising from normal business operations, but these cases are not expected to have a material adverse impact on the Company's operations.

(XIII) Other important risks, and mitigation measures being or to be taken

Risk Management

Risk management is an important part of maintaining business operations. The company acknowledges the existence of risks and is committed to implementing various policies and measures to reduce risks in order to create sustainable value for stakeholders and business opportunities for the company. The company, for effectively strengthening risk management, has constantly paid attention to the industry trends and market changes, grasped the trend of risk changes, and formulated management and control strategies and practices for major potential risk scenarios; also, regularly confirm and track the effectiveness of inspections in order to pursue optimized management cost-effectiveness within the acceptable risk.

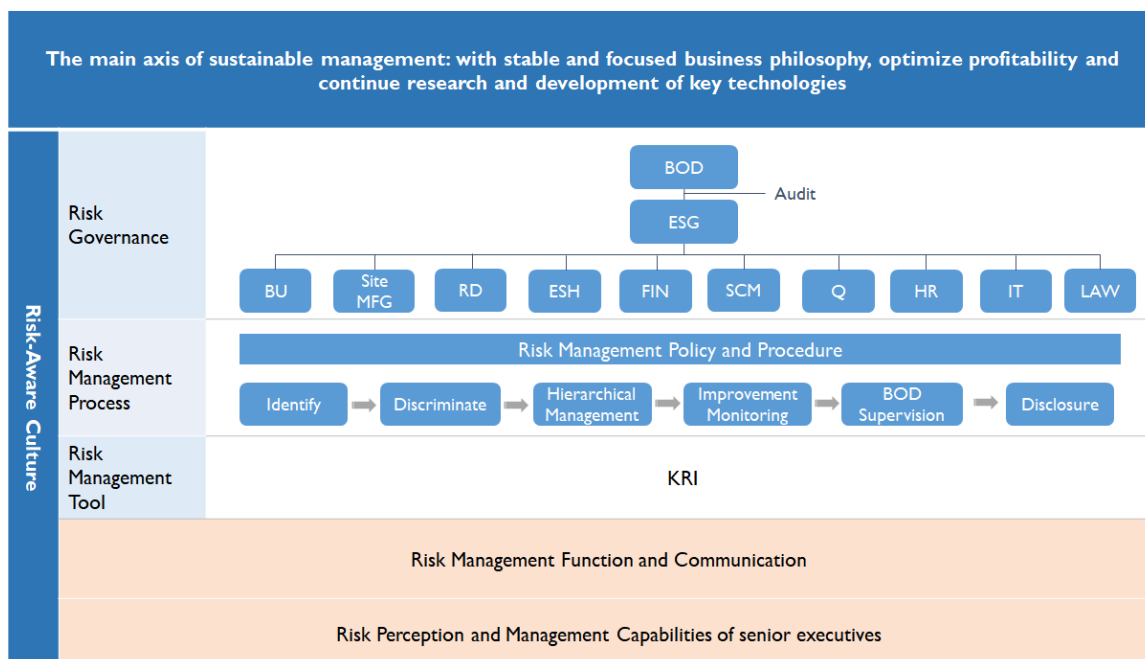
The company and the subsidiaries, while engaging in operating activities, should carefully review potential internal and external risks from the perspective of sustainable corporate operations; also, formulate relevant operating standards in accordance with the company's "risk management policies and procedures" to identify, measure, control, and monitor the potential business risks, to implement the operation of the risk management mechanism, and to enhance the risk management effect.

The company has established an environmental safety and health management system and environmental safety and health policy. The company has also organized an occupational safety and health committee at each plant's head office. The risk assessment items include: occupational safety and health, automatic inspections, operating environment monitoring, hazardous substances management, greenhouse gas emissions policy and management, resource management, disaster response drills, education and training, etc.

Risk management organization structure:

The company's ESG Committee is responsible for the integration of company-wide risks, and through the participation of the department of sales, manufacturing unit in each plant, R&D, safety and health management, finance, materials, quality, human resources, information, and legal affairs and audit, conducting risk recognition and identification analysis on the possibility and extent of potential losses internally and externally in order to achieve risk control, such as avoiding potential losses, preventing losses, or reducing losses, so to substantiate decentralized and responsibility-sharing risk control and audit management.

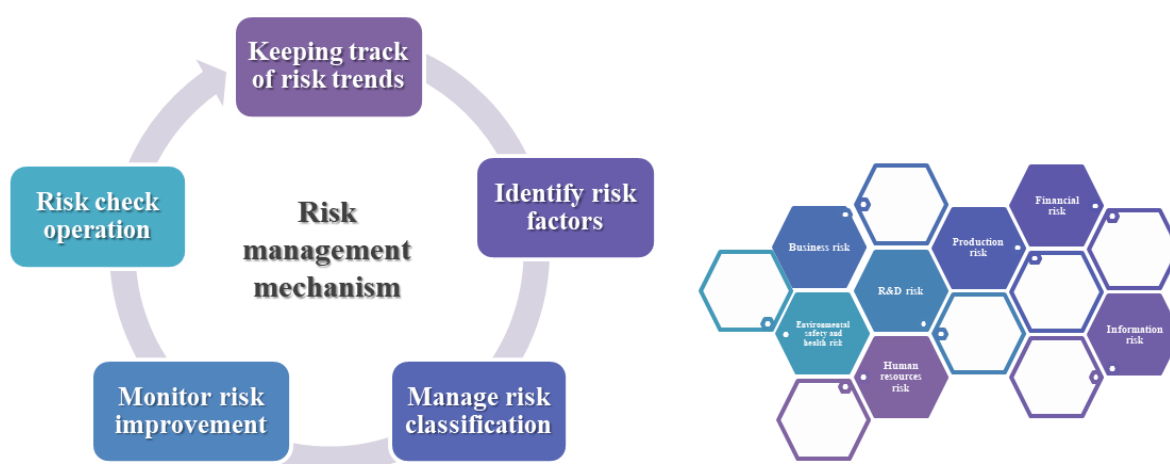
The identification and analysis, prevention, and monitoring of overall risks or major risk management and control issues should be reported to the board of directors at least once a year, and to report the implementation of specific promotion plans and implementation results. Through the supervision and guidance of the Board of Directors, we will implement the prevention of major risks of the Company to ensure the management cycle of "planning, execution, inspection and action", so that the operation can effectively achieve the benefits of risk control.



Risk management category:

The company's risk management scope includes but not limited to operational risk, market risk, environmental safety and health risk, financial risk, human resource risk, information security risk and other risks that may cause significant losses to the company; also, the company continues to pay attention to the development of domestic and foreign risks in order to grasp risk trends and identify emerging risks.

The company's risk management process includes: risk category identification, risk analysis and measurement, risk improvement monitoring, and risk reporting and disclosure.



Risk identification and responsive strategy:

Risk identification operations are conducted annually to assess the short-, medium- and long-term risks faced by the company from the perspective of sustainable operations. Low-risk items are controlled by each unit, while medium- and high-risk items are reported at the company's operation and management meeting to evaluate the impact on the company's operations and sustainable development.

The risk identification process of the Company is as follows: the supervisors of each unit or functional organization evaluate the possible or potential risks from daily operations or internal and external information, and after concentrating and compiling them, the supervisors at the division level or above conduct the identification of significant risks by means of questionnaires, and compile the main areas of concern.

Risk category	Focus	Prevention mechanism/Responsive strategy
Strategy risk	Technology development and product strategy	<ul style="list-style-type: none"> Grasp the market trend of advance layout of new products and core technology application development, and to ensure the speed of research and development and cost control Establish effective product development management mechanism, regularly measure cost effectiveness and

Risk category	Focus	Prevention mechanism/Responsive strategy
		review and adjust product development technology direction • Develop high-end products, strategic alliances and cooperation to enhance the competitive advantage of products
	Retention of key talents	• Formulate a talent retention plan to ensure the sustainability of the company's operation and talent development. • Retain key talent through company incentives, training programs and a friendly workplace environment
Business risk	Business promotion and market competition	• Focus on market competition, enhance customer communication to improve satisfaction and reduce customer turnover • Analyze market trends, business models and industry chain exchanges to grasp the market situation and develop potential markets and customers • Enhance the collection of customer financial information and business intelligence to reduce the risk of material preparation and bad debts
	Manufacturing and quality management	• Real-time manufacturing process inspection and defective product handling to reduce operational resources and costs • Regularly review the manpower plan to maintain the manpower stability and flexibility of manpower deployment in the production line to further improve the quality yield • Conduct customer VOC calls or visits regularly, grasp customer voices in advance, and anticipate prevention management
	Purchasing and inventory management	• Strengthen the risk and management mechanism of material breakage in production lines, including the introduction of localized supply chain, prepared material sources and off-site production • Strengthen the bargaining power and effectively predict the price fluctuation of raw materials in the market, and grasp the cost trend • Optimize the internal production and sales coordination and material preparation mechanism, supply chain delivery, and provide real-time feedback and adjustment to reduce the risk of defective materials
	Implementation of regulations follow	• Each unit fully understands and implements the laws and regulations in its field and keeps abreast of new trends to reduce the risk of violations, such as: labor and human rights, environmental protection and occupational safety, trade secrets and intellectual property rights, financial accounting, etc.
Emerging risk	Climate change and carbon management	• Promote green products and continue to conduct greenhouse inventory and promote energy-saving measures • Ensure that the company's products continue to comply with international green product regulations and customer requirements, formulate green specifications for materials, and control through the green management platform
	Information safety management	• Strengthen off-site backup and firewall security to avoid attacks, establish endpoint protection mechanisms, and continue to promote information security concepts • Implement the information security regulations of employee to avoid leakage of important secrets • IT equipment stability and data backup management to avoid system maintenance interruptions affecting production and operations
	Disaster and power outage response	• Establish backup energy and equipment protection mechanisms to maintain plant uninterrupted operations

Risk category	Focus	Prevention mechanism/Responsive strategy
		<ul style="list-style-type: none"> Improve energy efficiency and renewable energy installations to maintain stable power supply and reduce production risks

Implementation of risk management:

- (I) The company has the business operating results and overall strategy discussed at the top management meetings quarterly and occasionally to continuously implement the identification, analysis, and classification of risk matters within the scope of risk management; also, strengthen risk response capabilities for having the company's overall risk controlled effectively.
- (II) The company's quality center supervises each unit to regularly review the content of the relevant operational specifications regulated annually in order to identify changes in environmental conditions promptly and achieve the effectiveness of the operational specifications.
- (III) The company continues to enhance all personnel's risk awareness and recognition through employee education and training. The relevant courses arranged in 2024 are as follows:

Course content	Number of trainees in 2024	Total training hours
Environmental safety and health education and training	18,914	18,980
Information security regulations, planning, and equipment and environment introduction	1,203	251
Basic legal knowledge	97	38.4

VII. Other major items: None.

Chapter VI. Special Disclosure

- I. Information about affiliates
Already reported to the MOPS (<https://mops.twse.com.tw/mops/#/web/home>) in accordance with the law. Please refer to: MOPS > Single Company > Electronic Document Download > "Affiliated Enterprises Disclosure Section" for information.
- II. Consolidated Financial Statements of Affiliates:
Already reported to the MOPS (<https://mops.twse.com.tw/mops/#/web/home>) in accordance with the law. Please refer to: MOPS > Single Company > Electronic Document Download > "Financial Statements" for information.
- III. Affiliation Reports: Not Applicable.
- IV. Private placement of securities handling status during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.
- V. Other items that must be included: None.
- VI. Other disclosure items:
Any event that results in substantial impact on the shareholders' equity or prices of the Company's securities as prescribed by Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that have occurred in the most recent year up to the publication date of this Annual Report: None.

DARWIN PRECISIONS CORPORATION

Representative: Kuo-Hsin (Michael) Tsai

