



# **2024 Annual Report**

**Weltrend Semiconductor, Inc.**

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# Chapter 1 Letter to Shareholders

## I. 2024 Business Performance Analysis

At the beginning of last year, we anticipated that 2024 would be a favorable year marked by solid growth. At the time, our outlook was primarily based on inventory levels having reached a reasonable level, with demand expected to drive growth. Unexpectedly, the explosive growth of AI became the dominant theme throughout the year.

According to World Semiconductor Trade Statistics (WSTS), the total revenue of the global semiconductor market in 2024 was US\$627.6 billion, which was a 19.1% growth compared to 2023. Meanwhile, the output value of Taiwan's IC industry, as estimated by the Industrial Technology Research Institute (ITRI), reached NT\$5.3151 trillion in 2024, representing a growth of 22.4% compared to 2023. Among them, TSMC alone recorded a remarkable annual revenue of NT\$2.8943 trillion, accounting for 54.45% of the entire industry's total. With a year-on-year growth rate of 33.89%, the company's pivotal role as Taiwan's "Silicon Shield" has become even more pronounced. In addition, the output value of the IC design industry reached NT\$1.2721 trillion, representing a 16% growth compared to 2023. Among them, MediaTek Inc., the leading company in the IC design sector, reported revenues of NT\$530.6 billion, reflecting a 22.4% year-on-year growth and accounting for 41.7% of the entire IC design industry's total revenue. It can be said that these two superstar companies played a dominant role in driving the growth of Taiwan's IC industry last year.

The overall industry landscape for 2024 has been outlined as described above. From an individual perspective, small- and mid-cap stocks within the IC design industry exhibited both growth and decline, primarily depending on the nature of their products. For instance, if consumer-grade MCUs target the Chinese market, they will experience more significant declines. In the consumer market—such as game consoles—IC shipments also experienced significant declines, likely due to excess inventory in the supply chain and the impact of product life cycles. Within the Company's power management product line, while USB Power Delivery (USB PD) products achieved steady growth driven by continued increases in market penetration, demand for gaming console applications showed signs of weakening, thereby limiting overall growth. It is worth noting that within the Smart Application product line, the Company's fan motor control ICs have secured a significant position in the market—thanks to technological leadership and the strong demand for thermal solutions in AI servers. Both the head office and subsidiary, Sentelic Corporation, have established a notable presence in this domain.

The Company's key financial figures and explanations for 2024 are summarized as follows:

1. The comparison of the 2024 and 2023 business performance:

Unit: NT\$ thousands

	2024	2023	Growth rate
Net sales	2,622,388	2,456,755	6.74%
Gross profit	710,826	605,891	17.32%
Operating income	174,075	87,063	99.94%
Net non-operating income (loss)	144,425	149,014	-3.08%
Income tax expenses	(42,938)	(26,837)	60.00%
Net profit after tax	275,562	209,240	31.70%
EPS	1.57	1.18	33.05%

(These statistics are from the parent company only financial statements, which are prepared in accordance with the regulations of the competent authority.)

Overall, while revenue grew by only 6.74%, operating income nearly doubled, reflecting a significant improvement in profitability. The primary reasons were a shift in product mix that led to a 2.45% increase in gross profit margin, along with revenue growth and a reversal of inventory losses into gains. Non-operating income was primarily attributable to foreign exchange gains. Net profit after tax for the year reached approximately NT\$276 million, representing a 31.7% growth compared to 2023. Earnings per share (EPS) rose to NT\$1.57, up 33.05% from NT\$1.18 in 2023.

2. In 2024, research and development (R&D) expenses amounted to NT\$305 million, remaining largely in line with the 2023 level.
3. Budget implementation status: The Company did not prepare a financial forecast for 2024. Comparison of actual business operation and internal target: Revenue growth fell short of the expected double-digit level, primarily due to the limited growth of Power ICs, which constitute a significant portion of total revenue and thereby pulled down the overall growth rate. Net profit after tax exceeded expectations.

## II. 2025 Business Plan Summary

The realization of synergies from the acquisition of Sentelic Corporation in 2022, coupled with over a year of operational integration, the Company has witnessed the emergence of synergistic effects. Following the success of the Power IC product line, the Motor IC product line has also begun to establish a solid foundation. In addition, PCs and notebooks are expected to continue their moderate growth, while gaming consoles are anticipated to re-enter a growth cycle, from which the Company's Power ICs are likely to benefit. As such, the

outlook for 2025 remains optimistic, with the Company aiming for revenue growth that outpaces the industry average. One of the more uncertain factors is the tariff war implemented after Donald Trump took office, which has cast a shadow over market growth.

### **III. Evaluation of the Company's Future Development Strategy and External Competition**

Over two years since the Company's acquisition of its industry peer Sentelic Corporation, the synergies have begun to materialize, bringing benefits to the shareholders of both companies. Amid the prevailing trend of larger players dominating the market, the Company will continue to actively seek potential acquisition targets, with the aim of integrating resources, expanding operational scale, and strengthening market competitiveness. As for the external environment, the global situation remains volatile and beyond our control. What we can do is to maintain sound financials, ensure a reliable and resilient supply chain, and continuously strengthen talent development and product innovation.

I wish to thank you, our shareholders, for your support.

Best wishes for your investment!

Sam Lin, Chairman  
DS Lin, President

## Chapter 2 Corporate Governance Report

### I. Information on the Company's Directors, Supervisors, General Manager, Deputy General Managers, Associate Managers, and the Supervisors of All the Company's Divisions and Branch Units

#### (I) Information on directors

March 31, 2025

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date of election (inauguration)	Term	Date first elected	Number of shares held when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at the Company and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Taiwan	Sam Lin	Male 71~80	2022.6.23	3 years	1989.6.16	4,514,000	2.54%	2,809,000	1.58%	155,982	0.09%	1,900,000	1.07%	Department of Electrophysics, National Yang Ming Chiao Tung University Institute of Business Administration, National Taiwan University Head of Planning Team, Industrial Technology Research Institute President and CEO of Weltrend Semiconductor	Chief Investment Officer of Weltrend Semiconductor Chairman of Sentelic Corporation Chairman of Yingquan Investment Co., Ltd. Director of Weltrend International Co., (BVI) Ltd.	Director	Tony Lin	Father and son	(Note 1)
Director	Taiwan	James Chou	Male 71~80	2022.6.23	3 years	1989.6.16	2,433,829	1.37%	2,433,829	1.37%	-	-	-	-	Department of Business Administration, National Chung Hsing University Chairman of Weltrend	Supervisor of Chairman of Yingquan Investment Co., Ltd.	-	-	-	
Director	Taiwan	Paul Liao	Male 71~80	2022.6.23	3 years	2016.6.8	1,056,998	0.59%	1,078,468	0.61%	799	0.00%	-	-	Master of Electrical Engineering, Rensselaer Polytechnic Institute Master of Business Administration, University of San Francisco Chairman of China Electric Manufacturing Corp. Chairman of Howard Hotels	Chairman of Gain First Investments Limited Director of Howard Hotels Independent Director of Kinik Company, Director of Yingquan Investment Co., Ltd.	-	-	-	
Director	Taiwan	JC Liu	Male 61~70	2022.6.23	3 years	2001.5.25	1,808,013	1.02%	1,808,013	1.02%	-	-	-	-	Institute of Communications Engineering, National Yang Ming Chiao Tung University Industrial Technology Research Institute	Chief R&D Officer of Weltrend Semiconductor	-	-	-	
Director	Taiwan	Cindy Guo	Female 61~70	2022.6.23	3 years	2007.6.15	1,260,200	0.71%	1,270,200	0.71%	-	-	-	-	Department of Public Finance, Feng Chia University Auditor of Tseng Hsien-Cheng Accounting Firm Section Manager of FCF Co., Ltd.	Chief Financial Officer and Corporate Governance Officer of Weltrend Semiconductor, Inc. Director of Sentelic Corporation Supervisor of Dongguan Prosil Electronics Co., Ltd.	-	-	-	
Director	Taiwan	Tony Lin	Male 41~50	2022.6.23	3 years	2016.6.8	1,021,000	0.57%	631,000	0.35%	30,000	0.02%	400,000	0.22%	Department of Science in Electrical Engineering, University of Illinois at Urbana-Champaign Institute of Operations Research, Columbia University Assistant Manager of European Business Department of Global Unichip Corporation Assistant Vice President of Securities Research Department of Macquarie Group Special Assistant to the Chairman and President of Weltrend Semiconductor	CEO of Weltrend Semiconductor Director of Sentelic Corporation	Director	Sam Lin	Father and son	
Director	Taiwan	Jeff Tsai	Male 61~70	2022.6.23	3 years	2001.5.25	1,018,362	0.57%	1,018,362	0.57%	-	-	-	-	Department of Transportation & Logistics Management, National Yang Ming Chiao Tung University EMBA from National Yang Ming Chiao Tung University President of Weltrend Semiconductor Industrial Technology Research Institute	None	-	-	-	
Independent Director	Taiwan	Gerald Kuo	Male 71~80	2022.6.23	3 years	2007.6.15	-	0%	-	0%	-	-	-	-	Department of Electrophysics, National Yang Ming Chiao Tung University President of Texas Instruments' semiconductor marketing business in China	Independent Director of Promate Electronic Co., Ltd.	-	-	-	



Title	Nationality/ Place of Incorporation	Name	Gender Age	Date of election (inauguration)	Term	Date first elected	Number of shares held when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at the Company and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Taiwan	Wei-Kun Yeh	Male 61~70	2022.6.23	3 years	2016.6.8	-	0%	-	0%	-	-	-	-	Department of Electrophysics, National Yang Ming Chiao Tung University Department of Electrical Engineering, Michigan State University Chairman and President of Leadtrend Technology Corporation Department Manager of Taiwan Semiconductor Manufacturing Company Limited	Chairman of PowerMate Electronics Co., Ltd. Director of ICE Technology Chairman of Eltronix Director of Caremind	-	-	-	
Independent Director	Taiwan	Wen-Tsung Hsu	Male 61~70	2022.6.23	3 years	2010.6.15	-	0%	-	0%	21,998	0.01%	-	-	Department of Law, National Taiwan University Incomplete Master's Program, Graduate Institute of National Development, National Taiwan University Judge of Tainan District Court, Judge of Taoyuan District Court	Managing Partner of Hanwe Law Firm Independent director of Advanced Connection Technology Inc.	-	-	-	

Note 1: If the chairperson, president, or person holding an equivalent position of the company and a person in any of those positions are the same person, spouses, or relatives within the first degree of kinship, the information on reasons, rationality, necessity and countermeasures (such as increasing the number of independent directors and having more than half of the directors not concurrently serving as employees or managers) should be provided. To enhance corporate governance, on November 8, 2022, the Company's Board of Directors approved the adjustment of the management structure. DS Lin was appointed as the new President, while Sam Lin, the Chairman, ceased to concurrently hold the position of Chief Executive Officer. Tony Lin, the former President, was appointed as the Chief Executive Officer to assist the Chairman in overseeing the overall operation of the Company.

Major corporate shareholder: None.

(II) Disclosure of professional qualifications of directors and independence of independent directors:

Criteria Name	Professional qualifications and experience	Status of independence	Number of other public companies in which the individual concurrently serves as an independent director
Chairman Sam Lin	Main experience: He used to be the head of Planning Team, Industrial Technology Research Institute, President and Chief Executive Officer of Weltrend, currently serves as Chairman and Chief Investment Officer of the Company. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None
Director James Chou	Main experience: Chairman of Weltrend. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None
Director Paul Liao	Main experiences: He used to be Chairman of China Electric Manufacturing Corp., Chairman of Howard Hotels. Currently, he is Chairman of Gain First Investments Limited, Director of Howard Hotels, Independent Director of Kinik Company. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	1
Director JC Liu	Main experience: He used to work for the Industrial Technology Research Institute. Currently, he serves as Chief R&D Officer of the Company. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None
Director Cindy Guo	Main experience: He used to be Auditor of Tseng Hsien-Cheng Accounting Firm, Section Manager of FCF Co., Ltd. Currently, he serves as CFO and Corporate Governance Officer of the Company. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None
Director Tony Lin	Main experience: He used to be Assistant Manager of European Business Department of Global Unichip Corporation, Assistant Vice President of Securities Research Department of Macquarie Group, Special Assistant to Chairman of Weltrend Semiconductor, LTD., President of Weltrend Semiconductor. Currently, he serves as Chief Executive Officer of the Company. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None

Criteria Name	Professional qualifications and experience	Status of independence	Number of other public companies in which the individual concurrently serves as an independent director
Director Jeff Tsai	Main experience: President of ERSO of the Industrial Technology Research Institute and Weltrend Semiconductor. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None
Independent Director Gerald Kuo	Main experience: He used to be President of Texas Instruments' semiconductor marketing business in China. Currently, he serves as Independent Director of Promate Electronic Co., Ltd. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	(1) An employee of the company or any of its affiliates. (2) A director or supervisor of the company or any of its affiliates. (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.	1
Independent Director Wei-Kun Yeh	Main experiences: He used to be Department Manager of Taiwan Semiconductor Manufacturing Company Limited and Chairman and President of Leadtrend Technology Corporation. Currently, he is Chairman of PowerMate Electronics Co., Ltd., Director of ICE Technology, Chairman of Eltronix, and Director of Caremind. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	(4) Not the manager listed in (1) or the spouse, relative within the second degree of kinship, or direct blood relatives within the third degree of kinship of the person listed in (2) and (3). (5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.	None
Independent Director Wen-Tsung Hsu	Main experience: He used to be the Judge of Taiwan Tainan District Court and the Judge of Taiwan Taoyuan District Court. Currently, he is the Managing Partner of Hanwe Law Firm and the Independent director of Advanced Connection Technology Inc. Professional personnel who have passed the national examinations procurator and attorneys and have accumulated more than five years of working experience. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	(7) If the chairperson, president, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. (8) A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof;	1

### (III) Diversity and independence of the Board of Directors:

#### 1. Diversity of the Board of Directors:

To implement the diversity policy of the Board of Directors, strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company's Corporate Governance Best Practice Principles sets out the policy of diversifying the composition of the Board of Directors, based on the Company's operation, business mode and development needs. In accordance with Article 20 of the Principles, the Board of Directors shall possess abilities to perform operational judgment, conduct accounting and financial analysis, carry out operating and crisis management, and have industry-related knowledge, international market perspective, leadership and decision-making ability.

The Company's Board of Directors consists of members of the management team, managers of related industries, and professionals with professional backgrounds, professional skills and industrial experience in accounting, industry, finance, marketing, technology and law. They perform the duties of board members in different fields and under different working backgrounds.

Currently, the Board of Directors consists of one female and nine male members, with no restrictions on age, nationality, or culture. All members are Taiwanese, with a bachelor degree or higher. In terms of age distribution, 4 directors are over 70 years old, 5 directors are between 61 and 70 years old, and 1 director is below 50 years old. The Company places emphasis on gender equality in the composition of the Board of Directors and aims to have a female director ratio of 10% or more. Currently, the proportion of female directors is 10%.

Where the number of directors on the Company's Board of Directors of either gender does not reach one-third of the board seats, the reason and measures to improve gender diversity among directors shall be stated: Due to the characteristics of the industry, it is not easy to recruit suitable talent in a short period. During this year's board re-election, the Company has still planned to appoint one female director. Going forward, the Company will seek talent recommendations through various channels such as the industry and academia, gradually increasing the number of female directors. This aims to enhance corporate governance effectiveness and implement the policy of board member diversity.

#### The implementation of the diversity policy on board members by the Company

Core Items of Diversity Name	Nationality	Gender	Age				Operating Management	Leadership & Decision-making	Industry Knowledge	Finance & Accounting	Research & Development	Legal Regulations
			41-50	51~60	61~70	71~80						
Sam Lin	Republic of China	Male				√	√	√	√	√		
James Chou		Male				√	√	√	√			
Paul Liao		Male				√	√	√	√			
JC Liu		Male			√		√	√	√		√	
Cindy Guo		Female			√		√	√	√	√		
Tony Lin		Male	√				√	√	√			
Jeff Tsai		Male			√		√	√	√			
Gerald Kuo		Male				√	√	√	√			
Wei-Kun Yeh		Male			√		√	√	√		√	
Wen-Tsung Hsu		Male			√		√	√	√			√

2. Independence of the Board of Directors:

The current Board of Directors of the Company consists of a total of 10 members, including 3 independent directors. The proportion of directors with employee status in the current board is 40%, while independent directors constitute 30%. Independent directors are not allowed to serve consecutive terms exceeding three terms to prevent a decline in their independence due to prolonged tenure, thereby enabling them to objectively exercise their powers. The Company intends to gradually improve the composition of the board, ensuring its independence.

The matters stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act are explained as follows:

Sam Lin, Chairman of the Company, and Tony Lin, Director of the Company, are relatives within the second degree of kinship. There are no circumstances where the other directors are related to each other as spouses or to the second degree of kinship.

## (IV) Information of President, Vice Presidents, Assistant Vice Presidents, Heads of Departments and Branches

March 31, 2025

Title (Note 1)	Nationality	Name	Gender	Date of election (inauguration)	Shareholding		Shares held by spouses and minors		Shares held in the name of others		Experience (Education) (Note 2)	Positions currently held in the Company or other companies	Spouse or relatives within the second degree of kinship who hold the position of manager			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chief Investment Officer	Taiwan	Sam Lin	Male	2023.11.8	2,809,000	1.58%	155,982	0.09%	1,900,000	1.07%	Department of Electrophysics, National Yang Ming Chiao Tung University Institute of Business Administration, National Taiwan University Head of Planning Team, Industrial Technology Research Institute President and CEO of Weltrend Semiconductor	Chairman of Sentelic Corporation Chairman of Yingquan Investment Co., Ltd. Director of Weltrend International Co., (BVI) Ltd.	Chief Executive Officer/CEO	Tony Lin	Father and son	(Note 3)
President	Taiwan	DS Lin	Male	2023.11.8	186,297	0.10%	168	0.00%	-	-	Department of Electrical Engineering, Chung Yuan Christian University Institute of Electrical and Computer Engineering, Syracuse University Assistant Vice President of Marketing Department, Jettech System Technology Co., Ltd. Senior Vice President of Weltrend Semiconductor	-	-	-	-	
Chief Executive Officer/CEO	Taiwan	Tony Lin	Male	2023.11.08	631,000	0.35%	30,000	0.02%	400,000	0.22%	Department of Science in Electrical Engineering, University of Illinois at Urbana-Champaign Institute of Operations Research, Columbia University Assistant Manager of European Business Department of Global Unichip Corporation Assistant Vice President of Securities Research Department of Macquarie Group Special Assistant to the Chairman of Weltrend Semiconductor President of Weltrend Semiconductor	Director of Sentelic Corporation	Chief Investment Officer	Sam Lin	Father and son	
Chief Operation Officer/COO	Taiwan	Robby Tsai	Male	2019.11.06	550,000	0.31%	-	-	-	-	Department of Electrical Engineering, National Cheng Kung University Institute of Electrical Engineering, National Cheng Kung University Director of the Audio and Video Applications Division, MStar Semiconductor, Inc. President of Signal Test Division, Integrated Service Technology Inc. President of Grenergy Inc.	President and CEO of Sentelic Corporation	-	-	-	
Chief R&D Officer	Taiwan	JC Liu	Male	2003.03.17	1,808,013	1.02%	-	-	-	-	Institute of Communications Engineering, National Yang Ming Chiao Tung University Industrial Technology Research Institute	-	-	-	-	
Vice President of R&D	Taiwan	ST Kuo	Male	109.02.12	285,410	0.16%	105,767	0.06%	-	-	Department of Electronic Engineering, Feng Chia University Graduate Institute of Electrical Engineering, National Taiwan University Senior Engineer of R&D Division, Princeton Technology Corporation Vice President of R&D Division, Jettech System Technology Co., Ltd.	-	-	-	-	

Title (Note 1)	Nationality	Name	Gender	Date of election (inauguration)	Shareholding		Shares held by spouses and minors		Shares held in the name of others		Experience (Education) (Note 2)	Positions currently held in the Company or other companies	Spouse or relatives within the second degree of kinship who hold the position of manager			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Vice President of R&D	Taiwan	Vincent Lu	Male	2022.07.04	50,094	0.03%	-	-	-	-	College of Electrical Engineering of National Tsing Hua University Senior Director of Research & Development, Weltrend Semiconductor Assistant Manager of Digital Design of Andatek Technology Ltd., Digital Department Manager of Leadtrend Technology Corporation	-	-	-	-	
Vice President of Product Development and Technology Application Engineering	Taiwan	Wayne Lo	Male	2022.07.04	88,000	0.05%	-	-	-	-	Department of Electrical Engineering, National Taiwan University of Science and Technology Department of Electrical Engineering, Florida Polytechnic University Business Lead of Elan Corporation, Senior Director of Weltrend Semiconductor	-	-	-	-	
Vice President and Chief Financial Officer as well as Corporate Governance Officer	Taiwan	Cindy Guo	Female	2000.03.01	1,270,200	0.71%	-	-	-	-	Department of Public Finance, Feng Chia University Auditor of Tseng Hsien-Cheng Accounting Firm Section Manager of FCF Co., Ltd.	Director of Sentelic Corporation Supervisor of Dongguan Prosil Electronics Co., Ltd.	-	-	-	

Note 1: All information of president, vice presidents, assistant vice presidents, heads of departments and branches, and those whose positions equivalent to president, vice presidents, assistant vice presidents, shall be disclosed.

Note 2: Experience related to holding the current position, such as having worked in an accounting firm or an affiliated enterprise during the preceding disclosure period, the title and position shall be stated.

Note 3: If the Chairperson of the Board of Directors, the President or persons in an equivalent position (top-level executive) of the Company are the same person or each other's spouses or first-degree relatives, the reasons, rationality, necessity and countermeasures for such circumstances (e.g., increasing the number of independent directors, and having more than half the directors who do not concurrently serve as employees or managers, etc.) shall be provided:

To enhance corporate governance, on November 8, 2023, the Board of Directors approved the adjustment of the management structure. DS Lin was appointed as the new President. Sam Lin, the Chairman, ceased to concurrently hold the position of Chief Executive Officer. Tony Lin, the President, was appointed as the Chief Executive Officer to assist the Chairman in overseeing the overall operation of the Company.

## II. Remuneration paid to directors (including independent directors), presidents and vice presidents in the most recent year

### (1) Remuneration to Directors and Independent Directors

December 31, 2024

Unit: NT\$ thousands

Title	Name	Director's remuneration								Sum of A, B, C, and D as a percentage of net income after tax (%) (Note 3)		Relevant remuneration received by directors who are also concurrently employed employees								Sum of A, B, C, D, E, F and G as a percentage of net income after tax (%) (Note 3)		Remuneration received from investee or parent company other than the Company's subsidiaries		
		Compensation (A)		Severance pay and pension (B)		Directors' remuneration (C) (Note 2)		Allowances (D)				Salary, bonus, and allowance (E) (Note 4)		Severance pay and pension (F)		Employee compensation (G) (Note 5)								
		The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	Cash	Shares	Cash	Shares		The Company	Consolidated entities
Director	Sam Lin																							
	James Chou																							
	JC Liu																							
	Cindy Guo	-	-	-	-	8,175	8,466	1,008	1,068	9,183	9,534	12,754	13,114	784	784	1,758	-	1,758	-		24,479	25,190	-	
	Tony Lin									3.33%	3.46%										8.88%	9.14%		
	Paul Liao																							
	Jeff Tsai																							
Independent Director	Gerald Kuo																							
	Wei-Kun Yeh	-	-	-	-	3,066	3,066	432	432	3,498	3,498	-	-	-	-	-	-	-	-		3,498	3,498	-	
	Wen-Tsung Hsu									1.27%	1.27%										1.27%	1.27%		
<div>1. Please state the policies, systems, standards, and structure of independent directors' remuneration payment and describe the relevance of their responsibilities, risks, and time of investment to the amount of remuneration. In accordance with the Company's Regulations Governing the Remuneration of Directors and Managers, the remuneration of the company's directors (including independent directors) includes monthly fixed remuneration and director's remuneration stipulated in accordance with the Articles of Association. The remuneration of directors shall be no more than 4% of the current pre-tax net profit in accordance with the Articles of Association, and shall be submitted to the Shareholders' Meeting for report after being examined by the Remuneration Committee and approved by the Board of Directors. In addition to referring to the industry standards for payment, reasonable compensation shall be given based on factors such as time invested, degree of operational participation, responsibilities undertaken, contribution to the Company, risk events, personal performance, corporate operational performance, and future risks.</div> <div>2. Except as disclosed in the above chart, remuneration to directors received due to the services (e.g. acting as a consultant, instead of an internal employee, of the parent company/all companies listed in the financial reports/reinvestment business) provided to all companies listed in the financial statement in the most recent year: NT\$ 360 thousand</div>																								

- Please state the policies, systems, standards, and structure of independent directors' remuneration payment and describe the relevance of their responsibilities, risks, and time of investment to the amount of remuneration. In accordance with the Company's Regulations Governing the Remuneration of Directors and Managers, the remuneration of the company's directors (including independent directors) includes monthly fixed remuneration and director's remuneration stipulated in accordance with the Articles of Association. The remuneration of directors shall be no more than 4% of the current pre-tax net profit in accordance with the Articles of Association, and shall be submitted to the Shareholders' Meeting for report after being examined by the Remuneration Committee and approved by the Board of Directors. In addition to referring to the industry standards for payment, reasonable compensation shall be given based on factors such as time invested, degree of operational participation, responsibilities undertaken, contribution to the Company, risk events, personal performance, corporate operational performance, and future risks.
- Except as disclosed in the above chart, remuneration to directors received due to the services (e.g. acting as a consultant, instead of an internal employee, of the parent company/all companies listed in the financial reports/reinvestment business) provided to all companies listed in the financial statement in the most recent year: NT\$ 360 thousand

Note 1: Directors' remuneration distributed by the Board of Directors in the most recent year.

Note 2: Net profit after tax means net profit after tax in the most recent year; If IFRS has been adopted, this term means net profit after tax stipulated in the individual financial reports in the most recent year.

Note 3: The salary and expenses recognized in accordance with IFRS2 "Share Based Payment" include the acquisition of stock warrants for employees, new shares with limited rights for employees and participation in the cash increase for shares, etc.

Note 4: The employee remuneration (including stock and cash) obtained by directors who are concurrently employed employees in the most recent year shall disclose the amount of employee remuneration distributed by the Board of Directors in the most recent year. If it fails to be estimated, the proposed distribution amount for the current year shall be calculated based on the actual distribution amount last year.

Note 5: The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is for information disclosure and not for taxation purposes.



Table of Remuneration Range

Range of remuneration paid to the Company's directors	Name			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Consolidated entities	The Company	Consolidated entities
Less than NTD 1,000,000	-	-	-	-
NT\$1,000,000 –NT\$1,999,999	James Chou, Paul Liao, JC Liu, Cindy Guo, Tony Lin, Jeff Tsai, Gerald Kuo, Wei-Kun Yeh, Wen-Tsung Hsu	James Chou, Paul Liao, JC Liu, Cindy Guo, Tony Lin, Jeff Tsai, Gerald Kuo, Wei-Kun Yeh, Wen-Tsung Hsu	James Chou, Paul Liao, Jeff Tsai, Gerald Kuo, Wei-Kun Yeh, Wen-Tsung Hsu	James Chou, Paul Liao, Jeff Tsai, Gerald Kuo, Wei-Kun Yeh, Wen-Tsung Hsu
NT\$2,000,000 –NT\$3,499,999	Sam Lin	Sam Lin	-	-
NT\$3,500,000 –NT\$4,999,999	-	-	Cindy Guo	Cindy Guo
NT\$5,000,000 –NT\$9,999,999	-	-	Sam Lin, JC Liu, Tony Lin	Sam Lin, JC Liu, Tony Lin
NT\$10,000,000 –NT\$14,999,999	-	-	-	-
NT\$15,000,000 –NT\$29,999,999	-	-	-	-
NT\$30,000,000 –NT\$49,999,999	-	-	-	-
NT\$50,000,000 –NT\$99,999,999	-	-	-	-
Above NT\$ 100,000,000	-	-	-	-
Total	10	10	10	10

(2) Remuneration for President and Vice Presidents

December 31, 2024 Unit: NT\$ thousands

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and special expenses, etc. (C) (Note 3)		Employee compensation (D) (Note 4)				Sum of A, B, C, and D as a percentage of net income after tax (%)		Remuneration received from investee or parent company other than the Company's subsidiaries
		The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company		Consolidated entities		The Company	Consolidated entities	
								Cash	Shares	Cash	Shares			
Chief Investment Officer	Sam Lin	21,281	22,841	1,553	1,553	4,700	5,300	3,518 (Note 3)	-	4,242 (Note 3)	-	31,052 11.27%	33,936 12.32%	-
President	DS Lin													
Chief Executive Officer/CEO	Tony Lin													
Chief Operation Officer/COO	Robby Tsai													
Chief R&D Officer	JC Liu													
Vice President and Chief Financial Officer as well as Corporate Governance Officer	Cindy Guo													
Vice President	Jesse Lu (Note 1)													
Vice President	ST Kuo													
Vice President	Wayne Lo													
Vice President	Vincent Lu													

Note 1: Jesse Lu retired on April 25, 2024.

Note 2: The salary and expenses recognized in accordance with IFRS2 "Share Based Payment" include the acquisition of stock warrants for employees, new shares with limited rights for employees and participation in the cash increase for shares, etc.

Note 3: The remuneration (including stock and cash) of those who are president and vice presidents distributed by the Board of Directors in the most recent year. If it fails to be estimated, the proposed distribution amount for the current year shall be calculated based on the actual distribution amount last year. This is the estimated amount of proposed distributions.

Note 4: The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is for information disclosure and not for taxation purposes.

Table of Remuneration Range

Range of remuneration paid to the Company's president and vice presidents	Name of President and Vice Presidents	
	The Company	Consolidated entities
Less than NTD 1,000,000	Jesse Lu	Jesse Lu
NT\$1,000,000 –NT\$1,999,999	-	-
NT\$2,000,000 –NT\$3,499,999	Cindy Guo, DS Lin, Robby Tsai, ST Kuo, Wayne Lo, Vincent Lu	Cindy Guo, DS Lin, ST Kuo, Wayne Lo, Vincent Lu
NT\$3,500,000 –NT\$4,999,999	Sam Lin, JC Liu, Tony Lin	JC Liu, Tony Lin, Vincent Lu, Robby Tsai
NT\$5,000,000 –NT\$9,999,999	-	Sam Lin
NT\$10,000,000 –NT\$14,999,999	-	-
NT\$15,000,000 –NT\$29,999,999	-	-
NT\$30,000,000 –NT\$49,999,999	-	-
NT\$50,000,000 –NT\$99,999,999	-	-
Above NT\$ 100,000,000	-	-
Total	10	10

## Employee remuneration distributed to managers and status of distribution

December 31, 2024 Unit: NT\$ thousands

	Title	Name	Shares	Cash	Total	Ratio of total remuneration to net income (%)
Manager	Chief Investment Officer	Sam Lin	-	3,518	3,518	1.28%
	President	DS Lin				
	Chief Executive Officer/CEO	Tony Lin				
	Chief R&D Officer	JC Liu				
	Chief Operation Officer/COO	Robby Tsai				
	Vice President	Cindy Guo				
	Vice President	ST Kuo				
	Vice President	Wayne Lo				
	Vice President	Vincent Lu				

Note: The employee remuneration (including stock and cash) obtained by those who are managers in the most recent year shall disclose the amount of employee remuneration distributed by the Board of Directors in the most recent year. If it fails to be estimated, the proposed distribution amount for the current year shall be calculated based on the actual distribution amount last year. Net profit after tax means net profit after tax in the most recent year; If IFRS has been adopted, this term means net profit after tax stipulated in the individual financial reports in the most recent year.

- (3) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past two 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:

- Percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past two fiscal years to directors, supervisors, president, and vice presidents:

Title	Total remuneration as a percentage of net income after tax stipulated in individual financial reports			
	2024		2023	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
Director	10.15%	10.41%	11.87%	12.07%
President and Vice president	11.27%	12.32%	15.63%	16.59%

- Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:
  - According to the Company's Regulations Governing the Remuneration of Directors, Supervisors and Officers, the remuneration of the Company's directors and supervisors includes traveling expenses and the salary of directors and

supervisors. The amount of traveling expenses is set by the Board of Directors with reference to industry standards in accordance with the Company's Articles of Incorporation. The remuneration of the directors and supervisors shall be allocated in accordance with Article 20 of the Articles of Association, and shall be submitted to the Shareholders' Meeting for report after being examined by the Remuneration Committee and approved by the Board of directors.

The remuneration of the president and vice presidents of the Company shall include salary, bonus and employee compensation, etc. It also takes into account the personal performance, corporate operational performance, and future risk, and refers to the standards set by peers for positions of the same nature. The remuneration shall be reviewed by the Compensation Committee and approved by the Board of Directors

- b. In accordance with Article 20 of the Company's Articles of Incorporation, the Company shall set aside 11-15% of the net income before tax for employee compensation and not more than 4% for director' compensation. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the profit first to make up for the losses.

The employees' remuneration specified in the preceding paragraph may be paid in stocks or cash, and may be paid to employees of parents or subsidiaries of the Company who meet the requirements stipulated by the Board of Directors. The Directors' remuneration specified in the preceding paragraph shall only be distributed in cash. The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.

- c. In addition to the industry standards, the performance evaluation and compensation of directors, supervisors and managers shall be based on their abilities, time invested, degree of operational participation, responsibilities undertaken, contribution to the Company, achievement of personal goals, personal performance, performance in other positions, and risk events such as violations of the Code of Ethical Conduct and personnel fraud. The Company evaluates the relationship between individual performance and the Company's operating performance, operational status and future risks and give reasonable remuneration based on the achievement of short-term and long-term business objectives, the Company's financial condition, etc. The remuneration system for directors and managers is reviewed from time to time in accordance with the Company's operating conditions and changes in laws and regulations.

### III. Operation of corporate governance:

#### (I) Information on the operation of the Board of Directors

The Board of Directors held 7 meetings (A) in 2024, and the attendance of directors are as follows:

Title	Name	Number of attendances (presence) in person (B)	Proxy attendances	Attendance (presence) rate (%) (B/A)	Note
Chairman	Sam Lin	7	-	100%	Serve for another term of office
Director	James Chou	7	-	100%	Serve for another term of office
Director	JC Liu	7	-	100%	Serve for another term of office
Director	Cindy Guo	7	-	100%	Serve for another term of office
Director	Tony Lin	7	-	100%	Serve for another term of office
Director	Paul Liao	7	-	100%	Newly-appointed
Director	Jeff Tsai	7	-	100%	Newly-appointed
Independent Director	Gerald Kuo	7	-	100%	Serve for another term of office
Independent Director	Wei-Kun Yeh	7	-	100%	Serve for another term of office
Independent Director	Wen-Tsung Hsu	7	-	100%	Newly-appointed

Other matters:

- I. With regard to the operations of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions, and the Company's response shall be specified:
  - (I) Matters stipulated in Article 14-3 of the Securities and Exchange Act  
The Company has established the Audit Committee in accordance with Article 14-5 of the Securities and Exchange Act, thus exempting it from the requirement. For further details, please refer to the operation of the Audit Committee in this year's annual report, available on P.20.
  - (II) Other resolutions of the Board to which independent director(s) voiced objection or reservation that are documented or issued through a written statement in addition to the above: None.
- II. When a director abstains due to being a stakeholder in certain proposals, the name of the director, the content of motion, reasons for abstentions, and the results of vote counts should be stated: None.
- III. For information on the evaluation cycle, duration, scope, method, and content of the Board of Directors' self (or peer) review, please refer to P.18.
- IV. Assessment of the objectives and performance of strengthening the functions of the Board of Directors (such as establishing the Audit Committee, enhancing information transparency, etc) in the current and recent years: The Company has formulated the Rules of Procedure for Meetings of Board of Directors in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and disclosed the attendance of directors at Board meetings on the Market Observation Post System and the important decisions of the Board of Directors on the Company's website. The Company has carried out the performance evaluation of the Board of Directors since 2020, and established the Audit Committee after the re-election of directors at the Shareholders' Meeting in 2022. Additionally, the Company has conducted the performance evaluation of the Audit Committee since 2022.  
The Board of Directors of the Company appointed the members of the 5th Remuneration Committee on July 4, 2022. The three members are all independent directors. The Committee

is responsible for formulating and regularly reviewing the policies, systems, standards and structure of performance objectives and compensation for directors and managers. Besides, it regularly evaluates and reviews the reasonableness of the remuneration of directors and managers, staff remuneration and other incentives of employees. The Company has implemented the performance evaluation of the Remuneration Committee since 2020.

### **Performance Evaluation of Board of Directors and Functional Committee**

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Content of evaluation
Once a year	2024.01.01~ 2024.12.31	Performance evaluation of the Board of Directors, board members and functional committees	Internal questionnaire survey was adopted to conduct internal self-evaluation of the Board of Directors, board members and functional committees	<p>The performance evaluation of Board of Directors involve the following five aspects:</p> <ol style="list-style-type: none"> <li>1. Level of involvement in company operations</li> <li>2. Improvement in the quality of decision making by the Board of Directors</li> <li>3. Composition and structure of the Board of Directors</li> <li>4. Selection and continuing education of directors</li> <li>5. Internal control</li> </ol> <p>The performance evaluation of board members involve the following six aspects:</p> <ol style="list-style-type: none"> <li>1. Mastery of company goals and missions</li> <li>2. Understanding of directors' duties and responsibilities</li> <li>3. Level of involvement in company operations</li> <li>4. Internal relationship management and communication</li> <li>5. Professional and continuing education for directors</li> <li>6. Internal control</li> </ol> <p>The performance evaluation of functional committee involve the following five aspects:</p> <ol style="list-style-type: none"> <li>1. Level of involvement in company operations</li> <li>2. Understanding of the duties and responsibilities of the functional committee</li> <li>3. Improvement in the quality of decision-making within the functional committee</li> <li>4. Composition of functional committee and selection of committee members</li> <li>5. Internal control</li> </ol>

The results of the performance evaluation of the Board of Directors, board members and functional committees for 2024 were presented to the Board of Directors on March 7, 2025. The overall score of this evaluation is between 4 points (good) and 5 points (excellent), indicating that the overall operation of the Board of Directors and the Functional Committee IS in good condition and meets the requirements of corporate governance. The Company will constantly strengthen and enhance the effectiveness of corporate governance based on the evaluation results of the Board of Directors and the Functional Committee.

(II) The operation of Audit Committee

1. The operation of the Audit Committee primarily aims to assist the Board of Directors in supervising the following matters:
  - a. The appropriateness of the Company's financial statements.
  - b. The selection (appointment) and independence and performance of the Certified Public Accountant.
  - c. The effective implementation of internal controls within the Company.
  - d. Compliance with relevant laws and regulations by the Company.
  - e. The management and control of existing or potential risks faced by the Company.
2. The main matters deliberated by the Audit Committee include:
  - a. Formulate or amend the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
  - b. Assess the effectiveness of the internal control system.
  - c. Adopt or amend, pursuant to Article 36-1 of the Securities and Exchange Act, the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and provision of endorsements or guarantees for others.
  - d. Matters in which a director is an interested party.
  - e. Asset transactions or derivatives trading of a material nature.
  - f. Loans of funds, endorsements, or provision of guarantees of a material nature.
  - g. Offering, issuance or private placement of any equity-based securities.
  - h. Appointment, dismissal or compensation of CPAs.
  - i. Appointment or dismissal of finance manager, accounting manager or chief internal auditor.
  - j. The annual financial report signed or sealed by the chairman, the manager and the accounting supervisor and the quarterly financial report signed or sealed by the chairman, the manager and the accounting supervisor and examined by CPAs.
  - k. Other major matters stipulated by the Company or the competent authorities.

3. The Audit Committee held 6 meetings (A) in 2024. The independent directors present are as follows:

Title	Name	Attendance in person (B)	Proxy attendances	Attendance rate (%) (B/A)	Note
Independent Director (Convener)	Gerald Kuo	6	0	100	Serve for another term of office
Independent Director	Wei-Kun Yeh	6	0	100	Serve for another term of office
Independent Director	Wen-Tsung Hsu	6	0	100	Newly-appointed

Other matters:

- I. With regard to the operation of the Audit Committee, the date and session of meeting, content of motions, content of dissenting opinions, qualified opinions or major recommendations from independent directors, resolutions passed by the Audit Committee, and the Company's actions in response to opinions from members of the Audit Committee shall be specified if any of the following circumstances occurs:

(I) Matters stipulated in Article 14 -5 of the Securities Exchange Act.

Date and term of the Board of Directors	Date and term of the Audit Committee	Content of the motion and subsequent handling	Matters stipulated in Article 14 -5 of the Securities Exchange Act	Resolutions not approved by the Audit Committee but agreed by more than two-thirds of all directors
2024.2.26 12th meeting of the 12th term	2024.2.26 9th meeting of the 1st term	1. Review of the 2023 Business Report and Financial Statements of the Company. 2. Review of the distribution of earnings of the Company for 2023. 3. Review of the issuance of the benchmark date for the Company's first unsecured convertible corporate bonds into ordinary shares in the domestic market. 4. Review on the report of reference items for the judgment of the effectiveness of the Company's internal control system for 2023 and the report on the statement of internal control system for 2023. 5. Review of the appointment and dismissal of CPAs and the independent and suitability assessment of CPAs in 2024.	Yes	No
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		



2024.5.8 14th meeting of the 12th term	2024.5.8 10th meeting of the 1st term	1. Review of the financial report of the Company for Q1 2024.	Yes	No
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		
2024.8.7 15th meeting of the 12th term	2024.8.7 11th meeting of the 1st term	1. Review of the financial report of the Company for Q2 2024.	Yes	No
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		
2024.8.23 16th meeting of the 12th term	2024.8.23 12th meeting of the 1st term	1. Review on matters related to the transfer of treasury shares to employees within the Company.	Yes	No
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		
2024.11.6 17th meeting of the 12th term	2024.11.6 13th meeting of the 1st term	1. Review on the proposal to change the Company's CPAs. 2. Review of the financial report of the Company for Q3 2024. 3. Review the amendment to the Rules of Procedure for the Shareholders' Meeting 4. Review the amendment to the "Audit Committee Charter" 5. Review the amendment to the "Information and Communication Security Operation Guidelines."	Yes	No
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		
2024.12.19 18th meeting of the 12th term	2024.12.19 14th meeting of the 1st term	1. Review on the proposal to amend the operational items of the Company's "Internal Control System." 2. Review on the proposal to establish the Company's "Sustainability Report Preparation and Assurance Procedures." 3. Review of the Company's internal audit plan for 2025.	Yes	No
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		

(II) Other resolutions not approved by the Audit Committee but agreed by more than two-thirds of all directors: None.

II. When an independent director abstains due to being a stakeholder in certain proposals, the name of the independent director, the content of motion, reasons for abstentions, and the results of vote counts should be stated: None.

III. Communication between independent directors and internal audit supervisors & CPAs (including important matters, methods and results of communication on the company's financial and business status): CPAs attend the meeting of Audit Committee held every quarter, and CPAs report on the examination or review results of the financial statements and other communication matters required by relevant laws and regulations, and communicate whether there are any material adjustment entries or statutory amendments affecting the accounts. A meeting may be called at any time in the event of a major anomaly.

Summary of communication between independent directors and CPAs in 2024:

Date	Communication method	Communication highlights	Suggestions and results
2024/2/26	9th meeting of the 1st term of the Audit Committee	1. Report on the Audit Results and Conclusions of the Consolidated Financial Statements for 2023. 2. Audit Quality Indicator (AQI) Report. 3. Introduction to upcoming applicable standards and regulations.	The independent directors have expressed no objections or reservations.
2024/5/8	10th meeting of the 1st term of the Audit Committee	1. Report on the Audit Results of the Consolidated Financial Statements for Q1 2024. 2. Introduction to regulatory updates.	
2024/8/7	11th meeting of the 1st term of the Audit Committee	1. Report on the Audit Results of the Consolidated Financial Statements for Q2 2024.	
2024/11/6	13th meeting of the 1st term of the Audit Committee	1. Report on the Audit Results of the Consolidated Financial Statements for Q3 2024. 2. Introduction to regulatory updates.	

The independent directors and the internal audit supervisor hold at least one communication meeting or symposium every year. The internal audit supervisor also presents reports on the Company's internal audit performance and internal control operations to the Audit Committee each quarter. A meeting may be called at any time in the event of a major anomaly.

Summary of communication between independent directors and internal audit supervisor in 2024:

Date	Communication method	Communication highlights	Suggestions and results
2024/2/26	9th meeting of the 1st term of the Audit Committee	Review on the report on the reference items for the judgment of the effectiveness of the Company's internal control system for 2023 and the report on the discussion of internal control system for 2023.	The independent directors have expressed no objections or reservations.
2024/5/8	10th meeting of the 1st term of the Audit Committee	Internal Audit Performance for Q1 2024.	
2024/8/7	11th meeting of the 1st term of the Audit Committee	Internal Audit Performance for Q2 2024.	
2024/11/6	Symposiums	1. Report on internal audit performance. 2. Report on the implementation status of the 2024 Audit Plan.	
2024/11/6	13th meeting of the 1st term of the Audit Committee	Internal Audit Performance for Q3 2024.	
2024/12/19	14th meeting of the 1st term of the Audit Committee	1. Discussion on the revision of Internal Control Systems. 2. Discussion on the internal audit plan for 2025.	

(III) Implementation of corporate governance, deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefore:

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance best practice principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and disclosed it on the Market Observation Post System and its official website.	No deviation
II. Shareholding structure and shareholders' rights (I) Has the Company established an internal operating procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure? (II) Does the Company maintain a register of the major shareholders with controlling power, as well as a register of the ultimate controller of those major shareholders? (III) Does the Company establish and enforce the risk control mechanism and firewall mechanism between itself and its associates? (IV) Does the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?		✓	(I) The Company has not established an internal operating procedure for handling shareholder proposals, inquiries, disputes, and litigations. Such operating procedure will be formulated according to the actual needs of the Company. (II) The Company has a register of shareholders provided by the stock agent, which is appointed by the Company. (III) The assets and financial management rights and responsibilities between the Company and affiliates are quite clear, and are handled in accordance with relevant regulations. Besides, related matters are dealt with according to the established internal control operations. (IV) The Company has established the Code of Ethical Conduct, the Code of Ethical Conduct for Staff and the Internal Procedures for Handling Material Information to prohibit Company insiders from using unpublished information in the market to buy or sell the Company's shares.	The Company has not established an internal operating procedure for handling shareholder proposals, inquiries, disputes, and litigations. Such operating procedure will be formulated according to the actual needs of the Company.
III. Composition and functions of the Board of Directors (I) Has the Board of Directors formulated a strategy to achieve diversity among board members. If so, is such strategy being implemented? (II) In addition to establishing a Remuneration Committee and Audit Committee as required by law, has the Company voluntarily established other Functional Committees?	✓	✓	(I) Article 20 of the Company's Corporate Governance Best Practice Principles propose the policy of diversity in the composition of the Board of Directors, which is formulated in relation to the Company's operations, business modes and development needs. It includes but not limited to the following two aspects: 1. Basic conditions and values: gender, age, nationality, culture, etc. The Board of Directors consists of 1 female and 9 male members	No deviation

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
<p>(III) Has the Company established standards to measure the performance of the Board of Directors, and does the Company implement these standards on a regular basis? Are the results submitted to the Board of Directors and used as references for directors' remuneration and nominations for reappointment?</p> <p>(IV) Does the Company regularly assess the independence of its CPAs?</p>	✓		<p>without any restriction on age, nationality or culture, etc. Currently, all board members are Taiwanese, with bachelor degrees or above. Among the 3 independent directors, 2 have 7-9 years of relevant working experience and 1 has 0-3 years of relevant working experience. The Company places emphasis on gender equality in the composition of board members and aims to have a female director ratio of 10% or more. Currently, the ratio of female directors is 10%.</p> <p>2. To implement the company's policy of diversifying the board members, directors shall have different professional backgrounds in accounting, industry, finance, marketing, technology, law, etc. The provisions of the Company's Corporate Governance Best Practice Principles have been disclosed on the Market Observation Post System and its official website. Please refer to P.8 of this Annual Report for information on the implementation of the diversity policy by directors.</p> <p>(II) The Company set up a special committee on mergers and acquisitions on December 29, 2020. There is no need to set up other functional committees for the time being, which will be handled in due course depending on the actual needs of the Company.</p>	
			<p>(III) The Board of Directors adopted the Rules for Performance Evaluations of the Board of Directors and Functional Committee on March 12, 2020 to conduct the performance evaluation of the overall Board of Directors, board members, and the functional committee once a year. The results of the Company's performance evaluation for 2024 were presented to the Board of Directors in the first quarter of 2025, and recommendations for improvement were made. In accordance with the provisions of the competent authorities, the Company regularly conducts performance evaluation every year and applies the results of performance evaluation to the salary and compensation of directors and the nomination and renewal</p>	

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>of their appointment. Please refer to P.18 for the implementation of performance evaluation of the Board of Directors and functional committee.</p> <p>(IV) The Company regularly evaluates the independence and suitability of CPAs every year, the Committee conducts the evaluation and report the evaluation results to the Board of Directors. In addition to referring to Communique No. 10: Integrity; Fairness; Objectivity and Independence of the Taiwan CPA Association, the Company has evaluated the independence and suitability of CPAs based on Audit Quality Indicators (AQI), and Statement of the Independent CPAs and Communication with Governance Units on AQI. After evaluation by the Company, it is confirmed that CPAs have no other financial interests and business relationship with the Company other than the fees for certification and financial tax, and CPAs' family members have not violated the independence requirement. According to AQI, it is confirmed that the auditing experience and training hours of CPAs and firms are better than the average level of the industry, and they constantly introduce digital audit tools to improve audit quality, and CPAs meet the requirements for independence and suitability. The latest evaluation was reviewed and approved by the Audit Committee on March 7, 2025, and then submitted to the Board of Directors for approval. Please refer to P.31 of this Annual Report for the evaluation criteria for the independence of CPAs.</p>	
IV. Does the Company have sufficient qualified corporate governance personnel in place and assign a chief corporate governance officer to handle matters relating to corporate governance (including but not limited to providing directors and supervisors with materials necessary to perform their duties, assisting directors and supervisors in legal compliance, handling matters in connection with the Board Meeting and the Shareholders' Meeting in accordance	✓		Five employees from the Executive Office of the President, Finance Department and Human Resources Department are responsible for affairs related to corporate governance. On May 8, 2023, the Board of Directors resolved to appoint Ms. Cindy Guo, the Chief Financial Officer, as the Director of Corporate Governance Officer. Ms. Guo, the CFO, possesses over three years of experience in financial, accounting, and stock management operations of publicly traded companies. The main responsibilities of corporate governance officer include providing the information required by the directors to carry out business, assisting the directors to comply with laws and regulations, handling	No deviation

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
with laws and regulations, and preparing meeting minutes for Board Meetings and Shareholders' Meetings)?			the relevant matters of the Board of Directors and the Shareholders' Meeting according to law, and helping the Board of Directors strengthen the implementation of functions and safeguard the rights and interests of stakeholders.	
V. Does the Company establish communication channels between stakeholders (including but not limited to shareholders, employees, clients and suppliers), set up a stakeholder section on the Company's website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders?	✓		The Company respects the rights and interests of stakeholders, identifies stakeholders, understands their reasonable expectations and needs through appropriate communication, and appropriately responds to important CSR issues they are concerned about. Relevant departments are responsible for the communication with stakeholders, and a "Stakeholder Section" is set up on the Company's website under "Sustainable Development" to disclose the information on stakeholder interactions and business operations. The content includes stakeholders, major issues of concern, needs and expectations, communication channels and achievements of the year, which provides reference for stakeholders and the general public. The Company regularly reports to the Board of Directors in the fourth quarter of each year on its communication with stakeholders during the year. The contact information of stakeholders is available on the Company's website so that appropriate responses to stakeholder concerns can be made in a timely manner. The feedback from stakeholders is the basis for continuous improvement and progress of the Company. For information on stakeholder interactions and business operations, please refer to P.31 to P.35 of this Annual Report.	No deviation
VI. Does the Company commission a professional shareholder services agency to handle matters in connection with the Shareholders' Meeting?	✓		The Company commission Chinatrust Commercial Bank, a professional shareholder services agency to handle matters in connection with the Shareholders' Meeting.	No deviation

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
<p>VII. Information disclosure</p> <p>(I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?</p> <p>(II) Does the company have other information disclosure channels (e.g. an English website, designated personnel to handle information collection and disclosure, a spokesman system, webcasting of investor conferences)?</p> <p>(III) Does the company have other information disclosure channels (such as building an English website, appointing designated personnel to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p>	✓		<p>(I) The Company has set up a website to disclose information about its financial standings and the status of corporate governance. Website: <a href="http://www.weltrend.com.tw">www.weltrend.com.tw</a></p> <p>(II) In addition to regularly or irregularly disclosing relevant financial business information on the Market Observation Post System as required by the competent authorities, the Company reveals relevant information on its website. The Company has established an English website, and the Financial Department is responsible for collecting and disclosing corporate information. Additionally, the Company has spokesmen and acting spokesmen, and the spokesman system is under good operation.</p> <p>(III) In accordance with regulatory requirements, listed companies must file their annual self-assessed financial information within 75 days after the end of the fiscal year and publicly announce and file their annual financial reports within three months after the fiscal year-end. Although the Company did not announce its annual financial report within two months after the year-end, it completed the announcement and filing within the 75-day deadline. The Company's financial reports for the first, second, and third quarters of 2024, as well as monthly revenue figures, were announced and filed on the Market Observation Post System (MOPS) before the respective deadlines and were simultaneously uploaded to the Company's website.</p>	Regarding the announcement and filing of the annual financial report within two months after the end of the fiscal year, the Company will handle the matter in a timely manner in accordance with the regulations of the competent authority.
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of client	✓		<p>(I) With the management philosophy of "innovation, quality, stability and pragmatism", the Company has been constantly pursuing innovation and breakthroughs in technology, and striving to achieving the corporate vision of "a profitable company with significant influence on specific product lines, interesting workplace, and humanistic spirit". Managers are constantly working towards this goal and striving to achieve this vision so that every employee can truly enjoy their work, earn a stable income and maximize the benefits for shareholders.</p>	No deviation

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
relations policies, and purchasing insurance for directors and supervisors)?			<p>(II) In terms of employees' rights and interests, the Company abides by the Labor Standards Act and other relevant laws and formulate personnel management rules to protect employees' rights and interests. Moreover, the Company holds quarterly labor-management meetings for mutual communication. In addition to general benefits such as labor and health group insurance for employees of the Company, the Employee Benefit Committee has been established to provide monthly funding for regular employee benefit activities, formulate annual plans and budgets, prepare festival gifts, organize group tourism, conduct community activities, hold birthday parties, donate wedding and funeral gifts, offer lunch subsidies, etc.</p> <p>(III) With respect to investor relations, the Company has spokesmen and acting spokesmen who engage in investor relations, so that investors can be fully informed of the Company's operations in real time and enjoy the best services.</p> <p>(IV) Suppliers are important partners of the Company's business operation. The Company's main suppliers are world-class manufacturers of wafer manufacturing and high-quality packaging factories, which have a complete green supply chain system and are the benchmark and reliable partners. Besides, they have passed TS16949 and ISO14000, and the manufacturing services provided by them can ensure the quality of the Company's products In line with client expectations and green quality requirements, the Company and suppliers jointly pursue sustainable business operations and growth through close cooperation, and actively achieve goals for quality and service standards, green products, labor management, and environmental safety and health management.</p> <p>(V) With respect to the rights of stakeholders, the Company has established a stakeholder section on its external website to disclose the interaction, operation, and contact information of stakeholders to establish a channel of communication between employees, clients, investors and other stakeholders and the Company, thus safeguarding the rights of stakeholders.</p>	



Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>(VI) The training hours and course content of all directors and independent directors in current year meet the requirements of the competent authorities. For further details regarding the "Director's Training Status," please refer to page 36.</p> <p>(VII) The Company has taken out liability insurance for the directors and supervisors. The directors and supervisors of the Company comply with the laws and act with prudence and integrity. In addition to the annual renewal of liability insurance, the Board of Directors was informed of the amount, coverage and premium rates of liability insurance for the current year in Q2 2024. Please check the Market Observation Post System for relevant information. The insurance situation for 2025 was also reported to the Board of Directors in Q2 2025.</p> <p>(VIII) For the succession planning of the Board members and key management personnel, please refer to page 37.</p>	

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
IX. Based on the latest Corporate Governance Evaluation report released by the Corporate Governance Center of TWSE, please state the circumstances in which improvements have been made and propose priorities and measures for those that have not yet improved.				
Priorities and measures for improvement of the unscored items in the Company's corporate governance evaluation for 2024:				
Evaluation indicators		Priorities and measures		
Does the Company establish Functional Committees, such as a Nomination Committee, Risk Management Committee, or Sustainable Development Committee, in addition to the statutory committees? These committees should have no fewer than three members, with a majority of independent directors, and at least one member should possess the necessary expertise for the committee. Furthermore, does the Company disclose the composition, responsibilities, and operational status of these committees?		The Company plans to establish a Sustainable Development Committee in 2025.		
Does the Company have a Functional Committee at the Audit committee or Board of Directors's level (e.g., Risk Management Committee) to oversee risk management? Has the company established risk management policies and procedures approved by the Board of Directors, and disclosed the risk management organizational structure, procedures, and operations? Additionally, does the committee report to the Board of Directors at least once a year?		The Company plans to have the Audit Committee oversee risk management starting from 2025. It will establish risk management policies and procedures approved by the Board of Directors, disclose the organizational structure, management procedures, and operations, and report to the Board of Directors annually.		
Does the Company prepare its Sustainability Report in accordance with the GRI Standards published by the Global Reporting Initiative (GRI), and upload the report to the Market Observation Post System and the Company's website?		The Company will prepare the 2024 Sustainability Report in accordance with the GRI Standards and upload it to the Market Observation Post System and the Company's website by the end of August 2025.		
Has the Sustainability Report prepared by the company been submitted to and approved by the board of directors?		The Company's 2025 Sustainability Report for 2024 will be submitted to the Board of Directors for discussion and approval before being publicly announced.		

## Standards for assessing the independence of CPAs

Evaluation items	Assessment outcome	Compliance with independence criteria
Whether CPAs and their spouses and dependent relatives have direct or indirect material financial relationship with the Company	No	Yes
Whether CPAs and their spouses and dependent relatives have any business relationship with the Company and its directors or managers that may affect independence Relationship	No	Yes
During the audit period, whether CPAs and their spouses and dependent relatives served as directors, managers of the Company or had direct and material influence on the audit work	No	Yes
Whether CPAs and the Company's directors or managers are spouses, direct relatives, relatives in-law or relatives within the second degree of kinship	No	Yes
Whether CPAs have received gifts or presents of great value from the Company or from a director, manager or substantial shareholder of the Company	No	Yes

## Information on stakeholder interactions and business operations

Objects	Major concerns	Demands/expectations	Communication channels and frequencies	2024 actual performance
Staff	<ol style="list-style-type: none"> <li>Salary and benefits</li> <li>Talent development</li> <li>Operational performance</li> </ol>	<ol style="list-style-type: none"> <li>Provide good salary and benefits</li> <li>Platform for expressing opinions</li> <li>Improve professional competence</li> </ol>	<ul style="list-style-type: none"> <li>Hold quarterly labor-management meetings, Benefit Committee's meetings, and birthday celebrations.</li> <li>Internal website or internal email announcements: Important corporate information, information on the Benefit Committee, information on various legal compliance, education and training courses, performance management operations, quality management system related operations and legal updates, information security information, etc.</li> <li>Employee-only mailboxes, sexual harassment complaints, whistle-blowing mailboxes for fraud or violation of professional ethics.</li> <li>Each department conducts weekly/monthly/quarterly work meetings or professional educational training as required.</li> </ul>	<ol style="list-style-type: none"> <li>In 2024, four labor-management meetings and birthday celebrations were held on March 28, June 26, September 26, and December 23, with four event occurring each quarter.</li> <li>The Company published a total of 77 pieces of information on its intranet, as well as monthly revenue information and quarterly information on information security to all employees by Email.</li> <li>No employee complaints or violations of labor laws.</li> <li>A total of 1,343 person-times with 3,788.5 hours of educational training were held throughout the year.</li> <li>The kick-off meeting for the Sustainability Report, along with professional guidance and training, were held on November 20, 2024.</li> </ol>

Objects	Major concerns	Demands/expectations	Communication channels and frequencies	2024 actual performance
Clients	<ol style="list-style-type: none"> <li>1. Client services</li> <li>2. Supply chain management</li> <li>3. Compliance with laws and regulations</li> </ol>	<ol style="list-style-type: none"> <li>1. Provide products and follow-up services to meet clients' requirements for quality</li> </ol>	<ul style="list-style-type: none"> <li>• Regular communication and discussion meetings.</li> <li>• Irregular response to questions.</li> <li>• An annual client satisfaction survey.</li> </ul>	<ol style="list-style-type: none"> <li>1. The number of cases for client needs and HSF cases was 747, and 719 cases were completed, with a completion rate of 96.3%.</li> <li>2. In 2024, actively participated in various ESG-related carbon reduction project seminars hosted by customers and successfully completed internal greenhouse gas third-party inventory operations, meeting customer requirements.</li> </ol>
Investors	<ol style="list-style-type: none"> <li>1. Sustainable development strategy</li> <li>2. Operational performance</li> <li>3. Risk management</li> </ol>	<ol style="list-style-type: none"> <li>1. Information transparency</li> <li>2. Compliance with laws and regulations</li> <li>3. Corporate social responsibility</li> </ol>	<ul style="list-style-type: none"> <li>• Hold a Shareholders' Meeting every year.</li> <li>• Hold at least two investor conferences a year and publish brief reports on the Market Observation Post System and the Company's external website.</li> <li>• Regular publication of financial statements (monthly revenue, quarterly and semi-Annual Reports) on the Market Observation Post System and the company's external website.</li> <li>• Update the Company's latest information on the Company's external website from time to time.</li> <li>• Irregular participation in seminars held by domestic and overseas investment institutions.</li> </ul>	<ol style="list-style-type: none"> <li>1. Hold the Shareholders' Meeting on May 29, 2024.</li> <li>2. Three public investor conferences were held on March 20, August 16, and November 11, 2024 respectively.</li> <li>3. Financial information is regularly posted on the company's website and Market Observation Post System.</li> <li>4. The Company publishes 22 pieces of corporate information on its external website.</li> </ol>
Suppliers	<ol style="list-style-type: none"> <li>1. Sustainable development strategy</li> <li>2. Operational performance</li> <li>3. Innovation management</li> </ol>	<ol style="list-style-type: none"> <li>1. Compliance with quality requirements</li> <li>2. Compliance with regulatory requirements</li> <li>3. Compliance with supplier policies</li> <li>4. Integrate the BOM of homogeneous products to reduce HSF-related control costs</li> </ol>	<ul style="list-style-type: none"> <li>• Quarterly review report or meeting.</li> <li>• Fixed annual audit procedures.</li> <li>• Carry out environmental safety and sustainable development related cooperation plan with suppliers from time to time.</li> </ul>	<p>The Quality Assurance Department carries out the supplier audit (including QSA/QPA/HSF) every year. A total of 15 suppliers performed audits this year.</p>

Objects	Major concerns	Demands/expectations	Communication channels and frequencies	2024 actual performance
Government agencies	<ol style="list-style-type: none"> <li>Occupational safety and health</li> <li>Ecological conservation</li> <li>Environmental management</li> <li>Government Regulation</li> </ol>	<ol style="list-style-type: none"> <li>Jointly maintain the work environment</li> <li>Compliance with laws and regulations</li> <li>Compliance with HSF-related laws and regulations</li> </ol>	<ul style="list-style-type: none"> <li>Participate in the functional organization and operation of park and Bureau of Science and Management regularly.</li> <li>Actively participate in public hearings of regulations and seminars held by competent authorities.</li> </ul>	<ol style="list-style-type: none"> <li>Participated in the joint meeting of the Board of Directors and Supervisors of the Park Association and related seminars for 3 times.</li> <li>Participated in 20 government-related public hearings, seminars and information sessions.</li> <li>Personnel were assigned to participate in integrity-related courses, including the Ministry of the Interior's Second Special Police Corps 2024 ESG Integrity Courses on "Trade Secret Protection and Anti-Fraud Advocacy," as well as a seminar hosted by the Industrial Association of the Science Park featuring TSMC's public interest initiative introducing the "Sustainable Smart Management Center for Trade Secrets" and promoting the "Self-Evaluation Indicators for Sustainable Smart Management of Trade Secrets."</li> <li>Personnel were assigned to participate in the basic training of the Emergency Response Team of Weltrend Semiconductor, Inc. at the Hsinchu Science Park, as well as the 2024 Group B Enterprises' Self-Managed Pollution Prevention Promotion and Briefing Session on Soil and Groundwater Pollution Prevention Management. Participated in the 1st 2024 Hsinchu County Briefing Session on Industrial Waste Disposal Plans and Related Regulations.</li> <li>Personnel were assigned to attend the 2024 Workplace Equality and Sexual Harassment Prevention Workshop, the Ministry of Labor's 2024 Briefing Session on Labor (Employment) Insurance and Occupational Accident</li> </ol>

Objects	Major concerns	Demands/expectations	Communication channels and frequencies	2024 actual performance
				Insurance Regulations, and the "Occupational Injury Management and Protection of Labor-Employer Rights" seminar organized by the Occupational Safety and Health Administration of the Ministry of Labor.
Community (school) association	<ol style="list-style-type: none"> <li>Public welfare</li> <li>Industry-academy cooperation</li> </ol>	<ol style="list-style-type: none"> <li>Talent recruitment</li> <li>Talent cultivation</li> </ol>	<ul style="list-style-type: none"> <li>Actively participate in community activities or seminars.</li> <li>Actively participate in industry-academy cooperation.</li> <li>Public welfare activities.</li> </ul>	<ol style="list-style-type: none"> <li>Sponsored the Paper Windmill 368 Township Children's Art Project organized by the Paper Windmill Arts and Educational Foundation, Taiwan The Weltrend's charity donation fund is utilized to support public welfare projects, including the 368 Township Children's Art Project in the East District of Hsinchu City.</li> <li>Sponsored the Golden Root Award Entrepreneurs Networking Event organized by the Taiwan Industrial Technology Association to strengthen collaboration with various industries.</li> <li>Sponsored the 2024 World Music Festival @ Taiwan, which brought together 16 outstanding performing groups from Taiwan and abroad and welcomed 15 international delegations. The Company provided tickets for employees to attend the event, allowing them to enjoy music from around the world and experience the cultural fusion of diverse musical expressions.</li> </ol>
Media	<ol style="list-style-type: none"> <li>Operational performance</li> <li>Corporate Governance</li> <li>Sustainable development strategy</li> </ol>	<ol style="list-style-type: none"> <li>Company product release</li> <li>Major topics</li> </ol>	<ul style="list-style-type: none"> <li>Publish press releases/material information on the Market Observation Post System and the Company's external website.</li> <li>Hold at least two investor conferences a year and publish brief reports on the Market Observation Post System and the Company's external website.</li> </ul>	<ol style="list-style-type: none"> <li>The Company publishes 22 pieces of corporate information on its external website.</li> <li>This year, 22 pieces of Chinese and English information were posted on the Market Observation Post System.</li> <li>Three public investor conferences were held on March 20, August 16, and November 11, 2024 respectively.</li> </ol>

Objects	Major concerns	Demands/expectations	Communication channels and frequencies	2024 actual performance
Cooperation partners	<ol style="list-style-type: none"> <li>1. Sustainable development strategy</li> <li>2. Risk management</li> <li>3. Client services</li> </ol>	<ol style="list-style-type: none"> <li>1. Compliance with laws and regulations</li> <li>2. Compliance with client requirements</li> </ol>	<ul style="list-style-type: none"> <li>• Discuss at irregular meetings according to client requirements.</li> <li>• The relevant product information and technical support on the Company's website is updated from time to time.</li> </ul>	<ol style="list-style-type: none"> <li>1. Conducted ISO9001 regular external audit from July 31 to August 1, 2024, and passed without any defects.</li> <li>2. Conducted QC080000 regular external audit from July 31 to August 1, 2024, and passed without any defects.</li> <li>3. Completed the self-assessment of ISO 14064 by the end of June 2024.</li> <li>4. Held the kick-off meeting for the Sustainability Report and initiated related guidance and training programs in November 2024.</li> <li>5. Underwent an external audit for ISO 14001 on December 5, 2024, and passed with no nonconformities.</li> </ol>

## Continuing Education of Directors and Key Managerial Personnel

Title	Name	Period of Training	Organizer	Course	Hours
Chairman	Sam Lin	2024.7.20	Commerce Development Research Institute	Corporate Governance and Sustainable Business Operation Workshop	3
		2024.9.6	Commerce Development Research Institute	Corporate Governance and Sustainable Business Operation Workshop	3
		2024.9.30	Taiwan Stock Exchange	Summit of Empowering Taiwan Capital Market	3
Director	James Chou	2024.8.20	Taiwan Corporate Governance Association	How to reposition and respond in the Era of Carbon Pricing	3
		2024.9.24	Taiwan Corporate Governance Association	AI Application, Legal Issues and Auditing	3
Director	Paul Liao	2024.7.17	Taiwan Independent Director Association	Recent Developments in AML/CTF	3
		2024.7.31	Taiwan Corporate Governance Association	Creation of a Friendly Workplace under the Labor Standards Act – Introduction to the Latest Gender Equality Regulations and Case Studies of Unlawful Infringements	3
Director	Jeff Tsai	2024.9.5	Securities and Futures Institute	Operational Outlook for the Second Half of 2024—Latest Taiwan Industrial Managers (PMI/NMI) Current Situation, Strategies and Challenges	3
		2024.10.4	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3
Director, Vice President, Chief Financial Officer, and Corporate Governance Officer	Cindy Guo	2024.6.21	Taiwan Corporate Governance Association	Legal Regulations for Sustainability Reports	3
		2024.6.26	Accounting Research and Development Foundation	The Latest Regulations on "Annual Report/Sustainability Information/Financial Report Compilation" and Practice of Internal Control Management	6
		2024.8.2	Taiwan Corporate Governance Association	Corporate Governance Supervisor Compliance Work Practice	3
Director and Chief R&D Officer	JC Liu	2024.10.4	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3
		2024.10.15	The Allied Association for Science Park Industries	Financial Statement Interpretation Ability and Case Analysis	3
Director and CEO	Tony Lin	2024.10.15	The Allied Association for Science Park Industries	Financial Statement Interpretation Ability and Case Analysis	3
		2024.11.12	Taiwan Academy of Banking and Finance	Legal Risks of Mergers and Acquisitions	3
Independent Director	Gerald Kuo	2024.6.25	Taiwan Corporate Governance Association	How to Proactively Take on the Challenges and Opportunities along the Path to Upgrade and Transformation for Taiwanese Enterprises in the Post-Pandemic Era (Part I)	3
		2024.6.28	Taiwan Corporate Governance Association	How to Proactively Take on the Challenges and Opportunities along the Path to Upgrade and Transformation for Taiwanese Enterprises in the Post-Pandemic Era (Part II)	3
		2024.7.9	Taipei Exchange	AI Strategy and Governance	3
Independent Director	Wei-Kun Yeh	2024.9.11	Securities and Futures Institute	Sustainable Development Strategies and Plans for Listed Companies	3
		2024.10.4	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3
Independent Director	Wen-Tsung Hsu	2024.6.21	Securities and Futures Institute	Shareholders' Meeting, Management Right and Equity Strategy	3
		2024.7.26	Securities and Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation under Geopolitics - PMI/NMI Exclusive Analysis	3



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

### **I. Succession Planning and Operations for Board Members**

The Company's directors are elected at the shareholders' meeting in accordance with the Company's "Articles of Incorporation" and the "Board Member Election Rules," using a candidate nomination system. Candidates for the next board term are nominated by the Board of Directors or shareholders holding more than 1% of the Company's shares. Nominations are based on the Company's operational needs, future development strategy, candidates' professional expertise, and the board diversity policy. Suitable candidates may be selected from among current directors, senior executives, or external professionals to form the most optimal board structure and composition.

The structure of the Company's Board of Directors is determined by considering the scale of the Company's business development, respecting the shareholding ratio of major shareholders, and bringing in independent directors who can contribute to the Company. Decisions on board changes are not based on personal preferences, but rather on practical operational needs.

To implement the board diversity policy, strengthen corporate governance, and promote the sound development of the Board's composition and structure, the Company has established a diversity policy for board members in its "Corporate Governance Best Practice Principles." This policy is designed based on the Company's operations, business model, and development needs. In addition to emphasizing diversity in basic conditions such as gender, age, and values, it also includes professional backgrounds (e.g., accounting, industry, finance, marketing, technology, law), as well as diverse professional knowledge and skills, including industry experience. To enhance corporate governance and improve the Board's effectiveness, the Company conducts an internal board performance evaluation at least once a year, in accordance with its "Rules for Performance Evaluations of the Board of Directors." This performance evaluation mechanism ensures the effectiveness of the board's operations and the results of the evaluation are used as a reference for future board member nominations and reappointments.

Regarding Board's succession planning, the Company arranges for key senior management members to join the board, allowing them to become familiar with and grasp the Board's operations and the operational status of various divisions within the Group.

### **II. Succession Planning and Operations for Key Management**

The Company has always adhered to the business philosophy of honesty, integrity, transparency and selflessness, so it pays special attention to these personality traits when cultivating successors. Additionally, due to the fierce competition and rapid change of high-tech industry, the Company attaches great importance to young employees with professional abilities. Currently, the Company places potential successors in the position of senior executives to receive training, gain extensive exposure and take charge of specific operations.

Potential successors are trained in comprehensive business and management capabilities by participating in key management meetings, management function courses, and other training programs. In alignment with the Company's operational management challenges at various stages, potential successors undergo progressive training to ensure smooth transitions in key management positions. This ensures the achievement of the Company's operational goals at each stage and fulfills its corporate social responsibility for sustainable operations.

(IV) If the Company has the Remuneration committee, it shall disclose its composition, duties and operation:

(1) Information on members of the Remuneration Committee

Title	Criteria Name	Professional qualifications and experience	Status of independence	Number of other public companies in which the individual concurrently serves as a member of the Remuneration Committee
Independent Director (Convener)	Gerald Kuo	Please refer to page 6-7 of the Annual Report for information on professional qualifications of directors and independence of independent directors.		1
Independent Director	Wei-Kun Yeh			0
Independent Director	Wen-Tsung Hsu			1

(2) Information on the operation of the Remuneration Committee

I. The Remuneration Committee has three members.

II. Term of office: July 4, 2022 to June 22, 2025. The Remuneration Committee held 5 meetings (A) in the most recent year. The attendance is as follows:

Title	Name	Attendance in person (B)	Proxy attendances	Attendance rate (B/A)	Note
Convener	Gerald Kuo	5	-	100%	Serve for another term of office
Committee Member	Wei-Kun Yeh	5	-	100%	Serve for another term of office
Committee Member	Wen-Tsung Hsu	5	-	100%	Newly-appointed

Other matters:

- I. In the case that the Board of Directors modifies or declines to adopt a recommendation of the Remuneration Committee, it shall specify the date of the meeting, session, content of motions, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinions (e.g., the remuneration passed by the Board of Directors is higher than that recommended by the Remuneration Committee, the circumstances and cause for the difference shall be specified): N/A.
- II. Where there is any resolution of the Remuneration Committee to which a member objects or on which a member has a qualified opinion, and such objection or qualified opinion is documented or reduced to a written statement, it is required to disclose the meeting date, session, content of motions, opinions of all members and the response thereto: N/A.

III. Reasons for discussion and results of decisions of the Remuneration Committee, and the Company's handling of members' comments

Compensation Committee	Content of the motion and subsequent handling	Resolutions	The Company's actions in response to opinions from the Remuneration Committee
2024.2.26 The 5th The 6th	1. Reviewed the Year-end Bonus Plan for the Company's managers for 2023. 2. Reviewed the proposal of the Company's compensation to employees and remuneration to directors and supervisors for 2023.	Approved by all members of the Remuneration Committee.	All motions were unanimously approved by the directors present without any objection to the recommendation of the Remuneration Committee.
2024.5.8 The 5th The 7th	1. Review of the proposal for distribution of Directors' remuneration for 2023.	Approved by all members of the Remuneration Committee.	All motions were unanimously approved by the directors present without any objection to the recommendation of the Remuneration Committee.
2024.8.7 The 5th The 8th	1. Reviewed the Remuneration Allocation Plan for the Company's managers and employees for 2023. 2. Reviewed the proposal for the compensation adjustment of managers for 2024.	Approved by all members of the Remuneration Committee.	All motions were unanimously approved by the directors present without any objection to the recommendation of the Remuneration Committee.
2024.8.23 The 5th The 9th	1. Reviewed the proposed transfer of the Company's treasury shares to employees with manager status.	Approved by all members of the Remuneration Committee.	All motions were unanimously approved by the directors present without any objection to the recommendation of the Remuneration Committee.
2024.11.6 The 5th The 10th	1. Reviewed the Remuneration Allocation Plan for the Company's managers and employees for 2023.	Approved by all members of the Remuneration Committee.	All motions were unanimously approved by the directors present without any objection to the recommendation of the Remuneration Committee.

The function of the Remuneration Committee is to evaluate the remuneration policies and systems of the directors, supervisors and managers of the Company in a professional and objective manner. The Remuneration Committee shall hold at least 2 meetings a year and make recommendations to the Board of Directors for their decision making. It shall regularly review the Organizational Regulations of the Remuneration Committee, put forward suggestions for amendments, formulate and regularly review the performance evaluation standards, annual and long-term performance goals, and salary and compensation policies, systems, standards and structures for directors, supervisors and managers of the Company.

(V) Implementation of sustainable development, deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefore:

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
I. Has the Company established a governance structure to achieve sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to handle senior management, and supervised by the Board of Directors?	✓		The Company has established an ESG Sustainable Development Team, chaired by the CEO. The Team is structured around six key aspects of sustainable development and comprises cross-departmental members responsible for planning and implementing relevant initiatives. The ESG Sustainable Development Team reports the progress and implementation status of the previous year's sustainability efforts to the Board of Directors in the first quarter of each year. The working group prepares a sustainable development promotion plan at the beginning of the year and reports the contents of the plan to the supervisor. With the approval of the supervisor, the promotion unit explains the plan contents and communicates the promotion methods to the relevant departments, and reports to the supervisor regularly and reviews the effectiveness of the operation. The responsibilities of the working group include formulating and reviewing sustainable development policies, systems or related management guidelines, collecting stakeholders' views and responding appropriately to their concerns, reporting annually to the Board of Directors on the promotion and implementation of sustainable development, and communicating with stakeholders. In addition to reviewing the implementation of the strategy and goal setting, the Board of Directors reviews the implementation of the measures and makes recommendations and improvement plans to the management team if necessary.	No deviation
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to corporate operations according to the principle of materiality, and formulated relevant risk management policies or strategies?	✓		<ol style="list-style-type: none"> <li>1. This disclosure covers the Company's sustainable development performance at its primary locations from January to December 2024. The boundary of material topics primarily includes Weltrend Semiconductor, Inc. and its Kaohsiung branch in Taiwan.</li> <li>2. The Company's Sustainable Development Team conducts an analysis based on the materiality principle of the sustainability report. It engages with internal and external stakeholders and reviews domestic and international research reports and literature. The Team integrates evaluations from various departments and subsidiaries to assess material sustainability topics. Based on this, it formulates risk management policies for effective identification, measurement, assessment, monitoring, and control, and implements concrete action plans to mitigate the impact of related risks. For details on</li> </ol>	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			the material topic risk management strategies and performance for 2024, please refer to pages 59-61.	
III. Environmental issues (I) Has the Company established proper environmental management systems based on the characteristics of their industries?	✓		<p>The Company is engaged in product R&amp;D, design and sales. The wafer and IC packaging developed by the Company are all produced by relevant cooperative suppliers. Supplier management and hazardous substance control are performed in accordance with the Company's Supplier Management Regulations and HSF Management Procedures. The Company has been certified by ISO 14001 Environmental Management System and IECQ QC 080000 Hazardous Substance Process Management. The Company conducts annual certification audit by the accredited firm and has obtained validity certificate for certification system. Our commitments and practices are as follows:</p> <p>(I) Product R&amp;D, design, manufacturing and sales:</p> <ol style="list-style-type: none"> <li>All products comply with the following international regulations:               <ol style="list-style-type: none"> <li>EU RoHS.</li> <li>Halogen Free.</li> <li>PFOS and PFOA control.</li> <li>EU REACH SVHC.</li> </ol> </li> <li>Our products are tested by a third-party accredited firm (a laboratory accredited by ISO 17025) to monitor and manage suppliers' materials to meet the regulations for the management of hazardous substances.</li> <li>Constantly promote and hold educational training to make all employees fully understand the meaning and responsibility of eliminating harmful substances.</li> <li>Establish a qualified supplier system to ensure that materials do not contain hazardous substances.</li> </ol> <p>(II) Supplier management:</p> <ol style="list-style-type: none"> <li>The supplier shall comply with the Company's Supplier Management Regulations and HSF Management Procedures, and ensure that it conforms to the Company's definition of green products.</li> <li>The third-party accredited firm (a laboratory accredited by ISO 17025) shall provide regular test reports on the use of materials.</li> <li>Review the material safety data report of raw materials.</li> </ol>	No deviation



Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
(II) Has the Company endeavored to utilize all resources more efficiently and used renewable materials which have low impact on the environment?	✓		<p>Environmental protection is a pivotal part of sustainable development. The Company is committed to improving energy efficiency and using recycled materials with low impact on the environment, and incorporating the concept of environmental protection into operating procedures to reduce environmentally harmful substances and materials, relieve the burden and impact on the environment, and enable the sustainable use of global resources. The specific measures are as follows:</p> <ol style="list-style-type: none"> <li>1. Reduce the discharge of pollutants, toxic substances and waste, and dispose of waste properly.</li> <li>2. Improve the recyclability and reuse of products.</li> <li>3. Prolong the shelf life and durability of products.</li> <li>4. Improve product efficiency.</li> <li>5. Promote e-form sign-off system to save paper consumption.</li> <li>6. Recycle packaging cushioning materials (such as foam, bubble cloth) for shipping operations to reduce the use of plastic products.</li> <li>7. Recycle IC tubes and trays for the loading of defective products to increase the recycling rate of plastic products.</li> <li>8. Implement resource classification and recycling, reduce the use of single-use appliances such as paper cups and disposable cutlery to alleviate the burden and impact on the environment.</li> </ol>	No deviation
(III) Has the Company assessed the potential risks and opportunities of climate change on its present and future operation, and taken measures to respond to climate-related issues?	✓		<p>(I) Substantial risks arising from climate changes: The Company is engaged in IC design industry and has no wafer fabs. In case of risks caused by climate changes, apart from the cost increase due to the increase of electricity and water demand for air conditioning and office lighting, the extreme climate triggered by global warming may increase the frequency and severity of natural disasters. As a result, it may lead to power failure and water outage due to disasters, which may indirectly increase the operating costs of the Company. Additionally, clients and other stakeholders may require that the products and services provided by the Company meet requirements related to energy conservation, low pollution, no use of prohibited substances and raw materials, or ask the Company to obtain carbon and water footprint verification.</p>	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>(II) Business exposure to climate change-related regulations: The Company is not one of the enterprises included in "the first batch of emission sources that shall be inventoried to register greenhouse gas emissions" as announced in the Greenhouse Gas Reduction and Management Act, and has no risk of violating the regulations. However, to realize the goal of Net-Zero by 2050 set by the government, the Company will follow the greenhouse gas inventory and verification schedule of TWSE/GTSM listed companies stipulated by the government and the carbon reduction plan of the government, and gradually promote the relevant greenhouse gas inventory and carbon reduction plan of the Company to achieve the goal of sustainable development.</p> <p>(III) The sustainable development plan for ESG is as follows:</p> <ol style="list-style-type: none"> <li>1. 2022: <ol style="list-style-type: none"> <li>(1) Greenhouse gas inventory: In the initial stage, only Category 1 (direct greenhouse gas emission sources, such as refrigerant) and Category 2 (indirect greenhouse gas emission sources, such as purchased electricity) of the Company (including subsidiaries) will be investigated. The Company has conducted the inventory and calculation of greenhouse gas emissions in 2021 and established a database with 2016 as the base year to reduce carbon emissions by 3% as the target. Reasonable carbon reduction target shall be based on business turnover. Therefore, the Company will examine the sources of greenhouse gas emissions in Categories 1 and 2 in 2022 as the basis for setting the carbon reduction target.</li> <li>(2) Carbon footprint inventory: This part is for product inventory. All suppliers shall be included in the inventory. The carbon footprint inventory plan has been formulated and announced to the suppliers to assist in the investigation.</li> <li>(3) Collect CSR and ESG reports by suppliers.</li> <li>(4) Results: The Company initialed the training on the ISO 14001 Environmental Management System in 2022, completed the audit review by the accredited firm in December 2022, and obtained the ISO 14001 certification in March 2023.</li> </ol> </li> </ol>	

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>2. 2023:</p> <p>(1) Adjust the base year and redefine the carbon reduction target. (2022 will takes 2016 as the base year)</p> <p>(2) Category 3 (other indirect greenhouse gas emission sources, e.g. employee commuting, transportation) shall be included in the inventory to facilitate the Company's data collection of greenhouse gas emissions.</p> <p>(3) Supplier carbon footprint inventory: The size of the supplier determines the difficulty of carbon footprint inventory. At the present stage (2022-2025), the Company will discuss with the supplier on how to collect relevant data.</p> <p>(4) Complete the training on ISO14064-1 greenhouse gas inventory, and obtain the greenhouse gas emission inspection statement by the accredited firm.</p>	
(IV) Has the Company conducted assessment on greenhouse gas, water consumption and waste for the last two years, and established strategies for energy conservation and carbon reduction, greenhouse gas reduction, water saving and waste management?	✓		<p>(I) However, to realize the goal of Net-Zero by 2050 set by the government, the Company will follow the greenhouse gas inventory and verification schedule of TWSE/GTSM listed companies stipulated by the government and the carbon reduction plan of the government, and gradually promote the relevant greenhouse gas inventory and carbon reduction plan of the Company to achieve the goal of sustainable development. Given the growth of the operating performance and the increase in the proportion of electricity consumption, the Company takes 2022 as the base year and aims to achieve the target of 3% carbon reduction for revenue per unit (NT\$ thousand) in 2026.</p> <p>(II) Greenhouse gas emissions and reduction measures The Company is not one of the enterprises included in "the first batch of emission sources that shall be inventoried to register greenhouse gas emissions" as announced in the Greenhouse Gas Reduction and Management Act. However, to realize the goal of Net-Zero by 2050 set by the government, the Company will follow the greenhouse gas inventory and verification schedule of TWSE/GTSM listed companies stipulated by the government and the carbon reduction plan of the government, and gradually promote the relevant greenhouse gas inventory and carbon reduction plan of the Company to achieve the goal of sustainable development.</p>	No deviation



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			<p>The Company completed ISO 14064-1 GHG inventory guidance in 2023 and underwent third-party verification, successfully obtaining the verification statement for its 2022 GHG emissions. Currently, the base year for GHG inventory and verification is 2022. In accordance with the ISO 14064-1 standard, the Company conducted a GHG emissions inventory through self-assessment (including both the headquarters and subsidiaries). The results indicate that the primary source of GHG emissions in 2023 was electricity consumption (Scope 2), which accounted for approximately 1,441 metric tons of CO<sub>2</sub> equivalent. The second major source, though comparatively minor, consisted of direct emissions (Scope 1) from air conditioners, fire extinguishers, and water dispenser refrigerants, totaling around 55 metric tons of CO<sub>2</sub> equivalent. The combined emissions amounted to approximately 1,496 metric tons of CO<sub>2</sub> equivalent. Overall, electricity consumption (Scope 2) accounts for about 96.32% of total emissions; Only 3.68% of the gas directly emitted from fixed equipment such as air conditioners, fire fighting devices and water dispensers (Scope 1).</p> <table><tr><th colspan="2">Scope</th><th>Corresponding Activities/Facilities</th><th>Source of Emission</th><th>Types of GHG</th><th>2022</th><th>2023</th></tr><tr><td colspan="5"></td><td colspan="2">Unit: t-CO2e/Year</td></tr><tr><td rowspan="10">Scope 1, direct GHG emissions</td><td rowspan="8">Fugitive emission sources (F)</td><td>Refrigerants from air conditioning in company vehicles</td><td rowspan="8">Refrigerant</td><td rowspan="8">HFCS</td><td rowspan="10">51.9452 (3.58%)</td><td rowspan="10">55.0629 (3.68%)</td></tr><tr><td>Refrigerants used in water dispensers</td></tr><tr><td>Air conditioning (cooling machine)</td></tr><tr><td>Chiller units</td></tr><tr><td>Refrigerators and freezers</td></tr><tr><td>Thermal shock test chambers</td></tr><tr><td>Constant temperature and humidity test chambers</td></tr><tr><td>Air dryers</td></tr><tr><td rowspan="2">Mobile emission sources (T)</td><td>Fire extinguisher</td><td>Refrigerant</td><td>HFCs, CO<sub>2</sub></td></tr><tr><td>Septic tank</td><td>Wastewater</td><td>CH<sub>4</sub></td></tr><tr><td></td><td>Mobile emission sources (T)</td><td>Company vehicles</td><td>Gasoline</td><td>CO<sub>2</sub>, CH<sub>4</sub>・N<sub>2</sub>O</td><td></td><td></td></tr><tr><td>Scope 2, indirect GHG emissions</td><td>-</td><td>Purchased electricity</td><td>Electricity</td><td>CO2</td><td>1,400.477 (96.42%)</td><td>1,440.7278 (96.32%)</td></tr><tr><td colspan="5">Total</td><td>1,452.4222</td><td>1,495.7907</td></tr></table>	Scope		Corresponding Activities/Facilities	Source of Emission	Types of GHG	2022	2023						Unit: t-CO2e/Year		Scope 1, direct GHG emissions	Fugitive emission sources (F)	Refrigerants from air conditioning in company vehicles	Refrigerant	HFCS	51.9452 (3.58%)	55.0629 (3.68%)	Refrigerants used in water dispensers	Air conditioning (cooling machine)	Chiller units	Refrigerators and freezers	Thermal shock test chambers	Constant temperature and humidity test chambers	Air dryers	Mobile emission sources (T)	Fire extinguisher	Refrigerant	HFCs, CO <sub>2</sub>	Septic tank	Wastewater	CH <sub>4</sub>		Mobile emission sources (T)	Company vehicles	Gasoline	CO <sub>2</sub> , CH <sub>4</sub> ・N <sub>2</sub> O			Scope 2, indirect GHG emissions	-	Purchased electricity	Electricity	CO2	1,400.477 (96.42%)	1,440.7278 (96.32%)	Total					1,452.4222	1,495.7907	
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			<p>efforts are primarily centered around the Hsinchu site. We continue to implement waste reduction and recycling programs to minimize environmental impact. In 2023, a total of 17,4371 metric tons of waste was generated, of which hazardous waste accounted for only 0.998 metric tons. All hazardous waste was fully recycled, achieving a 100% recycling rate, a significant improvement from the previous year when no hazardous waste was recycled. The Company will continue to advance its waste recycling initiatives.</p> <p>The Company waste includes hazardous industrial waste (such as discarded ICs) and general industrial waste (including plastics and paper). In 2023 and 2022, the amounts of hazardous industrial waste (discarded ICs) disposed were 0.998 metric tons and 0 metric tons, respectively. General industrial waste (plastics and paper) amounted to 16.44 metric tons in 2023 and 15.12 metric tons in 2022. Greenhouse gas emissions from waste accounted for only 1.1% of the Company's total Scope 2 emissions and are thus not classified as a material topic. However, all commissioned waste disposal operators are authorized by the competent authority for the removal and treatment of such waste, and the Company has not violated any legal or regulatory requirements in this regard. In addition, the Company successfully obtained ISO 14001 certification in 2023, underscoring our commitment to environmental management.</p> <table border="1"> <thead> <tr> <th>Waste category</th><th>Unit</th><th>Disposal methods</th><th>2022</th><th>2023</th></tr> </thead> <tbody> <tr> <td>General</td><td>ton</td><td>Incineration (Note 1)</td><td>15.1238</td><td>16.4391</td></tr> <tr> <td rowspan="2">Hazardous</td><td rowspan="2">ton</td><td>Incineration (Note 2)</td><td>0.21</td><td>-</td></tr> <tr> <td>Recycling and reuse (Note 3)</td><td>-</td><td>0.998</td></tr> <tr> <td>General + Hazardous</td><td>ton</td><td>Total of general + hazardous</td><td>15.3338</td><td>17.4371</td></tr> <tr> <td>-</td><td>-</td><td>Waste conversion rate (Note 4)</td><td>0%</td><td>6%</td></tr> </tbody> </table> <p>(Note 1:) General waste is calculated based on all company locations (including Taipei, Taichung, Kaohsiung, and branch offices).            (Note 2:) Hazardous - Incineration: Refers to mixed plastic waste.            (Note 3:) Hazardous - Reuse and Recycling: Refers to discarded electronic components,</p>	Waste category	Unit	Disposal methods	2022	2023	General	ton	Incineration (Note 1)	15.1238	16.4391	Hazardous	ton	Incineration (Note 2)	0.21	-	Recycling and reuse (Note 3)	-	0.998	General + Hazardous	ton	Total of general + hazardous	15.3338	17.4371	-	-	Waste conversion rate (Note 4)	0%	6%	
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			<p>scraps, and defective products.</p> <p>(Note 4:) Waste conversion rate = (Reuse + reduction + recycling + recovery + waste-to-energy + anaerobic digestion + biofuel + composting)/Total waste generated.</p> <p>In 2023 and 2022, the revenue from waste recycling amounted to NT\$127,801 and NT\$196,409, respectively. The recycling revenue decreased by NT\$68,608 year-over-year, primarily due to a reduction in the volume of recyclable waste.</p> <table><tr><th rowspan="2">Categories of waste resources recycling/Year</th><th colspan="2">Amount (NT\$)</th></tr><tr><th>2022</th><th>2023</th></tr><tr><td>Offcuts</td><td>-</td><td>20,565</td></tr><tr><td>Plastics (including Tray)</td><td>192,000</td><td>102,856</td></tr><tr><td>Paper</td><td>4,399</td><td>4,250</td></tr><tr><td>Miscellaneous</td><td>10</td><td>130</td></tr><tr><td>Total</td><td>196,409</td><td>127,801</td></tr></table> <p>Note: Miscellaneous category includes light bulbs, batteries, etc.</p> <p>(V) The Company's strategies for addressing climate change or greenhouse gas management: We understand that corporate operations, including product development, client services and business activities, may affect the entire environment. To alleviate the impact on the environment, we have established a qualified supplier system to ensure that materials do not contain harmful substances, so as to form a green supply chain with suppliers. We are also committed to energy conservation, major waste recycling, hazardous material management, pollution prevention, energy and water conservation and waste management. Additionally, we educate our staff on the importance of implementing green product plans and enhance their awareness of the sustainable corporate development.</p>	Categories of waste resources recycling/Year	Amount (NT\$)		2022	2023	Offcuts	-	20,565	Plastics (including Tray)	192,000	102,856	Paper	4,399	4,250	Miscellaneous	10	130	Total	196,409	127,801	
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	Yes	No	Summary	
			Specific measures include: Air conditioning temperature control and energy efficiency control in summer, timely turn off lighting equipment in unmanned areas, replace lamps in the factory with LED T5 tubes, establish an electronic system to reduce paper usage, build video equipment in each office for staff communication, make good use of remote meetings, reduce the carbon emissions caused by business trips, replace part of air conditioners with frequency-conversion air conditioners in each office to achieve energy saving, check water equipment regularly, repair damaged equipment in a timely manner, encourage colleagues to report to the Company at any time for repair, constantly promote energy saving, water saving, car sharing and the use of public transportation system, remind colleagues to cultivate the habit of saving energy, perform supplier management, and require the manufacturing process and finished product IC provided by the supplier to conform to the green products defined by the Company.	
IV. Social issues (I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>I. Respect for human rights and labor rights:</p> <p>(I) Bills of human rights</p> <ol style="list-style-type: none"> <li>1. The Company provides fair opportunities for recruitment, appointment and career development without discrimination on the basis of gender, race, age, or other factors. We follow the spirit of the Universal Declaration of Human Rights, the United Nations Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work and other important human rights conventions, and internationally recognized human rights standards, and treat our employees, contract staff and interns fairly.</li> <li>2. The Company adheres to the universally recognized principles of fundamental labor rights, including freedom of association, the right to collective bargaining, the prohibition of child labor, the elimination of various forced labor, the elimination of discrimination in employment, and harm to workers.</li> <li>3. The Company prohibits discrimination on any human rights, including race, color, age, gender, sexual orientation, ethnicity, physical or mental disability, religion, political identity, organizational status, place of birth and marital status.</li> </ol> <p>(II) Administration of human rights:</p>	No deviation

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			To make all employees know that the Company is committed to human rights, the Code of Ethics for Employees and Work Rules formulated by the Company clearly stipulate that the Company provides fair opportunities for recruitment, appointment and career development without discrimination on the basis of gender, race, age, or other factors. The Work Rules stipulate that the employment of child labor is prohibited, any type of discrimination or harassment (including sexual harassment) or threatening language is prohibited within the workplace, and the interaction between colleagues shall be based on the rational principle of mutual respect.									
			(III) Communication channels for the implementation of human rights: 1. Publicity of legal compliance: The Company conducts quarterly publicity of legal compliance through intranet or announcements, and carries out anti-discrimination, anti-sexual harassment, anti-bullying and other education and training to create a high-quality workplace environment that safeguards human rights. 2. Employee mailbox and whistle-blowing system: The Articles of Association of the Company specify the rights and interests of employees and set up THE employee mailbox, so that each employee has direct access to express opinions (or complaints) to the senior management. We also require suppliers to uphold the above principles to treat their employees with the same standards. The external website also has a whistle-blowing system for violations of professional ethics. 3. Labor-management meetings: The Company has established a good communication channel and holds quarterly labor-management meetings to ensure the rights and interests of both parties. 4. Human rights and labor-related education and training: <table><tr><th>Item</th><th>Course</th></tr><tr><td>1</td><td>2024 Workplace Equality and Sexual Harassment Prevention Workshop</td></tr><tr><td>2</td><td>2024 Labor Retirement System and Regulations Seminar</td></tr><tr><td>3</td><td>Labor Insurance-Related Course – 2024 Ministry of Labor Employment Insurance and Occupational Accident Insurance Regulatory Seminar</td></tr></table>	Item	Course	1	2024 Workplace Equality and Sexual Harassment Prevention Workshop	2	2024 Labor Retirement System and Regulations Seminar	3	Labor Insurance-Related Course – 2024 Ministry of Labor Employment Insurance and Occupational Accident Insurance Regulatory Seminar	
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			<table><tr><td>4</td><td>2024 Ministry of Labor - Labor Standards Act Seminar</td></tr><tr><td>5</td><td>Workplace Sexual Harassment Prevention Training Course</td></tr><tr><td>6</td><td>Anti-Employment Discrimination and Promotion of Gender Equality Seminar</td></tr><tr><td>7</td><td>Practical Training on Occupational Accident Management and Protection of Labor-Employer Rights</td></tr><tr><td>8</td><td>Labor Law Training (II) – Labor Occupational Accident Insurance and Protection Act</td></tr><tr><td>9</td><td>2024 Hsinchu Science Park Employee Welfare Business Seminar</td></tr><tr><td>10</td><td>Corporate and Supply Chain Human Rights Practices Workshop</td></tr><tr><td>11</td><td>Human Rights Compliance Education for New Employees</td></tr><tr><td>12</td><td>Quarterly Internal Web-Based “Human Rights and Labor Rights Advocacy” Campaigns (Conducted on 2/21, 5/6, 8/12, and 11/13, 2024, with 100% participation rate)</td></tr><tr><td>13</td><td>2024 Soil and Groundwater Pollution Prevention Management Seminar for B-Category Enterprises</td></tr><tr><td>14</td><td>Fire Safety Manager Refresher Training</td></tr><tr><td>15</td><td>Factory Fire Risk Identification and Disaster Prevention and Response Training</td></tr><tr><td>16</td><td>On-the-Job First Aid Personnel Training</td></tr><tr><td>17</td><td>On-the-Job Occupational Safety and Health Training</td></tr><tr><td>18</td><td>Hsinchu Science Park Weltrend Semiconductor Inc. Emergency Response Team Basic Training</td></tr><tr><td>19</td><td>Category A Occupational Safety and Health Supervisor Refresher Training</td></tr><tr><td></td><td>A total of 359 participants attended the above-mentioned courses, with a cumulative training duration of 217.5 hours.</td></tr></table> <p>5. Mitigation measures for violations of human rights: The Company has formulated relevant mitigation measures for violations of human rights such as Sexual Harassment Prevention Measures, Complaints and Punishment Measures to protect employees' work rights and provide a working environment free from sexual harassment. In cases of sexual harassment, appropriate preventive, corrective and punitive measures shall be taken.</p>	4	2024 Ministry of Labor - Labor Standards Act Seminar	5	Workplace Sexual Harassment Prevention Training Course	6	Anti-Employment Discrimination and Promotion of Gender Equality Seminar	7	Practical Training on Occupational Accident Management and Protection of Labor-Employer Rights	8	Labor Law Training (II) – Labor Occupational Accident Insurance and Protection Act	9	2024 Hsinchu Science Park Employee Welfare Business Seminar	10	Corporate and Supply Chain Human Rights Practices Workshop	11	Human Rights Compliance Education for New Employees	12	Quarterly Internal Web-Based “Human Rights and Labor Rights Advocacy” Campaigns (Conducted on 2/21, 5/6, 8/12, and 11/13, 2024, with 100% participation rate)	13	2024 Soil and Groundwater Pollution Prevention Management Seminar for B-Category Enterprises	14	Fire Safety Manager Refresher Training	15	Factory Fire Risk Identification and Disaster Prevention and Response Training	16	On-the-Job First Aid Personnel Training	17	On-the-Job Occupational Safety and Health Training	18	Hsinchu Science Park Weltrend Semiconductor Inc. Emergency Response Team Basic Training	19	Category A Occupational Safety and Health Supervisor Refresher Training		A total of 359 participants attended the above-mentioned courses, with a cumulative training duration of 217.5 hours.	
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(II) Has the Company formulated and implemented reasonable measures for employee benefits (including remuneration, vacation and other benefits, etc.), and appropriately reflected operating performance or results in employee compensation?	✓		<p>(I) The Company has formulated and implemented reasonable employee benefits. In terms of salary, we attach great importance to the treatment and benefits of employees. The salary of employees is determined according to their professional ability, personal performance, academic experience and background, as well as the company's operating performance and future risks. We implement the concept of gender equality in the workplace, and the salary of staff at all levels does not differ due to gender. Although the Company is engaged in the electronics, it is committed to diversity and equality in the workplace. Currently, females account for about 32% of the employees and 11% of the senior executives.</p> <p>(II) With respect to employee remuneration, it is paid according to the Company's annual operation and employee performance. It is stipulated in Article 20 of the Articles of Association that the Company shall allocate 11% to 15% of the Company's pre-tax profit of the current period before deducting the employees' remuneration and Directors' remuneration of the year as employees' remuneration and no more than 4% as Directors' remuneration. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the profit first to make up for the losses. In terms of leave, special leave, sick leave, maternity leave, leave without pay, etc. are granted in accordance with the provisions of Labor Standards Act. For other benefits, please refer to page 108 of this Annual Report.</p>	No deviation
(III) Has the Company provided a healthy and safe working environment and organized training on health and safety for its employees on a regular basis?	✓		<p>(I) The Company is committed to providing a safe and healthy working environment for employees. In terms of employee health, regular health lectures are held and health education information is provided, so that employees can know their health status and acquire the knowledge and methods of health management. The Company has also built a fitness center for employees to offer a variety of sports and fitness equipment them to use, so that employees have leisure and fitness space in their spare time. Regarding the safe workplace, courses on fire safety training and work safety are held regularly to cultivate staff's ability to respond to disasters and maintain environmental safety. The safety of employees in the workplace is one of our most important responsibilities. In 2024, the number of occupational accidents of our employees was 0.</p> <p>(II) To provide a healthy and safe working environment for all employees and protect the</p>	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>Company's assets, the implementation of environmental health and safety is as follows:</p> <ol style="list-style-type: none"> <li>1. Provide education and training to enhance staff's awareness of environmental safety and the relevant labor safety and health regulations.</li> <li>2. Provide health information and health check every year to ensure the physical and mental health of staff.</li> <li>3. Conduct company-wide fire safety equipment inspection and repair every year, and implement fire safety training for employees every six months.</li> <li>4. Conduct biennial safety inspections of fire and refuge facilities and equipment in buildings.</li> <li>5. Conduct quarterly inspection of drinking water.</li> <li>6. Conduct the working environment inspection every six months, such as: organic solvent concentration measurement, carbon dioxide concentration measurement, noise measurement, etc. All of which have passed the inspection.</li> <li>7. Strengthen employees' concept of green quality and sustainable management.</li> <li>8. The safety of employees in the workplace is the Company's most important responsibility.</li> <li>9. Access control system management: Employees have to use access control cards as identification when entering and exiting. This system serves as a security management mechanism for personnel entering and exiting.</li> </ol> <p>(III) Reporting of annual fire incidents, casualties, and employee injury rates, and corresponding fire safety improvement measures: In 2024, the Company reported 0 fire incidents. The Company conducts comprehensive inspections of fire safety equipment throughout the organization annually. Additionally, fire safety training sessions for all employees are conducted semi-annually. Every two years, inspections are carried out to ensure the safety of building fire evacuation facilities and equipment. Moreover, preventive measures are diligently implemented on a regular basis to minimize the probability of fire occurrences.</p>	
(IV) Has the Company provided its employees with career development	✓		According to ISO9001, the Company has formulated the Management Procedures for Employee Education and Training. The Human Resources Department is responsible for the	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
and training plans?			overall planning and promotion of the Company's education and training. Through the implementation of education and training, employees improve work performance and cultivate the necessary competencies, facilitating their career development. Meanwhile, the Company actively enhances employees' knowledge of HSF regulations to meet clients' needs for products and services. Education training includes internal education training, external education training, as well as the selection and training of new personnel. In 2024, a total of 1,343 person-times with 3,788.5 hours of educational training were held throughout the year. More than 85% of the planned courses were completed in 2024.	
(V) Has the Company complied with relevant regulations and international standards on the health and safety of clients, client privacy, marketing and labeling of products and services, and formulated relevant policies and complaint procedures to protect the rights and interests of clients and clients?	✓		<p>To ensure the quality of products and services, the marketing and labeling of our products and services conform to RoHS and the relevant specifications of halogen-free and green products specified by clients. The Company provides products and follow-up services that meet clients' quality requirements, formulates sales return and client complaint handling plans, and conducts an annual client satisfaction survey. It also sets up a special section for stakeholders on the intranet to provide channels for client communication, complaints and suggestions to protect clients' rights and interests. Client services:</p> <p>(I) Actively participate in seminars on environmental issues held by clients.</p> <p>(II) Maintain the validity of the client's green product recognition system platform.</p> <p>(III) Study relevant environmental laws and regulations to continuously improve HSF operating system and strive to be a reliable green partner of clients. Relevant laws and regulations are as follows:</p> <ol style="list-style-type: none"> <li>1. EU RoHS.</li> <li>2. Halogen Free.</li> <li>3. PFOS and PFOA control.</li> <li>4. EU REACH SVHC.</li> <li>5. Sony Green Partner °</li> </ol>	No deviation
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection,	✓		<p>(I) Supplier management policies: The company has long perceived suppliers as important partners and maintained long-term cooperative relationships with them. In addition to ensuring the quality, delivery time, price and service capability, suppliers are required to implement environmental protection policies, improve labor safety and health, pay attention to</p>	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and related reasons
	Yes	No	Summary	
occupational safety and health, or labor rights? If so, how is the implementation status?			<p>work and human rights, fulfill their corporate social responsibilities, and assist and urge upstream and downstream manufacturers to enhance green competitiveness and risk management, thus creating sustainable business opportunities. The Quality Assurance Department carries out the supplier audit (including QSA/QPA/HSF) every year. A total of 15 suppliers performed audits this year.</p> <p>(II) Supply chain management:</p> <ol style="list-style-type: none"> <li>1. Evaluation of new manufacturers: Suppliers who meet our requirements in terms of quality, finance, price, process, technical aspects, and labor and human rights can be our suppliers.</li> <li>2. Evaluation and grading of qualified suppliers: In accordance with the Supplier Management Regulations, the Company implements a grading system based on the evaluation results, to provide reference for procurement. For suppliers whose scores are lower than the Company's requirements, the Company requires them to improve until they meet the requirements. In serious cases, the Company may stop purchasing or cancel the qualification of qualified suppliers.</li> <li>3. Supplier workflow change management: The supplier shall notify the Company in advance and obtain the consent of the Company before changing its workflow.</li> <li>4. Supplier risk management: The Company requires suppliers to have contingency plans and procedures for the products and services they provide to ensure continuous operation and alleviate the impact of shortage of materials on the Company.</li> <li>5. Hazardous substances management: The Company is committed to continuous reduction of hazardous substances to meet client and regulatory requirements. In accordance with the environmental protection laws and regulations across the world, the Company has formulated regulations for the management of hazardous substances for all green products. Moreover, the Company has been certified by the IECQ QC080000 management system and requires suppliers to promote joint compliance with environmental</li> </ol>	

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>protection laws and regulations to safeguard the global environment and reduce the impact on the ecosystem.</p> <p>(1) Environmental management substances: We refer to RoHS2.0, EU REACH, China RoHS and other environmental management substances regulated by our clients. These harmful substances exist in direct materials, packaging materials, products, manufacturing process, manufacturing process accessory materials or may enter the products. It is necessary to control whether these harmful substances are contained in the product, the amount contained, the site of use, and the purpose, etc.</p> <p>(2) Prohibited substances: Prohibited substances refer to substances that are prohibited from being used in the manufacturing process of parts or components, whether they are intentionally added or naturally present. The minimum concentration limits and test methods for these substances are regulated in the relevant legal regulations. All prohibited substances are not allowed to be added intentionally, even if the added content does not exceed the regulatory limit.</p> <p>(3) Green products: All of our existing halogen-free products comply with regulations and client specifications.</p>	
V. Has the Company compiled corporate social responsibility reports or reports that disclose the Company's non-financial information based on international CSR compiling standard or guidelines? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?		✓	The Company has not yet prepared a sustainability report or other reports that disclose its non-financial information.	In accordance with the regulations stipulated by the Financial Supervisory Commission (FSC), the Company is required to

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
				compile and submit the 2024 Sustainability Report by the year 2025.
<p>VI. Differences between the Company's implementation of sustainable development and the Sustainable Development Best Practice Principles if the Company has established its own sustainable development best practice principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies:</p> <p>The Company has formulated its Code of Practice for Sustainable Development in accordance with the Code of Practice for Sustainable Development of TWSE/GTSM Listed Companies. The differences between the Company's operation and the Code are as follows:</p> <p>(I) Implementation of corporate governance: The salary and remuneration policy applicable to general employees has not been established, nor has the appraisal system for employee performance been integrated with the sustainable development policy of the Company. It will be handled in time according to the actual needs.</p> <p>VII. Other important information that can help establish an understanding of the implementation of sustainable development at the Company:</p> <p>(I) The Company was rated as Top 20% of the 3rd Governance Evaluation of TWSE/GTSM Listed Companies and won the Best Progress Award.</p> <p>(II) Selected as one of the "Top 10 Consumer Electronics Solution Provider in APAC – 2019" by Embedded Advisor.</p> <p>(III) Environmental Protection:</p> <ol style="list-style-type: none"> <li>The Company has obtained certification for ISO 9001 and certified by IECQ QC 080000 Hazardous Substance Process Management. The Company conducts annual certification audit by the accredited firm and has obtained validity certificate for certification system.</li> </ol> <p>Our commitments and practices are as follows:</p> <ol style="list-style-type: none"> <li>Continuous attention is paid to improving and eliminating harmful substances to comply with international standards and regulations and to meet client requirements.</li> <li>Constantly promote and hold educational training to make all employees fully understand the meaning and responsibility of eliminating harmful substances.</li> <li>Establish a qualified supplier system to ensure that materials do not contain hazardous substances.</li> <li>Continuously improve HSF operating system and strive to be a reliable green partner of clients.</li> </ol> <ol style="list-style-type: none"> <li>The Company obtained the "ISO 14001 Environmental Management System" certification on March 7, 2023, and the "ISO 14064-1:2018 Greenhouse Gas Emissions Inventory" certification on November 7, 2023.</li> </ol> <p>(IV) Social contribution and service: The Company has participated in the following activities in recent years to make contributions to the society.</p> <ol style="list-style-type: none"> <li>Donated to the Tainan Traditional Chinese Culture College Foundation to promote Confucianism, Buddhism, Taoism in the hope of rebuilding social</li> </ol>				

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
<p>values and establishing a harmonious society.</p> <p>2. Sponsored the Paper Windmill 368 Township Children's Art Project, a public welfare initiative promoted by the Paper Windmill Arts and Educational Foundation, Taiwan, with funds specifically designated for use in the East District of Hsinchu City.</p> <p>3. Sponsored the Taiwan Industrial Technology Association. In addition to providing funding to support the association's operations, Weltrend also assisted in organizing the Golden Root Award Entrepreneurs Networking Event, fostering stronger collaborations with various industries.</p> <p>4. Sponsored Wind Music in World Music Festival: World Music Festival @ Taiwan is the largest outdoor music festival with the theme of world music in Taiwan. Since its inception in 2016, the three-day music festival has been held every year on the third weekend of October in Taipei City. The festival is organized by the Bureau of Audiovisual and Music Industry Development, MOC, and hosted by Wind Music, which brings together world music, pop crossover and diverse ethnic groups throughout the world, with Taiwan as the base and a platform for world music.</p>				
(V) Material topic risk management strategies and execution performance in 2024				
Material topics	Risk assessment items	Strategy description	2024 execution performance	
Corporate Governance	Ethical corporate management	<ol style="list-style-type: none"> <li>1. Substantial corporate culture of integrity.</li> <li>2. Clear mid- to long-term strategic development goals.</li> <li>3. Establishment of an integrated management structure.</li> <li>4. Ethical corporate management and control of operational performance.</li> </ol>	<ol style="list-style-type: none"> <li>1. No major violations (fines exceeding NT\$1 million) or anti-competitive behaviors occurred.</li> <li>2. No violations of anti-money laundering regulations, insider trading, or conflicts of interest cases were reported.</li> <li>3. All directors participated in 72 hours of external continuing education on corporate governance throughout the year. Additionally, an internal training session was held for all directors, covering topics such as insider trading regulations, prevention of insider trading, recognition of material information, and legal responsibilities related to insider trading, totaling 3.5 hours.</li> </ol>	
	Information security	Committed to maintaining information security, continuously monitoring the effectiveness of information security management, and reducing the occurrence of information security incidents to protect the interests of the Company and its customers.	<ol style="list-style-type: none"> <li>1. Completed a security vulnerability scan and revised and enhanced information security capabilities to protect the company's critical information assets.</li> <li>2. The Company has established an Information Security Management Committee and appointed dedicated personnel for information security. The committee consists of 10 members, with 1 Chief Information Security Officer (CISO) and 2 information security staff members.</li> <li>3. In terms of information security risk management, an annual inventory of information security assets is conducted, with priorities for execution set based on the severity of risks and the cost of improvements.</li> <li>4. The Company underwent 2 external audits by risk management organizations during the year.</li> </ol>	

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Material topics	Risk assessment items	Strategy description		2024 execution performance	
Society	Product quality and safety.	1. Comprehensive and clearly defined circuit design SOPs. 2. Regular circuit design review meetings. 3. Company-wide quality management. 4. Incentives for outstanding projects.		1. Chip designers achieved target product specifications, with an average CP (Chip Probing) yield of 94.6% and an FT (Final Test) yield of 96.7%. 2. R&D personnel held a total of 15 technical seminars. 3. Annual training hours were conducted for testing and quality control personnel. 4. In 2024, the Company obtained 10 patents, and bonuses were awarded to employees for their patented inventions.	
	Talent attraction and development	1. Establish a professional image of the Company as a market leader in specific product areas to attract more professionals in related technical fields, as well as recent graduates entering the workforce. 2. In response to the highly competitive nature of the IC design industry, enhance the competitiveness of salary and benefits packages and create a positive working environment. 3. Optimize the internal training and development system to help employees quickly integrate into the Company culture, receive professional training within the organization, and effectively demonstrate their capabilities.		1. Annual turnover rate: projected at 9%, actual turnover rate was 6%. 2. Proportion of local employment opportunities: Hsinchu Science Park – 60%; New Taipei City – 67%; Kaohsiung City – 75%. 3. Training course completion rate: 89.88% A total of 1,343 participants completed 3,788 hours of training throughout the year. 4. Two rounds of employee performance evaluations were conducted.	
Environment	Supply chain management	1. Incorporate ESG into key supplier evaluations and audit criteria. 2. Conduct regular supplier evaluations and hold periodic meetings. 3. Develop ESG due diligence processes for key suppliers. 4. Establish evaluation standards for existing and new suppliers, focusing on quality and environmental management. 5. Require suppliers to obtain ISO 14001 certification and give preference to new suppliers that have implemented ISO 45001 certification. 6. Formulate the Weltrend Supplier Code of Conduct, requiring suppliers to adhere to responsible and low-carbon supply chain practices.		1. Supplier Code of Conduct signing rate: 100%. Actual result: Supplier Code of Conduct signing rate: 100%. 2. Proportion of local procurement: not less than 90%. Actual result: Proportion of local procurement: 100%. 3. Certification rate for ISO 14001 among all wafer and packaging suppliers: 100%. Actual result: 100% achievement rate for ISO 14001 certification. 4. Certification rate for ISO 45001 among all wafer and packaging suppliers: not less than 80%. Actual result: 86% achievement rate for ISO 45001 certification. 5. Certification rate for QC080000 among all wafer and packaging suppliers: not less than 70%. Actual result: 71.4% achievement rate for ISO 45001 certification.	



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			Yes	No	
					Summary
	Greenhouse gas management and carbon reduction	1. Actively support national carbon reduction policies and the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEX Listed Companies." 2. Conduct annual GHG inventories, continuously identify emission hotspots, and formulate corresponding countermeasures.			1. Completed the 2023 voluntary GHG inventory (including Taipei, Hsinchu, Taichung, and Kaohsiung sites) by the end of June 2024. 2. Disclosed GHG inventory data (Scope 1 and Scope 2) on the Company's official website under the "Energy Conservation and Carbon Reduction" section.

Note 1: If "Yes" is checked, please specify the important policies, strategies, measures adopted and the implementation situation; If "No" is checked, please explain the circumstances and reasons for the differences in the field of Circumstances and Reasons for Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and propose the plan to adopt relevant policies, strategies and measures in the future. However, in relation to the promotion of Items 1 and 2, TWSE/TPEX Listed Companies shall clarify the governance and supervisory framework for sustainable development, including but not limited to management policies, strategy and target setting, review measures, etc. It shall also describe the corporate risk management policies or strategies for environmental, social and corporate governance issues related to operations, and its assessment status.

Note 2: Materiality principle refers to environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

## Climate-related Information

### I. Execution status of climate-related information:

Items	Implementation status:																								
1. Supervision and Governance by the Board of Directors and Management on Climate-Related Risks and Opportunities.	<p>In response to climate change and to mitigate the worsening effects of global warming, the Company is committed to GHG reduction initiatives, aiming to achieve net-zero emissions by 2050 in alignment with global targets.</p> <p>The Company has established a “Sustainable Development Team” under the Board of Directors, composed of members with expertise and capabilities in corporate sustainability. The Board of Directors holds a meeting quarterly, during which the Sustainable Development Team presents reports addressing current climate change-related issues. These reports include:</p> <ol style="list-style-type: none"><li>Global trends in climate change.</li><li>The latest developments in international emissions reduction, such as SBTi requirements.</li><li>Updates on domestic regulations and corresponding phased requirements.</li><li>Consolidated and interpreted market information.</li></ol> <p>Accordingly, in addition to developing relevant environmental management systems, the Sustainable Development Team actively gathers up-to-date information and urges responsible departments to conduct GHG inventories and explore emission reduction strategies. These findings are compiled and reported to the Board of Directors to enhance the Board of Directors' understanding of climate-related issues and support informed decision-making.</p>																								
2. The Corporate Sustainable Development Task Force identifies how recognized climate risks and opportunities may impact the Company's operations, strategies, and finances in the short-term, mid-term, and long-term.	<p>In accordance with the “Weltrend Semiconductor Risk Management Policy and Procedures,” the Company actively formulates solutions to mitigate the operational and financial impacts of climate change, with the aim of enhancing the Company’s climate resilience. The Company defines short-term as within 3 years, medium-term as 3 to 5 years, and long-term as over 5 years. Based on these timeframes, we further assess both visible and potential impacts of climate change on the Company.</p> <table><tr><th>Items</th><th>Type</th><th></th><th>Impact</th><th></th></tr><tr><td>Risk</td><td><ul style="list-style-type: none"><li>Transition risks</li><li>Taiwan's climate change policies have become increasingly clear, with the development and enforcement of various regulations now underway. As a result, the Company faces regulatory compliance risks.</li></ul></td><td><ul style="list-style-type: none"><li>Implementation of total GHG emissions control.</li><li>Enforcement of laws and regulations related to GHG emissions reduction.</li><li>Execution of carbon tax and carbon fee policies.</li><li>Implementation of the European Union’s Carbon Border Adjustment Mechanism (CBAM).</li></ul></td><td><ul style="list-style-type: none"><li>Consumers are increasingly demanding low-carbon products in response to their growing concerns about climate change.</li><li>Introduction of carbon reduction technologies, leading to increased capital expenditures on equipment.</li><li>Potential reputational damage if the Company fails to adequately respond to climate change.</li></ul></td><td>The trend of net zero emissions</td></tr><tr><td></td><td><ul style="list-style-type: none"><li>Physical risks</li></ul></td><td><ul style="list-style-type: none"><li>Immediate risks from extreme weather: Currently, there have been no damages caused by extreme weather at the Company’s operational sites. However, prolonged water shortages are expected to increase difficulties in supply chain production.</li></ul></td><td><ul style="list-style-type: none"><li>Changes in rainfall patterns: Alterations in the rainfall patterns at the Company’s operational locations may lead to heavy rainfall, which could affect personnel, equipment, and business operations.</li></ul></td><td>Supply chain disruption</td></tr><tr><td>Opportunity</td><td><ul style="list-style-type: none"><li>The opportunity to enhance the Company’s climate resilience, effectively expand the market, and increase customer trust.</li></ul></td><td><ul style="list-style-type: none"><li>Research and development of low-carbon products.</li></ul></td><td><ul style="list-style-type: none"><li>Improved resource utilization efficiency.</li></ul></td><td>Enhancement of corporate image.</td></tr></table>					Items	Type		Impact		Risk	<ul style="list-style-type: none"><li>Transition risks</li><li>Taiwan's climate change policies have become increasingly clear, with the development and enforcement of various regulations now underway. 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Items	Implementation status:		
	R: Risks, O: Opportunities	Financial impact (Positive/Negative)	Countermeasures
	R: Total greenhouse gas emission control and carbon taxes/fees	Negative: The Company may be subject to carbon tax, carbon fees, or even the EU's carbon border tax, leading to a significant increase in operating costs. Negative: Non-compliance with Taiwanese regulations could increase the risk of fines, resulting in higher operating costs. Negative: The installation of solar power generation has resulted in an increase in operating costs.	■ Strengthening internal personnel's knowledge of climate change and continuously monitoring domestic and international trends and changes related to these issues.
	R: Market customers demand low-carbon emission products O: Development and design of low-carbon products	Negative: Failure to meet customer requirements may lead to a decline in revenue. Positive: Enhancing the development and design of low-carbon products can effectively address user concerns regarding climate change issues.	■ Continuously invest in the research and design of green products and actively implement a localized procurement policy to reduce emissions from transportation.
3. Impact of Extreme Climate Events and Transition Actions on Finance.	The Company's operating locations are subject to a low level of impact from extreme climate change. The only notable concern is the potential reduction in working hours and production output caused by heavy rainfall, which may in turn affect revenue. Fortunately, despite the temporary revenue loss resulting from such rainfall events, their impact is short-term and transient, and is not expected to cause any material financial impact over the long run. Furthermore, based on current assessments of the climate characteristics in the regions where our supply chain operates, suppliers have indicated that they are well-prepared to cope with climate-related disruptions, particularly through the implementation of business continuity measures. As a result, the risk of supply chain interruption to the Company is relatively low.		
4. Integration of Climate Risk Identification, Assessment, and Management Processes into Overall Risk Management Framework.	The Company, through its Sustainable Development Team, has established a "Risk Management Policy and Procedure" that applies to the identification, assessment, and determination of risks across various issues. The Company adopts a multi-perspective approach—such as brainstorming sessions—to identify potential risks and opportunities related to each topic, while continuously monitoring market trends to ensure timely updates to risk content. Additionally, the Company conducts quantitative assessments of each identified risk and formulates corresponding mitigation strategies.		

Items	Implementation status:							
5. If utilizing scenario analysis to assess resilience against climate change risks, one should elucidate the context, parameters, assumptions, analytical factors, and primary financial impacts involved.	The Company conducts scenario analyses based on data and models provided by the “Taiwan Climate Change Projection and Information Platform.” This platform offers detailed analyses of various climate scenarios and provides region-specific climate projection models across Taiwan, significantly facilitating the Company’s efforts in carrying out related assessments. Currently, the Company utilizes the following model(s): <table><tr><th>Scenario</th><th>Estimated potential financial impact</th></tr><tr><td>RCP8.5 high emissions scenario Assumes no additional global decarbonization efforts beyond current policies.</td><td>Operating costs are expected to increase by approximately 0.99% of revenue.</td></tr><tr><td>RCP2.6 low carbon scenario Assumes global achievement of net-zero emissions by 2050.</td><td>Due to the need to implement concrete carbon reduction measures, the associated costs are expected to increase significantly, accounting for approximately 0.088% of revenue."</td></tr></table>		Scenario	Estimated potential financial impact	RCP8.5 high emissions scenario Assumes no additional global decarbonization efforts beyond current policies.	Operating costs are expected to increase by approximately 0.99% of revenue.	RCP2.6 low carbon scenario Assumes global achievement of net-zero emissions by 2050.	Due to the need to implement concrete carbon reduction measures, the associated costs are expected to increase significantly, accounting for approximately 0.088% of revenue."
Scenario	Estimated potential financial impact							
RCP8.5 high emissions scenario Assumes no additional global decarbonization efforts beyond current policies.	Operating costs are expected to increase by approximately 0.99% of revenue.							
RCP2.6 low carbon scenario Assumes global achievement of net-zero emissions by 2050.	Due to the need to implement concrete carbon reduction measures, the associated costs are expected to increase significantly, accounting for approximately 0.088% of revenue."							
6. If there is a transformation plan for managing climate-related risks, the explanation of the plan's contents should include the indicators and objectives utilized for identifying and managing physical risks and transition risks.	None							
7. If utilizing internal carbon pricing as a planning tool, one should elucidate the basis for price determination.	None							
8. If climate-related goals are established, the description should include information on the covered activities, scope of greenhouse gas emissions, planning timeframe, progress achieved annually, etc. If carbon offsetting or Renewable Energy Certificates (RECs) are utilized to achieve the relevant goals, details should be provided regarding the sources and quantities of the offset carbon emissions or RECs.	The Company is in the IC design industry, and the main sources of greenhouse gas emissions are indoor air conditioning and office lighting, which fall under "Scope 2" as indirect emissions from electricity use. Emissions from "Scope 1" direct and "Scope 3" other indirect sources are relatively minimal. Based on the current situation, the emissions from Scope 1 and Scope 2 are still at a reasonable level. The company aims to strengthen efforts to achieve a 3% reduction in carbon emissions per unit (NT\$ thousand) of revenue by 2026.							

Items	Implementation status:
9. Greenhouse gas inventory and assurance situation, reduction targets, strategies, and specific action plans.	<p>1. In accordance with the regulations of the Financial Supervisory Commission (FSC), starting from the year 2026, the annual report of the Company must disclose the greenhouse gas inventory information for the previous year (2025), and this disclosure should continue annually. From 2028 onwards, the disclosure should also include the assurance situation of the 2027 inventory information.</p> <p>2. In accordance with the regulations of the Financial Supervisory Commission (FSC), both the Company and its consolidated subsidiaries must disclose the greenhouse gas inventory information for the previous year (2026) starting from 2027. The greenhouse gas emissions base year should not be later than 2026. The disclosure should include the greenhouse gas reduction targets, strategies, and specific action plans for the current year (2027). These contents should be disclosed annually, along with the disclosure of the achievement of the reduction targets for the previous year. From 2029 onwards, the disclosure should also include the assurance situation of the 2028 inventory information.</p>

### 1-1 Recent two years of the Company's greenhouse gas inventory and verification status

#### 1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (in metric tons of CO <sub>2</sub> e), intensity (in metric tons of CO <sub>2</sub> e/NT\$ million), and the scope of data coverage for the last two years.					
	Unit	2022	2023	Difference	
Greenhouse gas emissions (Scope 1)	t-CO <sub>2</sub> e/year	51.9452	55.0629	6.00%	
Greenhouse gas emissions (Scope 2)	t-CO <sub>2</sub> e/year	1,400.4770	1,440.7278	2.87%	
Greenhouse gas emissions (Scope 3)	t-CO <sub>2</sub> e/year	263.6251	297.5160	12.86%	
Greenhouse gas emissions intensity	(Metric tons CO <sub>2</sub> e/NT\$ million)	0.5942	0.6215	4.60%	

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., greenhouse gas emissions caused by the consumption of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions generated by the Company's activities, but not from energy-related indirect emissions, and originating from sources owned or controlled by other Companies).

Note 2: The coverage of data for direct emissions and energy indirect emissions should be handled according to the schedule defined in the regulations under Article 10, Section 2 of these guidelines. Other indirect emissions information may be disclosed voluntarily.

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

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue, but at a minimum, the data calculated based on revenue (NT\$ millions) must be disclosed.

### 1-1-2 Greenhouse gas assurance information

Describe the assurance status for the most recent two fiscal years as of the publication date of the annual report, including the assurance scope, assurance provider, assurance standards, and assurance opinion.

1. The assurance verification certificate for the 2022 greenhouse gas inventory obtained in 2023 is as follows:

Year	2023
Scope of Assurance	All headquarters and branch offices (including the Hsinchu Office, Taipei Office, Taichung Office, and Kaohsiung Office), excluding subsidiaries.
Assurance provider	TÜ V NORD
Assurance Standard	14064-1 : 2018
Assurance Opinion	NA

2. In 2024, the Company will conduct self-assessment of the 2023 greenhouse gas inventory.

Note 1: This process should be carried out according to the schedule outlined in Paragraph 2, Article 10 of the relevant regulations. If the Company does not obtain complete assurance opinions for the greenhouse gas inventory by the date of the annual report publication, it should state "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it should state "Complete assurance information will be disclosed on the Market Observation Post System," and the complete assurance information should be disclosed in the following year's annual report.

Note 2: The assurance provider should comply with the relevant regulations for sustainability report assurance institutions as established by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

### 1-2 Greenhouse gas reduction targets, strategies, and specific action plans

Describe the base year for greenhouse gas reduction and its data, reduction targets, strategies, and specific action plans, as well as the progress towards achieving the reduction targets.

1. The base year for greenhouse gas reduction is 2022, with the following data:

	Unit	2022
Greenhouse gas emissions (Scope 1)	t-CO2e/year	51.9452
Greenhouse gas emissions (Scope 2)	t-CO2e/year	1,400.4770
Greenhouse gas emissions (Scope 3)	t-CO2e/year	263.6251

2. Reduction target: The goal is to achieve a 3% reduction in carbon emissions per unit (NT\$ thousand) of revenue by 2026.
3. Strategy and specific action plan: In 2024, increase the air storage tank on the air compressor to reduce frequent operations, which will help reduce the power consumption per unit for products in the (26th Building 1F) test room, electrical number : 06-25-0185-10-0 by 5%.
4. Achievement of reduction target: For the (26th Building 1F) test room, electrical number: 06-25-0185-10-0, from August to November, the reduction rate = (value before reduction - value after reduction)/value before reduction × 100% = 8%, achieving the set target of 5%.

	Electricity consumption per unit of product from August to November 2023 (CP+FT)	Electricity consumption per unit of product from August to November 2024 (CP+FT)
	0.0149	0.0137

Usage (kWh)

Electricity consumption per unit of roduct=
$$\frac{\text{Usage (kWh)}}{(\text{CP monthly production capacity (PCS)}(\text{PCS}) + \text{FT monthly production capacity (EA)}(\text{EA}))}$$

Decline rate from August to November = ((Value before the decline - Value after the decline)/Value before the decline) × ×100% = 8%

Note 1: The schedule should be implemented in accordance with the regulations set forth in Paragraph 2, Article 10 of this guideline.

Note 2: The base year should be the year in which the consolidated financial statements boundary is completed. For example, according to the regulations set forth in Paragraph 2, Article 10 of this guideline, companies with a capital of over NT\$10 billion should complete the audit of the consolidated financial statements for 2024 by the end of 2025. Therefore, the base year would be 2023. If the Company has completed the audit of the consolidated financial statements earlier, that earlier year may be used as the base year. Additionally, the data for the base year may be calculated using a single year's value or the average value of multiple years.

### Section One: Identification of Climate Change Risks

Category	Risk	Impact	Mitigation measures
Transition risks	Energy and greenhouse gas regulations	Increase in operational costs	Continued implementation of energy-saving and emission-reduction activities to reduce environmental impact.
	Uncertainty in market demand	Operational cost losses	Enhancing product efficiency to increase product's green competitiveness.
	Uncertainty in new technologies	Increased research and development costs	Focusing on the development of new technologies, strengthening R&D capabilities, and nurturing R&D talents.
	Impact on company image	Loss of goodwill	Increasing the production of low-power green products to enhance corporate image.
Physical risks	Immediate risk: Typhoons	1. Financial losses 2. Decreased revenue	In the event of a typhoon, stay updated on local government regulations and warning messages.
	Long-term risk: Increase in average temperatures	Increase in operational costs	Continued implementation of energy-saving and emission-reduction activities to reduce environmental impact.

### Section Two: Identification of Climate Change Opportunities

Category	Opportunity Factors	Financial Impact	Mitigation measures
Climate change opportunities	Production processes	Improve product yield to reduce scrap costs.	Monitor supply chain processes to ensure product quality.
	Design low-power products	Offer low-carbon products to enhance corporate reputation and increase revenue.	Continuously develop small-volume, low-power green products.
	Provide integrated products to reduce packaging material usage.	Develop integrated packaging products	Continuously develop integrated packaging products to enhance product green competitiveness.

Category	Opportunity Factors	Financial Impact	Mitigation measures
	Provide new solutions to meet customer demands related to climate change.	Increase revenue	Continue development of BLDC MCU
	Utilize emerging markets	Expand revenue from energy-saving products	1. Enter the AI server cooling application market. 2. Customize chips tailored to specific customer functional requirements.

### Section Three: Core Framework for Task Force on Climate-Related Financial Disclosures (TCFD).

Core elements	Response explanation
Governance	The Company's Corporate Sustainability Development Task Force is responsible for exploring various climate change issues and identifying potential impacts on both internal and external stakeholders. The Director of Corporate Sustainability Development regularly reports to the Board of Directors on climate change response measures. The Board reviews these response strategies and provides directives accordingly.
Strategies	The Company's Corporate Sustainability Development Task Force is the highest management level for climate-related issues, with the CEO serving as the convener. The members include representatives from the President's Office, Finance Department, Human Resources Department, and Quality Assurance Department. It is responsible for planning and promoting activities related to corporate sustainability and climate-related issues.
Risk management	To assess whether sustainable business products may impact the environment, the Company utilizes the Corporate Sustainability Development Task Force to conduct regular risk assessments on climate change. Based on the assessment results, policies and objectives are formulated and reported to the Board of Directors.
Indicators and Objectives	The Company has completed its 2022 GHG emissions inventory and established a corresponding database. Using 2022 as the base year, the Company aims to achieve a 3% reduction in carbon emissions per NT\$1,000 of revenue by 2026, and will strengthen efforts to reach this target.

### Section Four: Results of Greenhouse Gas Inventory

	Total emissions (metric tons of CO <sub>2</sub> e)	Intensity (Metric tons CO <sub>2</sub> e/NT\$ million)	Assurance provider	Assurance statement explanation
Scope 1	55.0629	0.0191	TÜ V NORD	In 2023, the scope of greenhouse gas inventory for the Company includes all operational locations of both the main company and its subsidiaries.
Scope 2	1,440.7278	0.4988	TÜ V NORD	In 2023, the scope of greenhouse gas inventory for the Company includes all operational locations of both the main company and its subsidiaries.
Scope 3 (voluntary disclosure)	297.5160	0.1030	TÜ V NORD	In 2023, the scope of greenhouse gas inventory for the Company includes all operational locations of both the main company and its subsidiaries.



(VI) Implementation of ethical corporate management as well as deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Has the Company established ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?</p> <p>(II) Has the Company established a risk assessment mechanism against unethical conduct and does it analyze and assess on a regular basis business activity within its business scope which are at a higher risk of being involved in unethical conduct and establish prevention programs accordingly, which shall at least include the preventive measures specified in Article 7-2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p> <p>(III) Has the Company established policies to prevent unethical conduct with clear statements regarding relevant procedures, code of conduct, punishments for violation,</p>	✓		<p>(I) The Company has established the Ethical Corporate Management Best Practice Principles approved by the Board of Directors. The management shall operate business on the principle of integrity and creates benefits for employees and shareholders. Specifically, the management shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Regulations on the Crime of Embezzlement, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, relevant regulations on TWSE/TPEX, or other relevant laws and regulations on business behaviors, as the basic premise of implementing the ethical corporate management. With respect to the commitment of the Board of Directors and senior management to actively implement the management policy, the Chairman of the Board of Directors has stated the policy of ethical corporate management in the CSR, and the Board of Directors and senior management have actively implemented the policy with a high degree of self-discipline and prudence.</p> <p>(II) In the Ethical Corporate Management Procedures and Code of Conduct, the Company specifically regulates the matters that should be paid attention to by our staff in the execution of business, and adopts preventive measures for business activities with high risk of unethical behaviors, including prohibiting unethical behaviors such as bribery and accepting of bribes, providing non-political donations, improper charitable donations or sponsorship. Before entering into a business relationship with others, the Company should first assess the legality, ethical corporate management policy of its agents, suppliers, clients or other business partners and whether they have been involved in unethical behaviors to ensure that their business practices are fair, transparent and do not ask for, offer or accept bribes. In the process of business activities, the Company shall explain its ethical</p>	No deviation

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
rules of appeal, and commitments to implementation of these policies? Has the Company regularly reviewed and amended these policies?			<p>corporate management policy and relevant regulations to the transaction parties, and clearly refuse to directly or indirectly provide, promise, demand or accept any improper benefits in any form or name. Personnel of the Company shall refrain from engaging in business transactions with agents, suppliers, clients or other business partners involved in unethical behaviors. If unethical behaviors are found in business dealings or cooperative partners, the Company shall immediately stop business dealings with them and list them as the object of refusal. To strengthen internal ethical corporate management, the Company has sent personnel to participate in relevant training courses organized by government units in 2024, such as: "Seminar on Enhancing the Efficiency of Criminal Litigation for Trade Secret Protection: Observations and Recommendations," "ESG Integrity-related Courses: Trade Secret Protection and Anti-Fraud Advocacy," TSMC's public welfare sharing introduction "Sustainable Intelligent Management Center for Trade Secrets," and the advocacy "Explanation of Self-assessment Indicators for Sustainable Intelligent Management of Trade Secrets." The Company arranges compliance education and training related to "Ethical Corporate Management" for all new employees. The training courses for new employees this year have been completed. Every quarter, we promote "What is a Trade Secret" and "Ethical Corporate Management Compliance Matters" to the entire company through the company announcement system. The total number of participants for the above-mentioned courses is 330, with a total of 170.5 hours.</p>	

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>The Company carries out quarterly publicity of corporate confidential information protection policy, personal data protection, information security, and reveals the content of the publicity on its intranet and sends e-mails to all employees. The Company constantly promotes the ethical corporate management policy internally and has the obligation to help clients, partners, suppliers, service providers, agents, and consultants understand its policy and follow it together.</p> <p>(III) The Company has established the Code of Ethical Corporate Management, the Code of Ethical Conduct and the Ethical Corporate Management Procedures and Code of Conduct, and has specified a disciplinary and grievance system in them. The Company adopts preventive measures for business activities with high risk of unethical behaviors, including prohibiting unethical behaviors such as bribery and accepting of bribes, providing non-political donations, improper charitable donations or sponsorship. Personnel of the Company shall not directly or indirectly provide, promise, demand or accept any improper benefits or commit any other unethical behaviors in violation of good faith, illegal or breach of fiduciary duties. The personnel who violate the provisions of ethical corporate management will be punished according to the disciplinary measures set by the Company. The Company also has an appeal system to provide the means of relief for the violators according to the relevant provisions.</p> <p>Human Resources Department is responsible for the revision, implementation, interpretation, advisory services and notification of the operating procedure and Code of Conduct and supervises its implementation. The Board of Directors shall report its implementation status to the directors regularly in the fourth quarter of each year.</p>	
II. Implementation of ethical corporate management				
(I) Has the Company assessed the ethics records	✓		(I) Before business dealings, The Company shall consider the legitimacy of its	

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
of anyone with whom it has a business relationship and included business conduct and ethics-related clauses in business contracts?	✓		<p>agents, suppliers, clients or other business counterparties and whether they are involved in unethical behaviors, and shall avoid entering into transactions with those involved in unethical behaviors. The contents of the contract signed with the business counterparties shall include compliance with the ethical corporate management policy. If the business counterparties are involved in unethical behaviors. The terms of a contract may be terminated or dissolved at any time. When evaluating business counterparties, the Company conducts appropriate investigation and examines its business counterparties to ascertain their ethical corporate management in the following matters:</p> <ol style="list-style-type: none"> <li>1. The country, place of operation, organizational structure, business policy and place of payment of the counterparty.</li> <li>2. Whether the counterparty has established an ethical corporate management policy and its implementation status.</li> <li>3. Whether the counterparty operates in a country with a high risk of corruption.</li> <li>4. Whether the counterparty operates in a industry with high risk of bribery.</li> <li>5. The long-term business status and goodwill of the counterparty.</li> <li>6. Ask business partners for their opinions on the counterparty.</li> <li>7. Whether the counterparty has a history of unethical behaviors such as bribery or illegal political donations.</li> </ol> <p>When entering into contracts with counterparties, the Company shall fully understand the ethical corporate management of counterparties, and incorporate the compliance with the Company's ethical corporate management policy into the terms of the contract, as follows:</p> <ol style="list-style-type: none"> <li>1. If either party knows that a person has violated the terms of the contract prohibiting the acceptance of commissions, kickbacks or other illegitimate benefits, it shall immediately and truthfully inform the other party of the identity of such a person, the manner, amount or</li> </ol>	No deviation

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
<p>(II) Has the Company set up a unit dedicated to promoting the Company's ethical standards reporting regularly (at least once a year) to the Board of Directors on the implementation of ethical corporate management policies and prevention programs against unethical conduct?</p> <p>(III) Has the Company formulated policies to prevent conflicts of interest, provided appropriate communication and complaint channels, and implemented such policies properly?</p>			<p>other illegitimate benefits offered, promised, demanded or received, and provide relevant evidence and cooperate with the other party's investigation. If one party suffers any damage as a result, it may claim damages from the other party and deduct the amount from the contract price payable.</p> <p>2. If either party is involved in unethical behaviors, the other party may unconditionally terminate or rescind the contract at any time.</p> <p>3. Set out clear and reasonable terms of payment, including the place and method of payment and the relevant tax legislation to be complied with.</p> <p>(II) The Company has established an ESG Sustainable Development Team, with the CEO serving as the convener. The team focuses on six key areas of sustainability and is composed of members from various departments. The team is responsible for promoting corporate integrity management and regularly reports on integrity management policies, anti-dishonesty measures, and their implementation progress to the Board of Directors during the fourth quarter of each year. In accordance with the Ethical Corporate Management Procedures and Code of Conduct adopted by the Board of Directors, Human Resources Department is responsible for the revision, implementation, interpretation, advisory services and notification of the operating procedure and Code of Conduct and supervises its implementation.</p> <p>(III) The Company's Code of Ethical Conduct and Code of Ethics for Employees have formulated provisions to prevent conflicts of interest. The personnel of the Company shall not use their positions to obtain improper benefits for themselves, their spouses, parents, children or relatives within the second degree of kinship. In the event that the Company has any loan or guarantee, major asset transaction or import (sale) transaction with the related enterprises of the foregoing personnel, the relevant personnel of the Company shall take the initiative to explain to the Company whether there is</p>	

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
<p>(IV) Has the Company established effective accounting and internal control systems for the implementation of ethical corporate management? Has its internal audit unit devised relevant audit plans based on the assessment results of the risk of involvement in unethical conduct, and checked the compliance with the prevention programs or entrusted CPAs to conduct such an audit?</p> <p>(V) Has the Company provided internal and external ethical conduct training programs on a regular basis?</p>			<p>any potential conflict of interest with the Company and handle the matter according to the code of conduct of the Company to prevent the conflict of interest.</p> <p>(IV) The Company has established an effective accounting system and internal control system for the business activities and operating procedures with high potential risk of unethical behaviors, and reviews them at any time to ensure the design and implementation of the systems is sustainable and effective. The internal auditing unit includes the two systems in the risk assessment for regular inspection and check the compliance with the systems on a regular basis.</p> <p>(V) To strengthen Ethical Corporate Management, the Company conducts internal education and advocacy on integrity management annually through the ESG Sustainable Development Team, and has sent personnel to participate in relevant training courses organized by government units in 2024, such as: "Seminar on Enhancing the Efficiency of Criminal Litigation for Trade Secret Protection: Observations and Recommendations," "ESG Integrity-related Courses: Trade Secret Protection and Anti-Fraud Advocacy," TSMC's public welfare sharing introduction "Sustainable Intelligent Management Center for Trade Secrets," and the advocacy "Explanation of Self-assessment Indicators for Sustainable Intelligent Management of Trade Secrets." The Company arranges compliance education and training related to "Ethical Corporate Management" for all new employees. The training courses for new employees this year have been completed. Every quarter, we promote "What is a Trade Secret" and "Ethical Corporate Management Compliance Matters" to the entire company through the company announcement system. The total number of participants for the above-mentioned courses is 330, with a total of 170.5 hours. At least once a year, the Company conducts legal education for directors,</p>	

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>managers and employees to prevent insider trading, and provide the relevant education for new directors and managers within one month of their appointment. In 2024, in addition to arranging 3 directors to attend the Publicity Meeting on Preventing Insider Trading held by the competent authority in October, the current 10 directors received a total of 3.5 hours of training and publicity in the fourth quarter of 2024. The content included explanations of insider trading regulations, prevention of insider trading, identification of significant information, and legal responsibilities related to insider trading. The Company arranged education and training on prevention of insider trading for new employees. In 2024, 27 newcomer trainings were completed.</p> <p>The Company has conducted quarterly internal system promotions on prevention of insider trading in the internal system and published the relevant education and training briefing in the internal staff system for online training of all employees for a month. The Company carries out quarterly publicity of corporate confidential information protection policy, personal data protection, information security, and reveals the content of the publicity on its intranet and sends e-mails to all employees. The Company constantly promotes the ethical corporate management policy internally and has the obligation to help clients, partners, suppliers, service providers, agents, and consultants understand its policy and follow it together.</p>	
<p>III. Operation of the whistleblowing system</p> <p>(I) Has the Company established specific whistle-blowing and reward systems, set up conveniently accessible whistle-blowing channels, and designated responsible individuals to handle the person(s) being reported?</p>	✓		<p>(I) The Company has established a whistle-blowing system, including the "whistle-blowing system for the violation of professional ethics behaviors" in the external website and the "employee mailbox" in the internal website. The whistle-blowing system and employee mailbox provide direct access to the senior management unit. Once the whistle-blowing is received, the senior management unit will work with the relevant human resources and auditing units to investigate and handle it. If it is illegal or serious, it will be transferred to the relevant government units.</p>	No deviation

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
(II) Has the Company established standard operating procedures for investigating reported misconduct, follow-up measures to be taken after investigations, and related confidentiality mechanisms?	✓		(II) The Company has set out the standard operating procedure for accepting the complaint and the follow-up measures to be taken after the investigation. It has stipulated the detailed operating procedure and schedule from the receipt of the complaint to the conclusion of the case. If it is proved that the person being reported has violated the relevant laws and regulations or the Company's policies and regulations on ethical corporate management, the person shall be immediately requested to stop the relevant behavior and dispose of it appropriately. When necessary, the Company shall report to the competent authorities, transfer the person to the judicial authorities for investigation, or claim compensation through legal procedures to protect the reputation and rights of the Company. In addition, the Company has established the principle of confidentiality, and senior management, human resources and auditing units that receive reports and conduct investigations shall carefully manage the matters or secrets they know from their positions. Unless disclosed by the Company or provided for the performance of duties, it shall not be disclosed to others, and the obligation of confidentiality shall be strictly observed no matter during the service period or after resignation.	
(III) Has the Company adopted proper measures to protect whistle blowers from retaliation for their actions?	✓		(III) The Company shall properly handle the identity and contents of the whistle blowers in a confidential and responsible manner, and protect them from being threatened.	
IV. Enhancing information disclosure Has the Company disclosed, on its website or on the Market Observation Post System, its ethical corporate management policies and the effectiveness of the promotion thereof?	✓		The Company has disclosed the Code of Ethical Corporate Management, the Code of Ethical Conduct and the Ethical Corporate Management Procedures and Code of Conduct, and the Code of Ethics for Employees on its website, and the Code of Ethical Corporate Management and the Code of Ethical Conduct on the Market Observation Post System.	No deviation



Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
V.	<p>If the Company has established ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation between the policies and their implementation: None.</p> <p>The Company has formulated its Code of Practice for Ethical Corporate Management in accordance with the Code of Practice for Ethical Corporate Management of TWSE/GTSM Listed Companies. The differences between the Company's operation and the Code are as follows:</p> <p>(I) Education, training and assessment: The Company has not included the ethical corporate management policy in the employee performance assessment system. It will be handled in due course according to actual needs.</p> <p>(II) Information disclosure: The Company has not collected quantitative data to promote ethical corporate management. It will be handled in due course according to actual needs.</p>			
VI.	<p>Other important information that facilitates a better understanding of the Company's ethical corporate management policy (e.g., review and amend its policy):</p> <p>The Company has established the Code of Ethical Corporate Management and the Ethical Corporate Management Procedures and Code of Conduct. The latter was amended on March 12, 2020 with the approval of the Board of Directors and the former was amended on April 6, 2022 with the approval of the Board of Directors.</p>			

(VII) Other important information that may be disclosed to enhance understanding of corporate governance operations: For information on the Company's corporate governance practices, please visit the Market Observation Post System (<https://mopsplus.twse.com.tw>) or our website (<http://www.weltrend.com.tw>).

(VIII) The implementation of the internal control system shall disclose the following matters:

1. Internal Control Statement: Please refer to the Market Observation Post System (MOPS) for inquiries: Market Observation Post System (MOPS) → Individual Company → Corporate Governance → Company Regulations/Internal Control → Internal Control Statement Announcement, to query the 2024 Internal Control Statement. <https://mops.twse.com.tw/mops/#/web/t06sg20>
2. Those who entrust CPAs to conduct special audit of internal control systems shall disclose the audit reports of CPAs: None.

(IX) Major resolutions of Shareholders' Meeting and Board Meetings as of the most recent fiscal year and as of the publication date of this report:

1. Major resolutions and implementations from the Shareholders' Meeting in 2024:
  - a. Ratified the proposal for the 2023 Business Report and Financial Statements.
  - b. Ratified the proposal for 2023 Earnings Distribution.  
Implementation status: Set July 5, 2024 as the base date for distribution, and July 29, 2024 as the payout date for distribution, with a cash dividend of NT\$ 1.2 per share.
2. Major resolutions of Board Meetings as of 2024 and as of the publication date of this report:
  - a. 12nd meeting of the 12th term of the Board of Directors  
Adopted the implementation report of the greenhouse gas inventory and verification schedule plan of the Company and all subsidiaries within the Group.  
Adopted the report on the promotion and implementation of Company's sustainable development.  
Adopted the 2023 Annual Report on the Performance Evaluation Results of the Company's Board of Directors and the Functional Committee  
Adopted the Company's operating plan for 2024.  
Adopted the proposal of the Company's compensation to employees and remuneration to directors for 2023.  
Adopted the operating report and financial statement of the Company for 2023.  
Adopted the distribution of earnings of the Company for 2023.  
Adopted on the issuance of the benchmark date for the Company's first unsecured convertible corporate bonds into ordinary shares in the domestic market.  
Adopted the date and place of the 2024 Annual Shareholders' Meeting and the acceptance of shareholder proposal rights.  
Adopted the amendment to the Corporate Governance Best Practice Principles  
Adopted the report on the reference items for the judgment of the effectiveness of the Company's internal control system for 2023 and the report on the

statement of internal control system for 2023.

Adopted the appointment and dismissal of CPAs and the independent and suitability assessment of CPAs in 2024.

- b. 13th meeting of the 12th term of the Board of Directors

Adopted the repurchase of the Company's issued common stock.

- c. 12th meeting of the 14th term of the Board of Directors

Adopted the report on the insurance status of Company's directors and supervisors.

Adopted the report on the implementation of the Company's treasury stocks.

Adopted the implementation report of the greenhouse gas inventory and verification schedule plan of the Company and all subsidiaries within the Group.

Adopted the financial report of the Company for Q1 2024.

- d. 15th meeting of the 12th term of the Board of Directors

Adopted the implementation report of the greenhouse gas inventory and verification schedule plan of the Company and all subsidiaries within the Group.

Adopted the financial report of the Company for Q2 2024.

Adopted the repurchase of the Company's issued common stock.

- e. 16th meeting of the 12th term of the Board of Directors

Adopted the proposed transfer of the Company's treasury shares to employees

- f. 17th meeting of the 12th term of the Board of Directors

Adopted the implementation report of the greenhouse gas inventory and verification schedule plan of the Company and all subsidiaries within the Group.

Adopted the report on the implementation of the Company's treasury stocks.

Adopted the report on the professional qualifications and independence of the Company's independent directors during the 2024 term.

Adopted the report on intelligent property for 2024.

Adopted the report on information security governance for 2024.

Adopted the implementation report on the Code of Ethical Corporate Management

Adopted the report on the communication between the Company and various stakeholders.

Adopted the proposal to change the Company's CPAs.

Adopted the financial report of the Company for Q3 2024.

Adopted the amendment to the Rules of Procedure for the Shareholders' Meeting.

Adopted the amendment to the "Audit Committee Charter"

Adopted the amendment to the "Information and Communication Security Operation Guidelines."

- g. 18th meeting of the 12th term of the Board of Directors
  - Adopted the amendment to the Corporate Governance Best Practice Principles
  - Adopted the proposal to amend the operational items of the Company's "Internal Control System."
  - Adopted the proposal to establish the Company's "Sustainability Report Preparation and Assurance Procedures."
  - Adopted the Company's internal audit plan for 2025.
- h. 19th meeting of the 12th term of the Board of Directors
  - Adopted the implementation report of the greenhouse gas inventory and verification schedule plan of the Company and all subsidiaries within the Group.
  - Adopted the report on the promotion and implementation of Company's sustainable development.
  - Adopted the 2024 Annual Report on the Performance Evaluation Results of the Company's Board of Directors and the Functional Committee
  - The Company plans to issue new shares through a share swap to acquire all the issued shares of Sentelic Corporation.
  - Adopted the Company's operating plan for 2025.
  - Adopted the proposal of the Company's compensation to employees and remuneration to directors for 2024.
  - Adopted the operating report and financial statement of the Company for 2024.
  - Adopted the distribution of earnings of the Company for 2024.
  - Adopted the scope definition for the Company's grassroots employees.
  - Adopted the amendment to the Articles of Association
  - Adopted the re-election proposal of the 13th term of directors of the Company.
  - Adopted the removal of the Company's Non-compete Clause for directors
  - Adopted the date and place of the 2025 Annual Shareholders' Meeting and the acceptance of shareholder proposals and nomination rights.
  - Adopted the cash capital reduction for the Company's subsidiary, Weltrend International (BVI) Ltd.
  - Adopted the report on the reference items for the judgment of the effectiveness of the Company's internal control system for 2024 and the report on the statement of internal control system for 2024.
  - Adopted the appointment and dismissal of CPAs and the independent and suitability assessment of CPAs in 2025.

- (X) Major contents of any dissenting opinions on record or stated in a written statement made by directors against major resolutions of the Board of Directors in the most recent fiscal year and as of the publication date of this report: None.

#### IV. CPA fees:

- (I) The audit fees and non-audit fees paid to CPAs and their firms and affiliated companies and the content of non-audit services shall be disclosed. Specifically, the following items shall be disclosed:

## Information on CPA fees

Unit: NT\$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Note
Deloitte Taiwan	Cheng-Chih Lin and Chih-Yuan Wen, etc.	2024.01.01~2024.12.31	4,470	554	5,024	-

Non-audit fees: The non-audit fees refer to the Company's payment of tax case and document typing fees to CPAs.

1. If the accounting firm is changed and the audit fees paid for the fiscal year in which the change took place are lower than those paid for the fiscal year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: None.
2. If the audit fees paid for the current fiscal year are lower than those paid for the immediately preceding fiscal year by 10% or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: None.

(II) The audit fees mentioned in the preceding paragraph refer to the fees paid by the Company to CPAs to check, review and verify the financial report and financial forecast.

V. Change of CPAs: If there is any change of CPAs in the last two years or the period thereafter, the following items shall be disclosed.

(I) About former CPAs:

Date of change	March 31, 2023			
Reason for change and description	Internal business change			
Describe whether the appointment is terminated or not accepted by the appointer or accountant	Parties involved		Certified Public Accountant/CPA	Appointer
	Status			
	Proactively terminate appointment		-	-
	No longer accept (continue) appointment		-	-
Opinions and reasons for audit reports other than unqualified opinions issued within the latest two years	Issued unqualified opinions in 2022 and 2023			
Is there any different opinion from the issuer	Yes		Accounting principles or practices	
			Disclosure of financial reports	
			Scope or steps of review	
			Others	
	None	√		
	Description			
Other disclosures (Items 4 to 7 of Article 10-6-1 of this Code shall be disclosed)	None			

## (II) About current CPAs:

Accounting Firm	Deloitte Taiwan
Name of CPA	Cheng-Chih Lin and Pan-Fa Wang
Date of appointment	March 31, 2023
Consultation on opinions and results of accounting treatment methods or accounting principles for specific transactions and possible issuance of financial reports before appointment	Not applicable
Written opinion of the current CPAs on matters with different opinions from the former CPAs	Not applicable

## (III) Reply from the former CPAs to Paragraph 6-1 and Paragraph 6-2-3 of Article 10 of the Code.

## (IV) About former CPAs:

Date of change	September 30, 2024		
Reason for change and description	Internal business change		
Describe whether the appointment is terminated or not accepted by the appointer or accountant	Parties involved	Certified Public Accountant/CPA	Appointer
	Status		
	Proactively terminate appointment	-	-
	No longer accept (continue) appointment	-	-
Opinions and reasons for audit reports other than unqualified opinions issued within the latest two years	Issued unqualified opinions in 2023 and 2024		
Is there any different opinion from the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Scope or steps of review
			Others
	None	√	
	Description		
Other disclosures (Items 4 to 7 of Article 10-6-1 of this Code shall be disclosed)	None		

## (V) About current CPAs:

Accounting Firm	Deloitte Taiwan
Name of CPA	Cheng-Chih Lin and Chih-Yuan Wen
Date of appointment	September 30, 2024
Consultation on opinions and results of accounting treatment methods or accounting principles for specific transactions and possible issuance of financial reports before appointment	Not applicable
Written opinion of the current CPAs on matters with different opinions from the former CPAs	Not applicable

## (VI) Reply from the former CPAs to Paragraph 6-1 and Paragraph 6-2-3 of Article 10 of the Code.

- VI. If the chairman, president, or finance or accounting managers of the Company worked in the CPA firm or an affiliate thereof within the most recent fiscal year, it shall disclose the name, title and the period of working in the CPA firm or its affiliate. An affiliate of the CPA firm refers to a company or organization in which the CPA of the CPA firm holds more than 50% of the shares or a majority of the directorships, or a company or organization listed as an affiliate in the information published or printed by the CPA firm: None.
- VII. Changes in transfer or pledge of shares made by directors, supervisors, managers, and major shareholders holding more than 10% of Company shares in the most recent fiscal year and as of the publication date of this report: If the party of the share transfer or pledge is a related party, the name of such party, its relationship with the company, directors, managers and shareholders holding more than 10% of the shares, and the number of shares acquired or pledged shall be disclosed.

(I) Changes in shareholding of directors, managerial officers, and major shareholders:

Title	Name	2024		As of March 31 of the current year	
		Shareholding increase (decrease)	Pledged shareholding increase (decrease)	Shareholding increase (decrease)	Pledged shareholding increase (decrease)
Chairman and Chief Investment Officer	Sam Lin	(1,637,000)	0	0	0
Director	James Chou	0	0	0	0
Director	Paul Liao	0	0	0	0
Director	Jeff Tsai	0	0	0	0
Director and Chief R&D Officer	JC Liu	0	0	0	0
Director and Chief Financial Officer as well as Corporate Governance Officer	Cindy Guo	0	0	0	0
Director and CEO	Tony Lin	(400,000)	0	0	0
Independent Director	Gerald Kuo	0	0	0	0
Independent Director	Wei-Kun Yeh	0	0	0	0
Independent Director	Wen-Tsung Hsu	0	0	0	0
President	DS Lin	0	0	0	0
Vice President of Manufacturing	Jesse Lu (Note 1)	0	0	0	0
Chief Operation Officer/COO	Robby Tsai	0	0	0	0
Vice President of R&D	ST Kuo	0	0	0	0
Vice President of Product Development and Technology Application Engineering	Wayne Lo	15,000	0	(10,000)	0
Vice President of R&D	Vincent Lu	15,000	0	0	0
Accounting Supervisor	Jason Wang	0	0	0	0

Note 1: Jesse Lu was dismissed on April 25, 2024, and information after dismissal will not be disclosed.

## (II) Information on share transfer:

Name (Note 1)	Reasons for share transfer (Note 2)	Date of transaction	Business counterparties	The relationship between the business counterparties and the company, directors, supervisors, managers and shareholders holding more than 10% of the shares	Number of shares	Trading price
Sam Lin	Disposal	2024.3.8	Nathan Lin	Father and son	37,000	64.40
Sam Lin	Disposal	2024.7.18	Bang-Tao Investment Co., Ltd.	Chairman holds shares under another person's name	1,600,000	61.00
Tony Lin	Disposal	2024.7.18	Bang-Tao Investment Co., Ltd.	Director holds shares under another person's name	400,000	61.00

Note 1: The names of directors, supervisors, managers and shareholders holding more than 10% of the shares

Note 2: Acquisition and disposal of shares.

## (III) Information on share pledge: None.

## VIII. Information on top 10 major shareholders who are related to one another or are related as spouses or within the second degree of kinship.

## Information on the relationship among the top 10 major shareholders

NAME (NOTE 1)	PERSONAL SHAREHOLDING		SHARES HELD BY SPOUSES AND MINORS		SHARES HELD IN THE NAME OF OTHERS		NAMES AND RELATIONSHIP BETWEEN THE TOP 10 MAJOR SHAREHOLDERS OR SPOUSES/RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP (NOTE 3)		NOTE
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Fufeng Investment Co., Ltd. Company Representative: Paul Liao	4,783,049	2.69%	-	-	-	-	-	-	-
	1,078,468	0.61%	-	-	-	-	-	-	-
Sam Lin	2,809,000	1.58%	155,982	0.09%	1,900,000	1.07%	Bang-Tao Investment Co., Ltd.	person in charge of the company	-
Bang-Tao Investment Co., Ltd. Company Representative: Sam Lin	2,500,000	1.40%	-	-	-	-	Sam Lin	Personal	-
	2,809,000	1.58%							
James Chou	2,433,829	1.37%	-	-	-	-	-	-	-
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,080,182	1.17%	-	-	-	-	-	-	-
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Emerging Markets	1,964,567	1.10%	-	-	-	-	-	-	-



NAME (NOTE 1)	PERSONAL SHAREHOLDING		SHARES HELD BY SPOUSES AND MINORS		SHARES HELD IN THE NAME OF OTHERS		NAMES AND RELATIONSHIP BETWEEN THE TOP 10 MAJOR SHAREHOLDERS OR SPOUSES/RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP (NOTE 3)		NOTE
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Stock Index Fund, a Series of Vanguard International Equity Index Funds									
Chongyou Investment Co., Ltd.	1,930,000	1.08%	-	-	-	-	-	-	-
JC Liu	1,808,013	1.02%	-	-	-	-	-	-	-
Cindy Guo	1,270,200	0.71%	-	-	-	-	-	-	-
Taiwan Advanced Trust Company's Great Trust Stock Index II Investment Trust	1,138,000	0.64%	-	-	-	-	-	-	-

Note 1: All the top ten shareholders shall be listed. If they are corporate shareholders, their name and the names of their representatives shall be listed separately.

Note 2: The calculation of the percentage of shareholding refers to the percentage of shareholding in the name of oneself, one's spouse, one's minors, or in the name of others, respectively.

Note 3: The shareholders listed above include both legal and natural persons. The relationships between them shall be disclosed in accordance with the Rules Governing the Preparation of Financial Reports by Issuers.

IX. The number of shares held by the Company, its directors, supervisors, managers and businesses directly or indirectly controlled by the Company in the same reinvestment business and the percentage of shareholding are calculated as follows:

Unit: thousand shares; %

Reinvestment business (Note)	Investment by the Company		Direct or indirect ownership by directors/supervisors/managers		Portfolio investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Weltrend International Co., (BVI) Ltd.	8,164	100%	-	-	8,164	100%
Yingquan Investment Co., Ltd.	32,416	98%	567	2%	32,983	100%
Dongguan Prosil Electronics Co., Ltd.	-	100%	-	-	-	100%
Sentelic Corporation	15,324	51%	-	-	15,324	51%
Sentelic Holding Co., Ltd.	625	100%	-	-	625	100%

Note: The Company employed the equity method for long-term investments on December 31, 2024.

## Chapter 3 Capital Overview

### I. Capital and shares of the Company

#### (I) Sources of capital

Date	Issue price	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital increase by assets other than cash	Date of approval and document No.
1989.6	10	8,000,000	80,000,000	3,600,000	36,000,000	Establishment	Technology pricing: NT\$ 3,600,000	1989.7.5 (1989) Yuan-Jing-Zi No. 07331
1990.5	10	8,000,000	80,000,000	8,000,000	80,000,000	Issuance of common stock for cash: NT\$ 44,000,000	Technology pricing: NT\$ 4,400,000	1990.05.29 (1990) Yuan-Jing-Zi No. 05560
1991.4	11	20,000,000	200,000,000	12,000,000	120,000,000	Issuance of common stock for cash: NT\$ 40,000,000	None	1991.05.03 (1991) Yuan-Jing-Zi No. 04640
1995.6	10	20,000,000	200,000,000	17,680,000	176,800,000	Surplus profit distributed in the form of new shares: 48,000,000 Capitalization of employee bonus: 8,800,000	None	1995.7.4 (1995) Yuan-Shang-Zi No. 09476
1996.5	10	60,000,000	600,000,000	30,200,000	302,000,000	Surplus profit distributed in the form of new shares: 109,616,000 Capitalization of employee bonus: 15,584,000	None	1996.06.18 (1996) Yuan-Shang-Zi No. 09625
1997.6	10	60,000,000	600,000,000	40,000,000	400,000,000	Surplus profit distributed in the form of new shares: 84,560,000 Capitalization of employee bonus: 13,440,000	None	1997.07.17 (1997) Yuan-Shang-Zi No. 13772
1997.6	53	60,000,000	600,000,000	50,000,000	500,000,000	Issuance of common stock for cash: NT\$ 100,000,000		
1998.6	10	120,000,000	1,200,000,000	72,000,000	720,000,000	Surplus profit distributed in the form of new shares: 115,000,000 Capital surplus transferred to common stock: 85,000,000 Capitalization of employee bonus: 20,000,000	None	1998.07.13 (1998) Yuan-Shang-Zi No. 016810
1999.7	10	120,000,000	1,200,000,000	88,000,000	880,000,000	Surplus profit distributed in the form of new shares: 72,000,000 Capital surplus transferred to common stock: 72,000,000 Capitalization of employee bonus: 16,000,000	None	1999.08.13 (1999) Yuan-Shang-Zi No. 017381

Date	Issue price	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital increase by assets other than cash	Date of approval and document No.
2000.8	10	120,000,000	1,200,000,000	117,700,000	1,177,000,000	Surplus profit distributed in the form of new shares: 220,000,000 Capital surplus transferred to common stock: 44,000,000 Capitalization of employee bonus: 33,000,000	None	2000.08.17 (2000) Yuan-Shang-Zi No. 017790
2000.10	10	158,000,000	1,580,000,000	121,100,000	1,211,000,000	Capital increase in connection with a merger: 34,000,000	None	2000.10.16 (2000) Yuan-Shang-Zi No. 023334
2001.7	10	219,600,000	2,196,000,000	161,400,000	1,614,000,000	Surplus profit distributed in the form of new shares: 339,080,000 Capitalization of employee bonus: 63,920,000	None	2001.07.20 (2001) Yuan-Shang-Zi No. 018238
2002.9	10	219,600,000	2,196,000,000	189,600,000	1,896,000,000	Surplus profit distributed in the form of new shares: 193,680,000 Capital surplus transferred to common stock: 48,420,000 Capitalization of employee bonus: 39,900,000	None	2002.09.10 (2002) Yuan-Shang-Zi No. 0910022422
2003.8	10	219,600,000	2,196,000,000	216,300,000	2,163,000,000	Surplus profit distributed in the form of new shares: 189,600,000 Capital surplus transferred to common stock: 37,920,000 Capitalization of employee bonus: 39,480,000	None	2003.08.15 (2003) Yuan-Shang-Zi No. 0920022569
2004.8	10	273,200,000	2,732,000,000	233,000,000	2,330,000,000	Surplus profit distributed in the form of new shares: 129,780,000 Capitalization of employee bonus: 37,220,000	None	2004.08.12 (2004) Yuan-Shang-Zi No. 0930022213
2004.11	-	273,200,000	2,732,000,000	225,000,000	2,250,000,000	Buying-back of shares for capital reduction: 80,000,000	None	2004.11.29 (2004) Yuan-Shang-Zi No. 0930033041
2005.3	-	273,200,000	2,732,000,000	220,000,000	2,200,000,000	Buying-back of shares for capital reduction: 50,000,000	None	2005.3.4 (2005) Yuan-Shang-Zi No. 0940005059
2007.4	-	273,200,000	2,732,000,000	217,000,000	2,170,000,000	Buying-back of shares for capital reduction: 30,000,000	None	2007.04.04 (2007) Yuan-Shang-Zi No. 0960008049
2007.8	-	273,200,000	2,732,000,000	223,510,000	2,235,100,000	Capital surplus transferred to common stock: 65,100,000	None	2007.08.28 (2007) Yuan-Shang-Zi No. 0960023210
2008.8	10	330,000,000	3,300,000,000	246,800,000	2,468,000,000	Surplus profit distributed in the form of new shares: 201,159,000 Capitalization of employee bonus: 31,741,000	None	2008.08.28 (2008) Yuan-Shang-Zi No. 0970023940

Date	Issue price	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital increase by assets other than cash	Date of approval and document No.
2013.2	-	330,000,000	3,300,000,000	246,000,000	2,460,000,000	Buying-back of shares for capital reduction: 8,000,000	None	2013.02.05 (2013) Yuan-Shang-Zi No. 1020004410
2013.8		330,000,000	3,300,000,000	221,400,000	2,214,000,000	Capital reduction: NT\$ 246,000,000	None	2013.08.15 (2013) Yuan-Shang-Zi No. 1020024483
2016.8	-	330,000,000	3,300,000,000	222,020,000	2,220,200,000	Restricted stock for employees: 6,200,000	None	2016.8.18 (2016) Zhu-Shang-Zi No. 1050023044
2017.4	-	330,000,000	3,300,000,000	222,600,000	2,226,000,000	Restricted stock for employees: 5,800,000	None	2017.04.27 (2017) Zhu-Shang-Zi No. 1060010911
2017.11	-	330,000,000	3,300,000,000	222,573,000	2,225,730,000	Cancel the restricted stock for employees: 270,000	None	2017.11.16 (2017) Zhu-Shang-Zi No. 1060031382
2018.5	-	330,000,000	3,300,000,000	222,559,000	2,225,590,000	Cancel the restricted stock for employees: 140,000	None	2018.05.14 (2018) Zhu-Shang-Zi No. 1070014167
2018.8	-	330,000,000	3,300,000,000	178,044,400	1,780,444,000	Capital reduction: NT\$ 445,146,000	None	2018.08.14 (2018) Zhu-Shang-Zi No. 1070023478
2019.5	-	330,000,000	3,300,000,000	178,014,441	1,780,144,410	Cancel the restricted stock for employees: 299,590	None	2019.05.13 (2019) Zhu-Shang-Zi No. 1080012988
2020.3	-	330,000,000	3,300,000,000	178,009,961	1,780,099,610	Cancel the restricted stock for employees: 44,800	None	2020.03.03 (2020) Zhu-Shang-Zi No. 1090005867
2024.3	10	330,000,000	3,300,000,000	178,011,594	1,780,115,940	Convertible bonds converted into ordinary shares: 16,330	None	2024.03.08 (2024) Zhu-Shang-Zi No. 1130007104

Information on the general reporting system: None.

Type of shares	Authorized capital			Note
	Issued shares	Unissued shares	Total	
Common stock	178,011,594	151,988,406	330,000,000	Listed company stock

(II) List of major shareholders

March 31, 2025

Name of major shareholder	Shares	Number of shares held	Shareholding ratio
Fufeng Investment Co., Ltd.		4,783,049	2.69%
Sam Lin		2,809,000	1.58%
Bang-Tao Investment Co., Ltd.		2,500,000	1.40%
James Chou		2,433,829	1.37%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		2,080,182	1.17%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds		1,964,567	1.10%
Chongyou Investment Co., Ltd.		1,930,000	1.08%
JC Liu		1,808,013	1.02%
Cindy Guo		1,270,200	0.71%
Taiwan Advanced Trust Company's Great Trust Stock Index II Investment Trust		1,138,000	0.64%

(III) Dividend Policy and Implementation Status

1. Dividend Policy:

The Company must consider the soundness and stability of its financial structure for the distribution of dividends. It shall also determine the ratio of the cash dividends and stock dividends distributed in the current year based on requirements for the Company's growth. The distribution of earnings for the current year shall be based on the principle of no less than fifty percent (50%) of the accumulated distributable earnings, and the distribution ratio of cash dividends shall no less than ten percent (10%) of the total dividends.

2. Proposed dividend distribution for the current year:

The Company's 2024 distribution plan for earnings was adopted by the board meeting on March 7, 2025. The Board of Directors, in accordance with the provisions of the Company's Articles of Association, resolved to distribute a cash dividend of NT\$ 1.5 per share, totaling NT\$ 262,469,319.

(IV) The impact of the gratuitous allotment of shares proposed at this Shareholders' Meeting on the Company's operating performance and earnings per share: None.

(V) Remuneration for employees and directors:

1. Percentage or range of remuneration for employees and directors as set out in the Articles of Association:

The Company shall allocate 11% to 15% of the Company's pre-tax profit of the current period before deducting the employees' remuneration and Directors' remuneration of the year as employees' remuneration and no more than 4% as Directors' remuneration. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the profit first to make up for the losses.

The remuneration in the preceding paragraph shall be in stock or cash and shall include the employees of the subsidiaries who meet the conditions set by the Board of Directors. The Directors' remuneration specified in the preceding paragraph shall only be distributed in cash.

The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.

2. Basis for estimating the amount of remuneration for employees and directors, basis for calculating the number of shares to be distributed as stock dividends, and accounting treatment for any differences between the actual amounts distributed and the estimated amounts:

If there is a significant change in the amount of payment resolved by the Board of Directors prior to the date of approval of the annual financial report, the change shall be considered as the annual expense. If there is still a change in the amount after the date of approval of the annual financial report, the change shall be treated as a change in accounting estimate and recorded in the following year.

The estimated amount of employee compensation and directors' compensation at the end of 2024 is the same as the amount resolved by the Board of Directors on March 7, 2025.

3. The distribution of remuneration approved by the Board of Directors:
  - a. Distribute employees and directors' compensation in cash or stock. If there is any discrepancy between the amount recognized and the amount estimated in the year of expense recognition, the amount of the discrepancy, the reason for the discrepancy, and the treatment therefore shall be disclosed:

On March 7, 2025, the Board of Directors decided to allocate NT\$ 44,964,742 to employees and NT\$ 11,241,185 to directors. There are no discrepancies between the employees' remuneration and Directors' remuneration and the amount estimated in 2024.

- b. Amount of Employee Compensation Distributed in Stock and its Proportion to the Aggregate Amount of Net Income After Tax and Total Employee Compensation in the Parent Company Only or Individual Financial Statements for the Period: None.
4. Information on Distribution of Compensation of Employees, Directors, and Supervisors (With an Indication of the Number of Distributed Shares, Monetary Amount, and Stock Price) And, If There Is Any Discrepancy Between the Actual Distribution and the Recognized Employee, Director, or Supervisor Compensation, Additionally the Discrepancy, Cause, and How It Is Treated:

In 2023, the Company allotted NT\$33,328,484 in cash dividends to employees and NT\$8,332,120 in remuneration to directors and supervisors. The actual allotment was not different from the proposed allotment approved by the Board of Directors.

#### (VI) Share Repurchases:

1. Shares repurchased:

Term of buyback	9th (term)
Purpose of buyback	Transfer of shares to employees
Buyback period	2021.11.8~2021.12.30
Range of price	65~110
Type and number of shares repurchased	Common shares: 1,500,000

Term of buyback	9th (term)
Amount of shares repurchased	NT\$138,234,997
Percentage of repurchased quantity to scheduled repurchase quantity (%)	100%
Number of shares eliminated and transferred	595,000 shares
Cumulative number of shares	905,000 shares
Ratio of cumulative number of shares held to total number of shares issued (%)	0.51%

Term of buyback	10th (term)
Purpose of buyback	Transfer of shares to employees
Buyback period	2024.4.18~2024.4.25
Range of price	62~75
Type and number of shares repurchased	Common shares: 1,000,000
Amount of shares repurchased	NT\$60,682,106
Percentage of repurchased quantity to scheduled repurchase quantity (%)	100%
Number of shares eliminated and transferred	0 share
Cumulative number of shares	1,905,000 shares
Ratio of cumulative number of shares held to total number of shares issued (%)	1.07%

Term of buyback	11th (term)
Purpose of buyback	Transfer of shares to employees
Buyback period	2024.8.9~2024.8.15
Range of price	45~65
Type and number of shares repurchased	Common shares: 1,200,000
Amount of shares repurchased	NT\$66,985,745
Percentage of repurchased quantity to scheduled repurchase quantity (%)	100%
Number of shares eliminated and transferred	73,000 shares
Cumulative number of shares	3,032,000 shares
Ratio of cumulative number of shares held to total number of shares issued (%)	1.70%

2. Shares under repurchase: None.

II. Insurance of corporate bonds (including overseas corporate bonds):

(I) Outstanding Corporate Bonds:

Type of corporate bond		Domestic unsecured convertible corporate bonds (first issuance)
Date of Issuance		September 11, 2023
Face Value		Each bond has a face value of NT\$ 100,000
Place of Issuance and Trading		-
Issue price		According to 112.15% of the face value
Total Amount		NT\$ 1,100,000,000
Interest Rate		Coupon Rate: 0% per annum
Term		Maturity: 3 years, with maturity date on September 11, 2026
Guarantee Institution		Not applicable
Trustee		Taishin International Bank
Underwriting Institution		Taishin Securities Co., Ltd.
Lawyer		Charles Ya-Wen Chiu
CPA		Deloitte Taiwan
Repayment Method		The outstanding principal will be repaid in cash in full, based on the face value of the bond upon maturity.
Outstanding Principal		NT\$1,099,900 thousand
Redemption or Early Repayment Provisions		Please refer to the terms and conditions outlined in the issuance and conversion procedures
Restrictive covenants		Not applicable
Credit Rating Agency Name, Rating Date, Corporate Bond Assessment outcome		Not applicable
Other Rights Attached	The amount converted (exchanged or subscribed) into common shares, overseas depositary receipts, or other securities as of the printing date of the annual report.	As of March 31, 2025, 1 bond has been converted, with a total face value of NT\$100 thousand, converted into 1,633 common shares.
	Issuance or Conversion (Exchange or Subscription) Procedure	Please refer to the terms and conditions outlined in the issuance and conversion procedures
The issuance and conversion, exchange, or subscription procedures, issuance conditions, potential dilution of equity, and impact on existing shareholders' equity		Based on the current conversion price of NT\$60.1, the maximum dilution effect of the convertible bonds issued in this round on existing shareholders is estimated to be approximately 10.28%. However, the dilution effect of convertible bonds on equity depends on the conversion situation and occurs gradually, thereby having a mitigating effect. Therefore, overall, the dilution impact on equity is considered to be limited.
Name of Custodian Institution for Exchange Targets		Not applicable

(II) Outstanding corporate bonds: None.



(III) Conversion of corporate bond information:

Type of corporate bond		Domestic unsecured convertible corporate bonds (first issuance)	
Items	Year	2024	As of March 31, 2025
Conversion of corporate bond market value	Highest	123	115.35
	Lowest	105.2	107.25
	Average	115.62	111.08
Conversion price		60.1	60.1
Issue date and conversion price at issuance		September 11, 2023 NT\$61.2	
Method of Fulfilling Conversion Obligations		Issuance of New Shares	

III. Insurance of preferred shares: None.

IV. Overseas depositary receipts: None.

V. Insurance of employee stock options: None.

VI. Restricted stock for employees: None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies

(I) Mergers or acquisitions, or issuances of new shares for acquiring shares of other companies, completed during the most recent fiscal year and up to the date of publication of this annual report: None.

(II) During the most recent fiscal year and up to the date of publication of this annual report, the Board of Directors has approved mergers or acquisitions, or issuances of new shares for acquiring shares of other companies

1. Implementation status:

- a. In line with the Company's long-term development strategy, the Company and its 51.04%-owned subsidiary, Sentelic Corporation (hereinafter referred to as "Sentelic"), respectively resolved at their board meetings held on March 7, 2025, to proceed with a merger through a share swap. Sentelic plans to submit the share swap proposal for approval at its shareholders' meeting scheduled for May 26, 2025. The Company intends to conduct the share swap by issuing new shares in exchange for 100% of the issued shares of Sentelic (hereinafter referred to as the "Share Swap Transaction"). Upon completion of the Share Swap Transaction, Sentelic will become a wholly owned subsidiary of Weltrend Semiconductor, Inc. Through this transaction, the Company aims to integrate resources, expand operational scale, and enhance market competitiveness.
- b. Under the Share Swap Transaction, each common share of Sentelic will be exchanged for 1.60 newly issued common shares of the Company as consideration (subject to adjustments, if any, as stipulated in the Share Swap Agreement). The Company plans to increase its capital by issuing 23,516,480 new common shares to the shareholders of Sentelic, excluding the Company itself, based on the shareholding on the share swap reference date. These new shares will have the same rights and obligations as the Company's existing

issued common shares. However, the final number of new shares to be issued shall be calculated based on the total number of issued common shares of Sentelic as of the share swap reference date, minus any Sentelic common shares that must be canceled pursuant to the share swap reference date or other applicable laws, and minus the shares held by the Company. The resulting number will then be multiplied by the share exchange ratio under the Share Swap Transaction. Following approval of the Share Swap Transaction at Sentelic's shareholders' meeting and upon receipt of approvals from the relevant competent authorities, the share swap reference date is tentatively scheduled for September 8, 2025.

- c. The Share Swap Transaction is subject to the approval of the competent authorities before the share exchange process can proceed. Upon completion of the Share Swap Transaction, Sentelic will become a wholly owned subsidiary of the Company and will be delisted from the Taipei Exchange (TPEX). (Sentelic plans to seek approval of the Share Swap Transaction at its shareholders' meeting on May 26, 2025. Following receipt of approval from the relevant competent authorities, Sentelic will apply, in accordance with applicable regulations, to the Taipei Exchange for the termination of the trading of its securities on the over-the-counter market, and will also apply to the Financial Supervisory Commission for the termination of its status as a public company).

## 2. Basic Information Table of the Acquired and Transferred Company

Company name		Sentelic Corporation
Company address		6F.,No.88, Zhouzi St., Neihu District, Taipei City 11493, Taiwan
Responsible person		Sam Lin
Paid-in capital		NT\$300,218,000
Main business activities:		Integrated circuit (IC) development and design, analog circuit design, digital signal processing, and application software development.
Main products		Fan motor driver controller: Server hosts and power supplies, telecommunications equipment, data center power supplies, network switches and routers, high-end gaming graphics cards, liquid-cooled fans for gaming PCs, uninterruptible power systems (UPS), home appliances, EV charging stations, solar power inverters, mining machines, AI servers, and liquid cooling pumps.
Financial data for the most recent fiscal year	Total assets	NT\$853,505,000
	Total liabilities	NT\$155,003,000
	Total shareholders' equity	NT\$698,502,000
	Net sales	NT\$465,932,000
	Gross profit	NT\$202,413,000
	Operation profit and loss	NT\$60,893,000
	Profit or loss	NT\$96,887,000
Earnings per share		NT\$3.23

### 3. Impact on shareholder equity

In August 2022, the Company acquired a 51.04% stake in Sentelic through a public tender offer, marking the first phase of the merger between the two companies. After more than two years of collaboration, both teams have integrated research and development resources, product portfolios, sales channels, and back-end operations, with preliminary synergies already visible. Due to the significant complementary effects in technology and products, the combined entity is able to offer a more comprehensive product lineup and solutions. Furthermore, with an expanded customer base, the Company has become a global leader in the field of server fan motor control chips. Therefore, on March 7, 2025, the Board of Directors of both companies resolved to proceed with the merger. The Company intends to increase its capital by issuing new shares to Sentelic, enabling both companies to leverage group resources for further economies of scale, enhanced operational efficiency, and strengthened integration synergies. This will allow both companies to continue enhancing their competitiveness in the rapidly evolving and highly competitive global semiconductor market, creating a win-win outcome for shareholders, customers, and employees.

## VIII. Implementation of capital utilization plan:

### (I) Content of Capital Utilization Plan:

As of one quarter prior to the publication date of the Annual Report, previous offerings or private placements of securities have not been completed, or have been completed within the last three years and the planned benefits have not been realized: None.

### (II) Implementation status: None.

## Chapter 4 Operating Status

### I. Business Activities

#### (I) Scope of business

##### 1. Main content of the Company's business:

Research, develop, manufacture, test and sell integrated circuit products for various applications.

##### 2. Proportion of main product sales:

Unit: NT\$ thousand

Main products	Amount of operating revenue in 2024	Proportion of Business
Power and analog	1,253,744	41%
Smart applications	852,969	27%
Sales of electronic components	987,906	32%
Total	3,094,619	100%

##### 3. Current products (services):

- a. Self-developed, produced and sold products: power management and analog ICs, smart application ICs.
- b. Concurrent business: integrated application and sales of international famous brand electronic components.

##### 4. Planned new products (services):

##### a. Power management and analog ICs:

- USB Type-C PD (Power Delivery), and other protocol controllers, primary-side PWM power control ICs, and synchronous rectification control ICs for USB Type-C wall chargers, car chargers, and power banks. In response to the trend towards high efficiency and miniaturization of chargers, the Company will also collaborate with Gallium Nitride (GaN) or MOSFET manufacturers to introduce highly integrated System-in-Package (SiP) encapsulated products. The Company will also develop more energy-efficient products to meet the latest energy efficiency regulations.
- Developed a USB Type-C PD control chip for use in devices such as laptops.
- Secondary-side supervisor ICs for switched power supply (SPS).

##### b. Smart application ICs:

- Air cooling solutions, such as highly integrated smart fan motor driver and controller.
- Liquid cooling solutions, such as pump motor controller, leakage detection ICs, and water gate controller.
- A series of general-purpose 8-bit and 32-bit microcontrollers.

##### c. Customer-specific customized IC (ASIC)

These are specialized and exclusive products tailored to meet the specific requirements of customers. After registration, they will be classified according to product attributes into either power and analog or smart applications.

## (II) Industry overview

### 1. Current situation and development of the industry:

According to the Industrial Technology Research Institute (ITRI) of Taiwan, the estimated output value of Taiwan's IC industry in 2024 is expected to reach NT\$531.51 billion (USD\$165.6B), a 22.4% increase compared to 2023. Among this, the output value of the IC design sector is NT\$127.21 billion (USD\$39.6B), growing by 16.0% from 2023; the IC manufacturing sector is NT\$341.95 billion (USD\$106.5B), growing by 28.4% from 2023, with wafer foundry accounting for NT\$324.38 billion (USD\$101.1B), growing by 30.1% from 2023, and memory and other manufacturing reaching NT\$17.57 billion (USD\$5.5B), growing by 3.3% from 2023. The IC packaging sector is NT\$42.33 billion (USD\$13.2B), growing by 7.7% from 2023; the IC testing sector is NT\$20.02 billion (USD\$6.2B), growing by 5.0% from 2023.

According to World Semiconductor Trade Statistics (WSTS), the total revenue of the global semiconductor market in 2024 was \$627.6 billion, which was a 19.1% growth compared to 2023, marking a rebound after the downturn in 2023. Looking back at the semiconductor industry in recent years, it experienced a historic peak in 2021 due to the pandemic-driven demand for personal and household electronics, with both volume and prices rising due to material shortages. Starting in the second half of 2022, however, the industry entered a period of inventory adjustment, driven by factors such as inflation, war, and the normalization of post-pandemic life and work, which led to a sharp decline in end-user demand. This inventory adjustment lasted for almost a year and a half. In 2024, however, strong growth was fueled by the AI boom. Taiwan's IC design industry, as mentioned earlier, saw a 16% growth in 2024, driven by a low base and the gradual recovery of the end-user electronics market.

The statistics and estimated output value of Taiwan's IC industry in 2024 are shown in the following table

Unit: NT\$ 100 million

	2023	2024	Annual growth
Output value of IC design industry	10,965	12,721	16.0%
Output value of IC manufacturing industry	26,626	34,195	28.4%
Output value of IC packaging industry	3,931	4,233	7.7%
Output value of IC test industry	1,906	2,002	5.0%
Total output value	43,428	53,151	22.4%

(Source: TSIA; ISTI of ITRI, February 2025)

Looking ahead to 2025, the continued growth in demand for AI and high-performance computing, the increasing demand for AI PC upgrades, the technological advancements in networking equipment, and the rising penetration of Wi-Fi 7, along with the ongoing recovery of the end-user electronics market, are all expected to contribute to the growth of the IC design industry. ITRI Industrial Economics and Knowledge Center estimates that the output value of Taiwan's IC

industry in 2025 will be approximately NT\$6.18 trillion, representing a year-on-year growth of 16.2%. Among this, the IC design sector is expected to reach an output value of approximately NT\$1.42 trillion, growing by 11.3% year-on-year, maintaining double-digit growth.

2. The relationship between the upstream, mid-stream and downstream of the industry:

Taiwan has a sound division of labor system in IC industry. Its design, manufacturing, packaging, testing play a pivotal role in the supply chain of the global electronics industry. The IC design industry leads the planning, R&D, application and sales of IC products, serving as an important bridge between the semiconductor industry and the electronic product industry. The relationship between the upstream, mid-stream and downstream of the industry:

- The upstream of IC design industry involves wafer, packaging, testing and other cooperative OEMs. Our main strategic partners are the world's leading wafer fabs. Almost all of our packaging is done by professional packaging companies in Taiwan, and most of testing is done by ourselves.
- IC design provides product planning, development, sales and technical services. Midstream involves the application solution providers and agents, responsible for promoting IC products to the client side. Our agents are classified according to the product characteristics, and we select suitable agents based on the marketing ability, technical support and other professional abilities.
- The downstream of the IC design industry involves the clients who buy ICs, i.e. users of ICs. Usually, they are electronic product manufacturers who assemble and integrate ICs into the finished products.

3. Various development trends and competition faced by products:

In recent years, the hot fields in the electronics industry include high-performance computing, network communications, audio-visual multimedia, storage memory devices, network communication, audio-visual multimedia, storage and memory devices, artificial intelligence, Internet of Things, smart power supply, sports monitoring watches and bracelets, mobile payment, advanced driver assistance systems, etc. Moreover, each of these fields can integrate artificial intelligence (AI) functionality, enabling devices to possess learning and problem-solving capabilities. With many years of experience, our products focus on power, video, motor control, consumer electronics and other fields. In a broad sense, our products can be categorized into the current hot fields such as power management, smart vision, and intelligent control, which are in line with the current global development trend. The specific examples are as follows:

- a. Power management: Switched power supplies for desktop computers, servers, game consoles, and fast-charging chargers for mobile phones, tablets, laptops, game consoles, etc., which support USB Type-C PD or Qualcomm Quick Charge 3+/4/4+/5/5+.
- b. Smart vision: Smart camera processing ICs with image detection and identification and AI technology can be applied to advanced driver assistance systems (ADAS), security or smart production. We also have ISP ICs for automotive, industrial control, and consumer product lenses and ICs for projectors with intelligent auto adjustment function.
- c. Smart controller: Thermal solutions include air cooling solutions such as smart fan motor driver and controller, as well as liquid cooling solutions such as

pump motor controller. These are primarily applied in servers (including AI servers), 5G base stations, charging piles, solar power inverters, mining machines, graphics cards, etc. ICs for POS payment, and various 8-bit or 32-bit MCUs.

All of the above are the current hot areas, with large development potential. However, electronic products are rapidly evolving, and IC designers not only have to quickly develop the products required by the market, but also have to invest heavily in technical manpower and R&D material costs, making competition very fierce. With the advantages of functional differentiation, excellent quality, reasonable price, stable delivery, our products won the recognition of clients.

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

1. R&D expenditures in the most recent year and up to the publication date of the Annual Report:

A total of NT\$445,441 thousand was spent on R&D in 2024.

2. Developed successful technologies or products:

Up to now, the Company has a total of 277 approved and pending patent applications. The technologies or products that have been successfully developed are described as follows:

#### a. Power and analog

- Supervisor ICs for secondary-side monitoring power supply: We provide a series of ICs for the power supplies of personal computers, servers, and game consoles. These ICs are widely used by domestic and foreign power supply manufacturers. The programmable function of the latest generation of digital power supervisor ICs allows clients to design more flexible products, help clients shorten development cycle and lower development risks.
- USB PD and other fast-charging control ICs: Suitable for USB Type-C connector chargers, support fast-charging function, the whole series of ICs have passed the USB-IF certification and have been adopted by many international manufacturers of notebook computer and mobile phones. With the evolution of USB PD specifications, we have successfully developed a series of products with the latest USB PD 3.1 specifications ahead of the industry. We also have fast-charging ICs for cell phones and tablets with specifications such as Qualcomm Quick Charge and proprietary fast-charging specifications for well-known Chinese cell phone brands. Among them, Qualcomm Quick Charge 3+/4+/5/5+ control IC is the first Qualcomm-certified and mass-produced IC in the world.
- Primary-side PWM power control ICs: We provide PWM (pulse width modulation) and synchronous rectification (SR) control ICs for switching power supply, which include comprehensive power protection features and control modes to enhance system efficiency. Our ICs also support GaN or MOSFET co-packaging for increased performance. The Company will also develop more energy-efficient products to meet the latest energy efficiency regulations. At present, a series of reference designs compatible with USB Type-C PD and Quick Charge fast charging have been successfully completed. These designs assist power supply designers in developing high-performance and highly reliable power products in the shortest possible time, and have already been successfully introduced into mass production.

b. Smart applications

- Advanced driver assistance system (ADAS): The around view monitor (AVM) and smart camera ICs are used in the vehicle safety assistance system, with the functions of 360-degree panoramic view, road drift warning, motion detection and blind spot detection to reduce the blind spot and improve driving safety. In response to the needs of intelligent projectors, we have developed ICs for projectors with intelligent auto adjustment function.
- ISP ICs for automotive, industrial control, and consumer product lenses.
- Magnetic stripe decoder ICs, interface ICs, and QR Code Reader ICs for POS devices.
- Cooling chips used in 5G servers, base stations, charging piles, solar power inverters, mining machines, and graphics cards. These include high-integration intelligent fan motor driver and controller for air-cooling solutions, as well as pump motor control, leak detection, and water gate control ICs for liquid-cooling solutions.
- A series of general-purpose 8-bit and 32-bit MCUs: Continuous development of highly-integrated single chips for small home appliances, motors, toys, game input devices, USB keyboards, mice, etc.

(IV) Long- and short-term business development plans

1. Continuous development of new products

Short-term: Constantly improve the function and yield of existing products to strengthen product competitiveness. The product lines for Japanese companies also constantly develop new products to facilitate the promotion of the Company.

Long-term: To align with the upcoming market trends, our plan is to develop a range of products that leverage our existing technology and product base. The specific plans are as follows:

a. Power management and analog ICs:

- USB Type-C PD (Power Delivery), and other protocol controllers, primary-side PWM power control ICs, and synchronous rectification control ICs for USB Type-C wall chargers, car chargers, and power banks. In response to the trend towards high efficiency and miniaturization of chargers, the Company will also collaborate with GaN or MOSFET manufacturers to introduce highly integrated System-in-Package (SiP) encapsulated products.
- Developed a USB Type-C PD control chip for use in devices such as laptops.
- Secondary-side supervisor ICs for switched power supply (SPS).
- Battery management chip.

b. Smart application ICs:

- High-integration intelligent fan motor driver and control ICs for air-cooling solutions.
- ICs for liquid-cooling solutions, including pump motor control, leak detection, and water gate control.
- A series of general-purpose 8-bit and 32-bit microcontrollers.



c. Customer-specific customized IC (ASIC)

These are specialized and exclusive products tailored to meet the specific requirements of customers. After registration, they will be classified according to product attributes into either power and analog or smart applications.

2. Continuous expansion of new markets

Short-term: Stabilize the existing client base, constantly introduce new models; develop new client base, and actively promote our products.

Long-Term: Actively expand client base, strengthen and expand cooperation with agents, and contact more with international manufacturers, exploring emerging markets such as India and Vietnam, and further pursuing business opportunities with international end customers.

II. Market, production, and marketing overview

(I) Market analysis:

Our products are mainly sold in Taiwan, China, South Korea, Southeast Asia. Etc. Our products cover all major international brands in the world. In the past two years, the sales proportion by region is as follows:

Unit: NT\$ thousand

Year Country/region	2023		2024	
	Amount	Amount	Amount	Proportion (%)
Taiwan	695,612	24%	665,425	22%
China	2,099,268	73%	2,306,337	74%
Other countries	90,680	3%	122,857	4%
Total	2,885,560	100%	3,094,619	100%

In terms of self-developed products, our two product lines have been developed in a balanced manner and our product structure is quite sound. The market share and future supply and demand of the Company, its subsidiary Dongguan Prosil Electronics Co., Ltd., and the newly acquired Sentelic Corporation, are described as follows:

- Power management and analog ICs:
  - a. Our secondary-side monitoring power supervisor ICs have the world's largest market share in SPS for PC and game consoles. The programmable function of the latest generation of digital power supervisor ICs allows clients to design more flexible products, help clients shorten development cycle and lower development risks.
  - b. In response to the market demand for fast charging, many international manufacturers have introduced USB Type-C PD and other fast-charging control ICs, leading the market share. We will continue to develop fast-charging control ICs for laptops, mobile phones, tablets, game consoles and after-sales markets.
  - c. The secondary-side PWM power control ICs for USB Type-C PD control ICs have been put into mass production in 2019. We will utilize the technical advantages of the product and our high market share in USB Type-C PD control ICs, and constantly promote the overall optimization program.

- Smart application ICs:
  - a. Leveraging the technology of recently acquired subsidiary, Sentelic Corporation, our smart fan motor drive and control ICs hold a market share of over 30% in the server cooling fan market. They are also utilized in 5G base stations, charging stations, solar power inverters, mining machine, graphics cards, and other related products.
  - b. Financial payment related chips, such as POS magnetic stripe decoder Ics and interface ICs, have stable market share due to high entry barriers for latecomers and security authentication requirements. QR code reader IC supports multiple payment methods and can be used in industrial and consumer electronics.
  - c. Our line of 8-bit and 32-bit general-purpose MCUs offers a comprehensive range of computing speeds and power requirements, making them suitable for various products, such as computer and gaming peripherals, small home appliances, household healthcare devices and industrial controls, etc. These MCUs have been successfully introduced by numerous clients and maintain stable shipment levels.

In terms of agent products, the market share and future supply and demand of the Company and its subsidiary Dongguan Prosil Electronics Co., Ltd. are described as follows:

1. With the head office's existing R&D capabilities and actual performance, we will enhance technical support to clients and improve operational performance in key client base and important industries such as automotive, power and motor.
2. Keep abreast of client dynamics and market information, introduce complementary product lines at the proper time, strengthen the our competitiveness and create more value to clients.
3. Make good use of our information system to keep abreast of the latest inventory and market trends, review the incoming and outgoing inventory regularly, maintain good stock quality, and keep the best supply condition at all times.
4. Our subsidiary Dongguan Prosil Electronics Co., Ltd has been taking over the business of Taiwanese companies transferred to Dongguan and actively promoting the mature application solutions from Taiwan to the local potential clients to generate new revenue.

The advantages and disadvantages of the Company's future development are listed as follows:

- Advantages:
  1. Good professional and brand image is conducive to the development of new products.
  2. The sound financial status is conducive to responding to current and unforeseen market conditions.
  3. Our test factory can provide the best services to clients.
  4. Deep relationships with key OEM partners provide competitive supply chain advantages.
  5. We are a distributor of internationally renowned brands of electronic components for integrated applications and sales, which is conducive to providing clients with total solution.

6. By gradually establishing relationships with brand manufacturers and gaining trust, we can obtain specifications early and facilitate product development.
- Disadvantages:
  1. Wafer foundry has experienced price increases over the past few years due to factors such as tight production capacity and rising raw material costs, which have had a slight impact on profitability.
  2. Uncertainties such as the Ukrainian-Russian war and inflation may affect end-user consumption.
  3. China's supply chain is supported by national policies, making competition unfair. As a result, the market and profit margins are facing challenges.

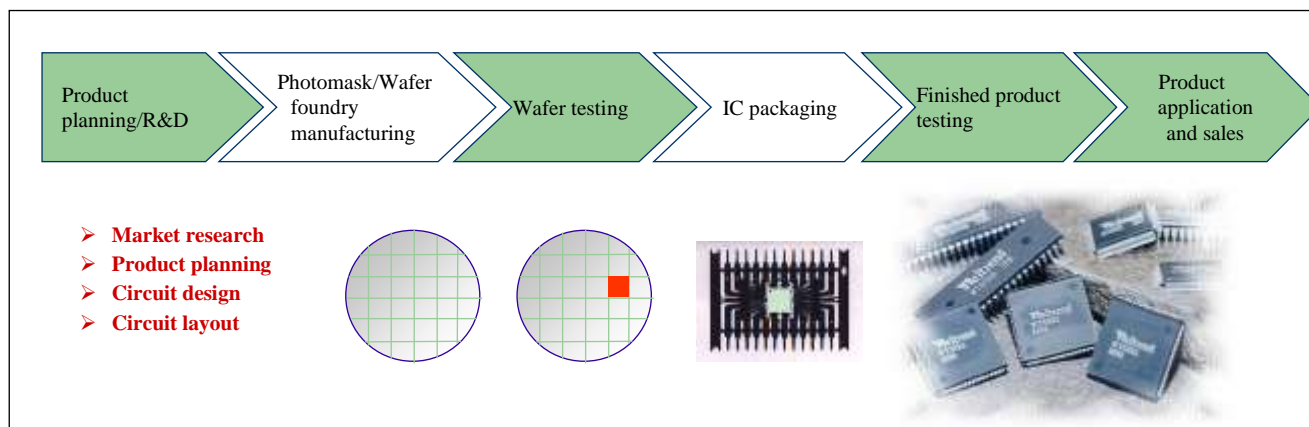
(II) Important applications and production process of major products

1. Important uses of major products

Primary uses	Product family
Power management	Supervisor ICs of switched power supplies for desktop computers, servers, game consoles, and fast-charging chargers for mobile phones, tablets, laptops, game consoles, etc., which support USB Type-C PD or Qualcomm Quick Charge 3+/4/4+/5 /5+ IC.
Imaging solution	<ol style="list-style-type: none"> <li>1. Smart camera processing ICs with image detection and identification and AI technology can be applied to advanced driver assistance systems (ADAS), security or smart production.</li> <li>2. ISP ICs for automotive, industrial control, and consumer product lenses.</li> <li>3. ICs for projectors with intelligent auto adjustment function.</li> </ol>
Smart controller	<ol style="list-style-type: none"> <li>1. Used in thermal management for servers, 5G base stations, EV charging stations, solar power inverters, mining machines, and graphics cards, including high-integration intelligent fan motor driver and controller for air-cooling solutions, as well as related ICs for liquid-cooling solutions.</li> <li>2. ICs for POS payment.</li> <li>3. A series of general-purpose 8-bit and 32-bit microcontrollers, used in consumer electronics such as personal computers and gaming peripherals.</li> </ol>

## 2. Manufacturing process

As shown below, the Company is positioned as a Fabless IC Company, commonly known as an IC designer. The main work includes IC product planning, R&D, testing, sales, etc. The production process is illustrated as follows:



- Circuit development and design process: Develop circuits based on market and product planning and client requirements, and design and simulate them with CAD.
- Photomask and wafer manufacturing process: They are commissioned to be manufactured by professional photomask and wafer fabs. After all processes are completed, electrical parameters will be measured and inspected before delivery.
- Wafer testing process: Wafer testing and development and IC functional test are performed under a complete system.
- IC packaging process: After testing, wafers are assigned to the packaging factory to carry out packaging operations for required packaging types, such as DIP, SOT, SOP, QFN, QFP/LQFP, BGA/LGA, etc.
- Finished product testing and shipping process: After full functional testing by our factory and the outsources professional testing factories, we will carry out the shipment according to the order.

### (III) Availability of major raw materials

The Company is an IC design company, also known as fabless IC company. Its core work is to develop, test, promote and sell IC products. The Company outsources the wafer fabrication and IC packaging. Therefore, the main raw materials refer to wafers and packaging. The Company cooperates with leading wafer fabs, and its process technology, production efficiency, scheduling flexibility and production quality are second to none in the world. The Company has been able to supply on time and in full as long as a reasonable delivery schedule is given. Following the global post-pandemic situation and the semiconductor supply-demand imbalance arising from the US-China trade issues, the related raw material inventory and production capacity utilization rates in the supply chain have undergone complex changes. The electronic industry components continue to experience a phenomenon of inventory clearance due to the cooling of market demand within the industry chain.

The advantage of the Company is that it has always attached importance to long-term relationships with suppliers. We have maintained good interaction and loyal partnership with wafer fabs and packaging and testing plants. At the beginning of 2024, inventory

levels had reached a reasonable range. Throughout the year, the Company continued to coordinate with suppliers on capacity adjustments and effective inventory management, while also preparing appropriate stock in response to increasing demand in specific market segments. Besides, in response to issues related to the supply chain arising from Sino-US trade war, the production planning of the dual supply chain is based on the subsequent production planning and layout direction to meet the requirements of the U.S. and China.

In terms of distribution business, the Company primarily acts as an agent for Japanese IC and electronic component companies. With its own wafer manufacturing and packaging testing factories, the Company offers a diverse range of products and provides Total solution to key customers and industries. This approach aims to expand sales revenue from agency products and alleviate excess inventory.

#### (IV) Production strategy

1. Make full use of Taiwan's unique semi-conductor subcontracting capabilities and provide customization flexibility to meet the diverse and specific needs of our clients and to enhance client satisfaction.
2. Establish good partnership with wafer fabs, packaging and testing plants, and have a tacit understanding of OEM, to ensure production capacity and control product delivery, quality and yield, to meet client demand and service expectations.
3. Establish the long-term cooperation with wafer fabs and third-party manufacturers to increase product quality and price competitiveness.
4. Improve product process capability and take advantage of wafer fabs' new process technology and packaging technology to lower cost, improve yield and market competitiveness.
5. Maintain long-term cooperation with upstream wafer fabs, packaging and testing manufacturers, and strive to be their strategic partners to jointly develop special functional processes to lower production costs and develop competitive products.
6. Due to the changes in the supply and demand environment in 2024, we flexibly responded to market changes. Apart from negotiating production capacity planning with suppliers, we have timely adjusted production capacity and estimated medium to long-term demand based on inventory conditions, to achieve favorable operational planning for both parties. For the estimation and allocation of capacity required for economic recovery, the Company continues to adjust and plan according to market dynamics. Effective rolling coordination with suppliers ensures the necessary capacity planning. Additionally, proactive planning and production activities are undertaken for dual supply chain models to meet customer specifications and requirements regarding production locations.

(V) List of major importers and sellers in the last two years:

Names of clients who have accounted for more than 10% of the total volume of imports (sales) in any year of the recent two years, together with the amount and proportion of imports (sales) and the reasons for the changes. However, as contract stipulates that the name of the client or the counterparty shall not be disclosed, if the client is an individual and not a related party, a code shall replace the name.

Information on major suppliers in the last two years

Unit: NT\$ thousand

	2023				2024			
Items	Company name	Amount	Percentage of net annual purchases (%)	Relationship with Issuer	Company name	Amount	Percentage of net annual purchases (%)	Relationship with Issuer
1	Supplier A	226,326	24%	None	Supplier A	691,421	40%	None
2	Supplier B	385,611	41%	None	Supplier B	451,508	26%	None
3	Supplier C	-	Less than 10%	None	Supplier C	214,267	12%	None
4	Others	322,659	35%	-	Others	393,243	22%	-
	Net purchases	934,596	100%	-	Net purchases	1,750,439	100%	-

Note 1: The increase in purchases from Suppliers A, B, and C in 2024 was primarily driven by improved industry conditions and a surge in customer orders, prompting the Company to scale up its procurement activities.

Note 2: List the names of suppliers who have purchased more than 10% of the total amount of goods in the last two years and the amount and proportion of goods purchased. However, as contract stipulates that the name of the supplier or the counterparty shall not be disclosed, if the supplier is an individual and not a related party, a code shall replace the name.

Note 3: As of the printing date of the Annual Report, financial information of companies whose shares are listed or traded on the stock exchange shall be disclosed if they have been audited or reviewed by CPAs recently.

Information on major clients in the last two years

Unit: NT\$ thousand

	2023				2024			
Items	Company name	Amount	Ratio to net sales (%)	Relationship with Issuer	Company name	Amount	Ratio to net sales (%)	Relationship with Issuer
1	Client A	-	Less than 10%	None	Client A	324,582	10.49%	None
2	Client B	303,293	10.51%	None	Client B	262,267	8.47%	None
3	Others	2,582,267	89.49%	-	Others	2,507,770	81.04%	-
	Net sales	2,885,560	100%	-	Net sales	3,094,619	100%	-

Note 1: In 2024, more than 10% of the Company's total sales were attributed to Client A, primarily due to an increase in sales of smart fan motor driver ICs.

Note 2: As of the printing date of the Annual Report, financial information of companies whose shares are listed or traded on the stock exchange shall be disclosed if they have been audited or reviewed by CPAs recently.

### III. Employees

Number of employees, average length of service, average age and education background for the last two years and as at the publication date of the Annual Report

Year		2023	2024	As of April 12, 2025
Number of employees	Administration/finance	53	53	52
	Business	80	80	78
	Technology	227	235	234
	Total	360	368	364
Average age		44.94	45.55	46.47
Average Years of Services		11.64	11.57	11.73
Distribution of education background	Ph.D.	1%	1%	1%
	Master's degree	32%	33%	33%
	Bachelor's degree	62%	62%	62%
	Senior high school	5%	4%	4%
	Below senior high school	0%	0%	0%

### IV. Environmental expenditure information

- (I) Losses suffered as a result of environmental pollution in the most recent year and up to the publication date of the Annual Report: None.
- (II) Estimated current and potential future amounts and countermeasures. If it cannot be reasonably estimated, the reasons shall be stated: None.
- (III) The Company is engaged in product development, design and sales, and outsources its self-developed wafers and IC packaging to relevant suppliers. The Company conducts wafer testing, package testing and subsequent packaging and shipping internally, so it is pollution-free. In the last two years and up to the publication date of the Annual Report, the Company's products are in line with the relevant standards of RoHS, and has not suffered any loss or punishment due to environmental pollution. Therefore, there are no future countermeasures and possible expenses.
- (IV) As for the process and ICs provided by suppliers, in accordance with the Company's Supplier Management Regulations and HSF Management Procedures, suppliers shall provide material analysis reports regularly every year to confirm whether they are green products as defined by the Company. The Company also appoints a third-party certification company to test, monitor and manage the supplier's materials to comply with regulations for the management of hazardous substances, as well as the relevant regulations of ROHS and Sony GP.
- (V) For defective scrapped IC products, the Company entrusts a Class-A waste removal and treatment company registered by the government to handle the disposal of these products every six months.
- (VI) In 2009, the Company was certified by IECQ QC 080000 Hazardous Substance Process Management. The Company conducts annual certification audit by the accredited firm and has obtained validity certificate for certification system.
- (VII) The Company obtained the ISO 14001 Environmental Management System certificate in March 2023, followed by the ISO 14064-1:2018 Greenhouse Gas Emissions Inventory and Verification certification in November.

## V. Labor-management relationship

- (I) Employee welfare measures, further education, training and retirement systems and the relevant implementation, as well as labor-management agreements and various employee rights protection measures:
1. In addition to general benefits such as labor insurance, health insurance, group insurance, and pension payments, the Company provides employees with annual bonuses, dividends, wedding and funeral gifts, lunch subsidies, employee education and training, libraries for study and reading, breastfeeding rooms for female employees, and flexible commuting systems.
  2. We implement the concept of gender equality in the workplace, and the salary of staff at all levels does not differ due to gender. Although the Company is engaged in the electronics, it is committed to diversity and equality in the workplace. Currently, females account for about 32% of the employees and 11% of the senior executives.
  3. The Company establishes the Employee Benefit Committee according to law, selects committee members to handle employee benefits, and prepares the annual plan and budget every year, such as preparing festival gifts, organizing group tourism, conducting community activities, holding birthday parties, etc.
  4. Employee education and training: To encourage our employees to continuously enrich their knowledge to enhance the corporate competitiveness, we provide complete education and training for new employees so that they can understand the working rules and regulations and become familiar with the work content in a short time. Besides, we provide internal and external professional training courses for existing employees to strengthen their working ability.
  5. For employees applicable to the Labor Pension Act, the Company provides the retirement reserve funds at a rate of 6% of employees' monthly salary and deposits them in the labor pension individual account established by the Bureau of Labor Insurance, Ministry of Labor. According to the law, the Company regularly allocates retirement reserves and deposits them in the Bank of Taiwan, and then the Supervisory Committee of Labor Retirement Reserve is responsible for the management and use of retirement reserves.
  6. To care for the health of employees and prevent obesity and chronic diseases such as hypertension and diabetes, the Company organizes regular health seminars and employee health check-ups each year. Additionally, a fitness center is provided for employees, equipped with various exercise machines for their use. To further encourage participation in physical activities and achieve the goal of weight loss and chronic disease prevention, the Company began organizing walking competitions in the second half of 2023. Prizes are offered to motivate employees to participate. The first event, held in early July 2023, saw a total of 17.75 million steps walked by employees as of June 2024. The outcome of the first event met expectations, and the Company will continue to implement this activity. Through competitions, employees will be encouraged, and other related initiatives, such as hiring fitness trainers and promoting road running events, will gradually be introduced. In terms of diet, the Company offers a diverse range of lunch options. In addition to regular meals, healthy and vegetarian meal options are also provided, along with meal subsidies. The goal is to promote both healthy eating and physical activity, helping employees avoid chronic diseases such as hypertension, diabetes, and obesity.
- (II) Losses suffered as a result of labor-management disputes in the most recent year and up to the publication date of the Annual Report: None.
- (III) Estimated current and potential future amounts and countermeasures: None.



VI. Cyber security management:

(I) Explain the cyber-related security risk management structure, security policy, and specific management plan, and resources invested in cyber security management:

1. Cyber security risk management structure

To strengthen the risk management of information security, the Information Department is responsible for coordinating and implementing the information security policy, establishing the information security risk management structure and the process flow and specific management plan of information security incident notification, regularly reviewing the information security policy, propagating information security messages, and enhancing the employee awareness of information security to ensure information security.

2. Cyber security policy

To improve the information security governance and defense capabilities, the Company has established an internal control system. All information operations are subject to the internal control system and the risk management review by the internal and external units on a regular and daily basis. The Company strives to achieve the following goals.

- a. Ensure the confidentiality and integrity of information assets.
- b. Ensure that data access is regulated according to departmental functions.
- c. Ensure the continuous operation of information systems.
- d. Prevent unauthorized modification or use of data and systems.
- e. Perform regular security audit to ensure information security.

3. Specific management plan, and resources invested in cyber security management

a. Cyber security control

- A. Set up a firewall.
- B. Set up endpoint antivirus, mail antivirus and spam systems to protect computer systems and data storage media.
- C. Establish an identification system to understand the interoperation of different computers and identify abnormal developments to detect threats in advance.
- D. Ensure that the use of various network services is implemented in accordance with information security policies.
- E. Check the System Log of each network service item regularly to track the abnormal situation.

b. Computer equipment security management

- A. Appoint dedicated personnel to manage computer equipment and systems.
- B. Equip server rooms with independent air conditioners and fire extinguishing equipment. Maintain the equipment regularly to ensure availability.
- C. Equip server rooms with independent power supply devices to prevent system downtime caused by power exceptions.
- D. Set up environmental control systems in server rooms and report exceptions to the management personnel.

- c. System and data access control
  - A. Set accounts and passwords for all systems.
  - B. According to functional requirements, different access rights are granted after process review and approval.
  - C. Set up and modify system programs. Establish records, audit and other relevant control measures in accordance with change management procedures.
  - D. Cancel the authority of the personnel who leave their positions.
- d. Emergency response mechanism for recovery
  - A. Regularly review emergency response plans.
  - B. Regularly exercise the system for restoration every year.
  - C. Establish system backup mechanism and implement remote backup.
  - D. Regularly review computer network security controls.
- e. Publicity and check
  - A. Publicize information security at any time, and set up an information security bulletin board to enhance employees' awareness of information security.
  - B. Information operation is subject to the Company's internal control system and risk management audit by internal and external units on a regular basis.
  - C. Report the information security to the Board of Directors on an annual basis to strengthen its supervision and management of the Company's operations.

4. Status of execution

The Company has no material information security incidents that cause business damage. Continuously implement information security management policies and regularly conduct recovery plan drills to protect the security of critical systems and data.

- (II) The losses, possible impacts and measures taken as a result of material information security incidents in the most recent year and up to the date of printing of the Annual Report. If it cannot be reasonably estimated, the reasons shall be stated.

In the most recent year and up to the publication date of the Annual Report, the Company has no material information security incidents that cause business damage.

- VII. Material contracts: List the parties involved, main contents, restrictive covenants and start/end dates of supply and marketing contracts, technical cooperation contracts, engineering contracts, long-term lease contracts and other important contracts affecting shareholders' rights and interests that are still in force as of the publication date of the Annual Report and expire in the most recent year.

Nature	Parties involved	Start/end date	Main contents	Restrictive covenants
Lease contract	Administration Bureau of Hsinchu Science Park	2022/01/01~2026/12/31	Plant lease	None
Agent Agreement	ROHM	2024/04/01~2025/03/31	Integrated circuit sales	None
Agent Agreement	Sonix Technology Co., Ltd.	2017/10/01~ automatic extension	Product Distribution Contract	None
Lease contract	New Foundland Global Corp.	2024/11/01~2027/10/31	House Rental	None

## Chapter 5 Review and Analysis of Financial Position and Financial Performance and Risk Events

- I. Financial status: The major causes and impacts of material changes in assets, liabilities and equity in the last two years. If the impact is significant, the future response plan shall be proposed.

Unit: NT\$ thousand

Item/Year	2024	2023	Change, by amount	
			Amount	%
Current assets	4,481,627	4,276,042	205,585	4.81
Non-current assets	1,492,697	1,575,921	(83,224)	(5.28)
Total assets	5,974,324	5,851,963	122,361	2.09
Current liabilities	1,839,883	546,865	1,293,018	236.44
Non-current liabilities	179,170	1,251,719	(1,072,549)	(85.69)
Total liabilities	2,019,053	1,798,584	220,469	12.26
Sources of capital	1,780,116	1,780,116	-	-
Capital reserve	266,971	266,965	6	-
Retained earnings	1,657,545	1,542,394	115,151	7.47
Other equity	(104,997)	(24,853)	(80,144)	322.47
Treasury stock	(206,993)	(83,400)	(123,593)	148.19
Non-controlling interests	562,629	572,157	(9,528)	(1.67)
Total equity	3,955,271	4,053,379	(98,108)	(2.42)

Explanation of the main reasons and impacts of 20% changes in assets, liabilities and shareholders' equity in the last two years:

1. The increase in current liabilities is due to the reclassification of the Company's bonds payable as current portion of bonds payable due within one year in 2024, resulting in an increase in current liabilities.
2. The decrease in non-current liabilities is due to the reclassification of the Company's bonds payable as current portion of bonds payable due within one year in 2024, resulting in a decrease in non-current liabilities.
3. The increase in the negative value of other equity was due to the decrease in unrealized gains from other comprehensive income in 2024.
4. The increase in treasury stock is due to the increase in the number of treasury shares purchased in 2024.

- II. Financial performance: The main reasons for the significant changes in the operating revenue, net operating profit and net profit before tax in the recent two years, the expected sales volume and their basis, the possible impact on the Company's future financial business and the corresponding countermeasures.

Unit: NT\$ thousand

Item/Year	2024	2023	Increase (decrease) in amount	Percentage (%)
Net operating income	3,094,619	2,885,560	209,059	7.25
Operating costs	2,172,134	2,103,785	68,349	3.25
Gross profit	922,485	781,775	140,710	18.00
Operating expenses	758,422	739,945	18,477	2.50
Net operating income	164,063	41,830	122,233	292.21
Non-operating income and expenses	181,768	184,656	(2,888)	(1.56)
Net profit before tax	345,831	226,486	119,345	52.69
Income tax expenses	50,966	19,400	31,566	162.71
Net profit for the current year	294,865	207,086	87,779	42.39
Other comprehensive gains and losses	(27,462)	113,712	(141,174)	(124.15)
Total comprehensive gains and losses for the current year	267,403	320,798	(53,395)	(16.64)
Net profit attributable to owners of parent company	275,562	209,240	66,322	31.70
Total comprehensive gains and losses attributable to owners of the parent company	247,535	322,539	(75,004)	(23.25)

- (I) The reasons for the 20% change in operating income, net operating income and net income before tax:
1. Net operating income increased, mainly due to the growth in Non-operating income and a decrease in the loss provision for obsolete inventory, which resulted in an increase in Gross profit.
  2. Net profit before tax increased, primarily due to the increase in net operating income.
  3. The increase in income tax expense was mainly due to the increase in net profit before tax.
  4. Net profit for the current year increased, primarily due to the increase in Net profit before tax.
  5. The decrease in other comprehensive gains and losses was mainly due to the decrease in unrealized gains or losses from equity investments measured at fair value through other comprehensive income.
  6. The increase in the net profit attributable to owners of parent company for the current year was mainly due to the increase in the net profit for the current year.
  7. The decrease in the total comprehensive gains and losses attributable to owners of the parent company for the current year was mainly due to the decrease in unrealized gains or losses from equity investments measured at fair value through other comprehensive income.
- (II) The expected sales volume and their basis, the possible impact on the Company's future financial business and the corresponding countermeasures:
- The expected sales volume is based on the estimated volume of products developed and distributed in the past year and the expected shipment volume of clients in the market. The impact on the Company's future financial operations can be found in the Report to Shareholders.

III. Cash flow: Analysis of the changes in cash flow for the most recent year, plans to improve liquidity and analysis of cash flow for the coming year.

Unit: NT\$ thousand

Cash amount at the beginning of the year	Net cash flow from operating activities	Cash inflow (outflow) throughout the year	Cash balance (deficit)	Remedial measures for cash inadequacy	
				Investment plan	Wealth management plan
1,242,075	407,414	(774,927)	874,562	-	-
<p>Analysis of cash flow changes in 2024:</p> <ol style="list-style-type: none"> <li>1. The net cash inflow from operating activities was mainly due to the increase in net income before tax in 2024.</li> <li>2. Net cash outflow from investing activities was primarily due to the increase in investments in marketable securities in 2024.</li> <li>3. Net cash outflow from financing activities was primarily due to the payment of cash dividends amounting to NT\$212,399 thousand and the purchase of treasury stock totaling NT\$127,668 thousand in 2024.</li> </ol>					

# Cash flow for the coming year

Unit: NT\$ thousand

Cash amount at the beginning of the year	Net cash flow from operating activities	Cash inflow (outflow) throughout the year	Cash balance (deficit)	Remedial measures for cash inadequacy	
				Investment plan	Wealth management plan
874,562	468,469	(585,588)	757,443	-	-

- I. Analysis of cash flow changes in 2025:
1. The net cash inflow from operating activities will be mainly due to the estimated net income for 2025.
  2. The net cash inflow from investing activities is mainly expected to result from receiving dividends from reinvestments and investments in marketable securities for 2025.
  3. The net cash outflow from financing activities will be mainly due to the payment of cash dividends of NT\$303,659 thousand from earnings distribution in 2025.
- II. Remedial measures and liquidity analysis of estimated cash deficiency: None.

## IV. Impact of major capital expenditure on financial operations for the most recent year:

The Company's major capital expenditures in 2024 mainly include investments in production, R&D equipment, and intangible assets, which were purchased with its fund, an amount of NT\$55,214 thousand. It was mainly used for the Company's future business expansion, which has little impact on financial business.

## V. The most recent year's reinvestment policy, the main reasons for profit or loss, improvement plans and investment plans for the coming year:

- (I) In 2024, Weltrend International (BVI) recorded increased profits due to a rise in investment income. Yingquan Investment generated profits from interest income on U.S. dollar time deposits. Dongguan Prosil Electronics has experienced growth in both revenue and profit compared to last year, due to the economic recovery in China. Sentelic saw an increase in both revenue and profit compared to the previous year, due to the rebound in the electronics industry. Sentelic Holding Co., Ltd is a small-scale company and reported neither profit nor loss.

### (II) The Company's major investment plans in the coming year.

On March 7, 2025, the Boards of Directors of both the Company and Sentelic Corporation each resolved to approve a merger through a share swap. Upon completion of the share swap, Sentelic will become a wholly owned subsidiary of Weltrend Semiconductor. Under the terms of the share swap, Weltrend Semiconductor will issue new common shares to all shareholders of Sentelic at a ratio of 1.60 shares of Weltrend common stock for every 1 share of Sentelic common stock, thereby acquiring all outstanding shares of Sentelic. The Company plans to issue 23,516,480 new common shares to the shareholders of Sentelic, excluding those held by Weltrend. Sentelic's Board of Directors has also approved the convening of a shareholders' meeting on May 26, 2025, to seek approval for the share swap. The share swap base date will be set upon receiving approval from the relevant competent authorities.

VI. Risk assessment for the most recent year and up to the publication date of the Annual Report:

(I) Impact of interest rate, exchange rate fluctuation and inflation on the Company's profit and loss and future countermeasures:

1. Impact of interest income and expenditure and exchange gains and losses on the Company's profits and losses:

Item/Year	2024 (NT\$ thousand)
Interest income	44,524
Interest expenditure	26,423
Net foreign currency gain	119,261

In 2024, due to the depreciation of Taiwan dollar against the U.S. dollars, the Company generated a net foreign currency gain of NT\$ 119,261 thousand.

(II) Impact of inflation on the Company's profit and loss and future countermeasures:

The increase in demand for raw materials in the recent year had no material impact on the Company's profit or loss.

(III) Measures to cope with changes in interest rate and exchange rate:

1. The Company's product sales are partially denominated in U.S. dollars, and raw materials are partially denominated in U.S. dollars, thus reducing the impact of changes in exchange rate on profitability. Due to sufficient working capital, changes in interest rates have little impact on the Company. Due to the small operating scale of subsidiaries, they have little impact on the interest rate and exchange rate.
2. The Company always pays attention to the information of changes in the interest rate and exchange rate to take appropriate measures in a timely manner. The appreciation of the Taiwan dollar is unfavorable to the Company.

(IV) Policies for engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement of guarantees, and derivative transactions, the main reasons for profit or loss, and future measures:

For the year 2024 and up to the publication date of the Annual Report, the Company has not engaged in high-risk, highly leveraged investments, derivative transaction, endorsement of guarantees, nor has it loaned funds to others.

(V) Future R&D plans and estimated R&D expenses:

2025 R&D plans are as follows:

1. Power management and analog ICs:
  - USB Type-C PD (Power Delivery), and other protocol controllers, primary-side PWM power control ICs, and synchronous rectification control ICs for USB Type-C wall chargers, car chargers, and power banks. In response to the trend towards high efficiency and miniaturization of chargers, the Company will also collaborate with Gallium Nitride (GaN) or MOSFET manufacturers to introduce highly integrated System-in-Package (SiP) encapsulated products. The Company will also develop more energy-efficient products to meet the latest energy efficiency regulations.
  - Developed a USB Type-C PD control chip for use in devices such as laptops.
  - Highly integrated and digitized secondary-side monitoring power management ICs.
  - Battery management chip.

2. Smart application ICs:

- ICs for highly-integrated smart fan motor driver and control.
- 32-bit microcontrollers for industrial purposes.

3. Customer-specific customized IC (ASIC)

These are specialized and exclusive products tailored to meet the specific requirements of customers. After registration, they will be classified according to product attributes into either power and analog or smart applications.

In the future, the Company will invest in R&D for the continuous development of new products. The estimated investment amount is NT\$ 450,000 thousand.

4. Impact of important domestic and foreign policies and legal changes on the Company's financial business and countermeasures:

The management of the Company and its subsidiaries attaches great importance to the important domestic and foreign policies and legal changes and takes appropriate measures to lower the impact on the financial business of the Company.

5. Impact of technological changes (including cyber security risks) and industrial changes on the Company's financial business and countermeasures:

Technological changes have intensified industrial competition. In addition to increasing the number of talented R&D personnel to accelerate the development of product lines and upgrade high-end processes, the Company strengthens product innovation, product quality and product diversification, introduces new R & D techniques and partners to meet the market demand, so as to lower the impact on the Company's financial business.

The Company established the Information Security Committee to formulate and implement the information security management system for information security risk control. Apart from preparing information security policy documents to regulate the information security, the Company conducts annual information security risk assessments and internal and external information security audits to ensure the effectiveness of the management system and compliance with legal requirements. Therefore, the information security risk is not a material operational risk for the Company. But, we cannot guarantee that its computer system can avoid the attack of network viruses initiated by third parties that may cause system paralysis. These cyber attacks illegally infiltrate our internal network systems to cause disruption to our operations or damage to our goodwill. Failure to resolve the difficult technical issues caused by these cyber attacks in a timely manner may seriously impact our financial performance and commitment to clients and other stakeholders.

6. Impact of corporate image change on corporate crisis management and countermeasures:

The Company has always attached importance to the corporate image, steady operation, and the implementation of corporate governance, to maintain social welfare. So far, no incidents affecting the corporate image have occurred.

7. Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans:

On March 7, 2025, the Board of Directors of both the Company and Sentelic Corporation each resolved to approve a merger through a share swap. Upon completion of the share swap, Sentelic will become a wholly owned subsidiary of Weltrend Semiconductor.



In August 2022, the Company acquired a 51.04% stake in Sentelic through a public tender offer, marking the first phase of the merger between the two companies. After more than two years of collaboration, both teams have integrated research and development resources, product portfolios, sales channels, and back-end operations, with preliminary synergies already visible. Due to the significant complementary effects in technology and products, the combined entity is able to offer a more comprehensive product lineup and solutions. Furthermore, with an expanded customer base, the Company has become a global leader in the field of server fan motor control chips.

Based on this foundation, both parties believe that the share swap will further enhance economies of scale, improve operational efficiency, and strengthen integration synergies. In the increasingly competitive and fast-evolving global semiconductor market, this move is expected to continuously enhance the competitiveness of both companies, creating a win-win-win outcome for shareholders, customers, and employees alike.

8. Expected benefits and possible risks of plant expansion and countermeasures:

The Company has no plans to expand its plant in 2024.

9. Risks arising from concentration of purchases or sales and corresponding response measures:

- a. The Company mainly buys goods from leading wafer fabs and Japanese manufacturers, with an emphasis on yield rate, delivery time, price, advanced manufacturing process and other factors. Due to good and long-term relationships with these manufactures, there is little risk for the Company in the short and medium term. In the long run, there are many professional wafer, packaging, and testing factories at home and abroad, so the Company has no problem to purchase products.
- b. The customer structure of the Company is highly stable and healthy, with clients diversified across various industries including laptops, smartphones, PCs, smart fan motors, gaming peripherals, automotive electronics, and POS machines. This diversification mitigates the risk associated with concentrated sales.

10. The impact and risks of the mass transfer or change in shareholding of directors or substantial shareholders holding more than 10% of the shares of the Company and countermeasures:

There is no mass transfer or change in shareholding of directors or substantial shareholders holding more than 10% of the shares of the Company.

11. Effects of, risks relating to and response to the changes in management rights:

There is no change in the operating rights of the Company.

12. Litigation or non-litigation matters:

The Company and its directors, president, responsible persons, substantial shareholders holding more than 10% of the shares and subsidiaries have not had any major litigation, non-litigation or administrative disputes so far.

13. Other material risks and countermeasures: None.

VII. Other important matters: None.

## **Chapter 6 Special Matters to Be Noted**

### **I. Information on the Company Affiliates**

- (I) Consolidated Business Report of Company Affiliates: Please refer to the Market Observation Post System (MOPS).
- (II) Consolidated Financial Statements of Company Affiliates: Please refer to the Market Observation Post System (MOPS).
- (III) Affiliation Report: Please refer to the Market Observation Post System (MOPS).

Path to Access Company Affiliates' Information: Market Observation Post System (MOPS) → Individual Company → Electronic Document Download → Company Affiliates Section (Three Required Reports)

[https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

- II. Private placement of marketable securities in the most recent fiscal year and up to the publication date of the Annual Report: None.
- III. Other supplementary information: None

**Chapter 7 In the most recent fiscal year and up to the publication date of the Annual Report, if there have been events that had a significant impact on shareholders' equity or the price of securities as defined in Subparagraph 2 of Article 36-3 of the Securities and Exchange Act: None.**

**Weltrend Semiconductor, Inc.**

**Chairman: Sam Lin**

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