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Sonix Technology Co., Ltd.

Annual Report 2024

Notice to readers

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

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I. Report to the Shareholders

1.1 2024 Business Results

In 2024, the global economy remained stable as inflationary pressures eased and supply chain inventories were reduced. However, escalating geopolitical risks, strained international relations, intensified trade and technology wars, and other factors slowed the pace of economic recovery. Despite this volatile environment, the company achieved an overall performance growth of 5%, with operating revenue of NT\$2.74 billion, gross profit of NT\$1.14 billion, operating profit of NT\$85 million, net profit after tax of NT\$179 million, and earnings per share of NT\$1.07. The product sales mix consisted of 56% consumer products and 44% multimedia products.

The rapid development of AI technology has driven upgrades in upstream chip manufacturing and expanded the software market. From cloud data centers to edge devices, the application scope of generative AI continues to grow, with overall chip performance and power efficiency steadily improving, necessitating increased talent investment. Geopolitical influences are intensifying, prompting a global supply chain restructuring, and companies must establish diversified supply chains to address these challenges.

Despite the slow recovery of momentum in the consumer electronics market, Sonix continues to refine its technology, launching high-performance computing core microcontrollers and new products with AI capabilities and energy-saving features to meet customer demands. The company has also built a flexible supply chain to enhance its competitive edge and growth momentum.

1.1.1 Revenues and profits

Unit: NT\$ Thousand

Items	2024	2023	Increase (Decrease)	Change%
Operating revenues	2,744,466	2,609,937	134,529	5%
Operating gross profits	1,141,846	1,090,270	51,576	5%
Operating net profits	85,470	157,929	(72,459)	(46%)
Net profits after tax	179,090	185,882	(6,792)	(4%)
Other comprehensive Income	(20,207)	193,694	(213,901)	(110%)
Total comprehensive Income	158,883	379,576	(220,693)	(58%)

1.1.2 Financial receipts and expenditures, and profitability analysis

1.1.2.1 Financial receipts and expenditures

Unit: NT\$ Thousand

Items	2024	2023	Increase	Change%
Interest incomes	31,040	19,868	11,172	56%

1.1.2.2 Profitability analysis

Analysis item	2024	2023
Return on assets	4 %	4 %
Return on equity	5 %	5 %
Net profits before tax to paid-in capital	12 %	12 %
Net profit margin	7 %	7 %
Earnings per share (NT\$)	1.07	1.11

1.1.3 Implementation status of budget

The company did not publicly disclose financial forecasts for 2024; therefore, there is no need to report on budget execution.

1.1.4 Research and Development Status

In 2024, R&D expenses accounted for 30% of operating revenue. Specific R&D achievements are as follows:

Product line	R&D status
Voice Controller ICs	Introducing the SNC733xx series, which integrates 2.4GHz, Bluetooth, and wired triple-mode applications. Paired with 2.4GHz wireless transmission technology for signal delivery, it features a built-in High-Speed USB interface, supporting data transmission in both wired USB 8KHz and wireless 8KHz modes. Additionally, it includes Bluetooth mouse functionality, making it a comprehensive true 8KHz triple-mode platform.
Voice Controller OID	Introducing the next-generation OID SoC, featuring a built-in high-speed, high-resolution sensor array and image processing engine. By connecting to a backend MCU, it enables the recognition of Sonix OID handwritten codes. It converts continuous positional handwritten code information into handwriting trajectories, expanding OID from point-reading applications to handwriting applications. This technology has already been successfully integrated into school education systems. In the future, it will continue to be promoted to the general adult handwriting application market.
Microcontrollers	Introducing Sonix's first-generation ARM Cortex-M4 MCU platform chip, equipped with communication interfaces such as USB2.0 HS, SPI, UART, I2C, I2S, SDIO, CANBUS, and Ethernet. It is suitable for applications in PC gaming peripherals, smart home appliances, and industrial control. The first M4 MCU platform chip is applied to a complete 8KHz analog magnetic-axis keyboard solution, enabling keys to simulate finger pressure depth detection and rapid trigger functionality. This surpasses mainstream products in the gaming market and has been adopted by major international brands.
Image processing chips	Developed Sonix's first 8-megapixel HDR ISP with a built-in AI NPU, supporting Microsoft Human Presence Detection (HPD), Windows Hello, and other AI functions (such as facial recognition). Utilizing a more advanced manufacturing process, the ASIC has been successfully validated upon return, significantly reducing overall power consumption. This technology is applicable to HPD AI laptop cameras, external HPD AI facial recognition webcams, and AI image recognition-related products.
Wireless multimedia Solutions	Developed a 5GHz high-definition, long-range, low-latency image transmission solution suitable for various types of unmanned aerial vehicles (UAVs). Its low-latency performance meets the needs of first-person view (FPV) racing drones, while its high-definition, long-range capabilities cater to applications such as aerial photography, logistics transportation, geographic mapping, disaster relief management, precision agriculture, public security maintenance, environmental protection, and defense deployments.

1.2 2025 Business Plan Overview

1.2.1 Business principles and important policies

1.2.1.1 R&D Strategy

- (1)Based on profound microcontroller and imaging core technologies, keep abreast of the trend of consumer products, strengthen product system development, and provide highly integrated one-stop solutions (Turnkey Solution) to help customers shorten the development time of end products.
- (2)Strengthen software and hardware integration and in addition to chip specifications and performance improvements, a department to actively build platform, application services and various development tools, software design kits (SDKs) and technical documents has been set up to provide customers with more complete and real-time support.
- (3)Strengthen industry-academia collaboration by offering courses with universities to cultivate R&D talent and bolster research capabilities.

1.2.1.2 Marketing Strategy

- (1)Deepen penetration into domestic and international markets by establishing a comprehensive and strategic network of sales agents. In addition to existing sales hubs in Hong Kong, Japan, and North America, expand into India and actively explore the Vietnam market. Provide robust technical support through agency mechanisms, technical documentation, development tools via the website, and instructional videos to assist customers in problem-solving and accessing the latest product information.
- (2)In terms of key customer development: In addition to high-end toy applications, the Company has also entered the field of home appliance and personal medical products, bringing a broader space; Microcontroller products, with the support of a wide range of solution providers and developers, are in the leading position in personal medical and consumer electronics applications. In response to the demand for energy saving and low carbon, we have also launched a new BLDC motor control chip, which can be used in various home appliances and machine tools, expanding the market into the industrial control field. In terms of multimedia products, in response to the AI trend, we continue to provide the most competitive solutions from major notebook manufacturers. In addition, non-notebook fields, home video, smart surveillance and cash payment applications are all opportunities for the market to continue to expand and grow. The Company provides diversified products to reduce risks in product off-peak seasons and balance market supply and demand changes to create the next wave of growth opportunities.
- (3)In order to expand into new markets, the Company is actively promoting industry integration, betting on STEM education, joining the Smart Robot Toy Alliance, and participating in the Artificial Intelligence Chip Alliance, actively communicating with the industry, integrating horizontal and vertical resources, and managing the visibility and influence of the Sonix's brand.

1.2.1.3 Production Strategy

- (1)By leveraging the specialization in the value chain of Taiwan's semiconductor industry and working closely with upstream and downstream suppliers, obtain sufficient and high-quality wafer sources and ensure product yields and quality.
- (2)Adopt a diversified outsourcing strategy to cooperate with foreign suppliers to spread the supply risk caused by natural disasters or accidents.

1.2.1.4 Operational and Financial Planning

Accumulate working capital through steady operations, with a strong structure of low debt and sufficient capital, coupled with a stringent internal control and audit system to ensure a strong financial structure and improve operating performance to cope with the impact of changes in the economy.

1.2.2 Expected sales volume and its basis

The Company continues to focus on the consumer electronics field and is actively expanding into microcontrollers and multimedia products with high growth potential. Based on 2024 sales data, the current industry environment and market demand, the estimated sales volume for 2025 is approximately 531,797 thousand units.

1.2.3 Production and Sales Strategy

The Company insists on serving customers with high quality and high efficiency, creating immediate benefits for customers, and uniting all employees to reach a consensus on "customer satisfaction service," focusing on "providing customers with the most efficient IC design," strengthening rapid R&D capability, participating in development from the time of product specification, thinking about customers' needs from the perspective of application, and taking the initiative to provide customers with tailor-made products and complete services with our independent and innovative technology, complete technology platform, and software and hardware development tools.

On the production side, the Company maintains long-term partnerships with upstream wafer and packaging and testing suppliers to stabilize capacity supply and appropriately enhance manufacturing processes to provide customers with the most efficient and competitive products.

1.3 Future development strategy of the Company

With microcontroller technology as the core, Sonix's 8-bit and 32-bit product lines are becoming more complete, combining its long-established video and voice core technologies and integrating various sensors and wireless transmission modules to become a cross-application platform. In addition to improved computing performance, the optical recognition chipsets are also moving toward miniaturization to meet the needs of various products.

SONIX's overall products continue to evolve towards energy saving, environmental protection, low power consumption and high performance, and strengthen the system integration and networking capability of the products, and focus on STEM education and creative field to develop more diverse applications.

In terms of ESG (corporate sustainable operations), the Company has diversified its product development technologies from IC design, foundry to packaging and testing, and implemented the quality policy of "dynamic innovation and customer satisfaction" to establish the core value of the SONIX brand. In response to the global emphasis on ESG, Sonix not only actively develops new products that meets the concepts of low power consumption, energy saving, and environmental protection, but also continues to issue sustainability reports every year to disclose various ESG achievements. In terms of customer service, we actively respond to various customer needs and strive for excellence to provide a more complete and friendly product development environment and software to help customers improve their development performance and efficiency. For internal employees, we uphold the spirit of one family, creating an open environment for employees to enjoy growth and work; for the investing public, we continue to return profits to

shareholders, hoping to meet the needs of stakeholders at all levels and fulfill our corporate social responsibility.

1.4 Effect of external competition, legal environment, and overall business environment

1.4.1 Major effect of external competition

The factors influencing our company's products and market primarily include three aspects: changes in the external environment, transformations in technological applications, and supply and demand dynamics.

1. External Environmental Changes:

The escalation of geopolitical conflicts and the "America First" policy proposed by the new U.S. President Trump, along with increased tariffs, are impacting the global trade order. These factors raise production costs and supply chain management challenges for businesses, potentially triggering inflation risks and increasing uncertainty in industrial development.

2. Technological Application Shifts:

Digital technologies such as AI, 5G, and IoT are rapidly advancing, with the rise of AI in particular significantly driving demand for high-performance computing products, creating new growth opportunities in the semiconductor sector. However, to meet the needs of these emerging applications, the industry urgently requires increased investment in research and development. At the same time, it faces challenges from global supply chain instability and geopolitical tensions. Against this backdrop, external uncertainties and technological transformations simultaneously present both challenges and opportunities.

3. Supply and Demand:

(1) Ongoing Adjustments in Market Supply and Demand

Factors such as capacity expansion, advancements in technology nodes, supply chain challenges, the rise of emerging applications, demand for consumer electronics, and inventory adjustments are collectively influencing the supply-demand dynamics of the semiconductor market. After two years of supply-demand imbalances, major global foundries have actively expanded capacity in 2024, with new capacity expected to come online gradually in 2025, helping to alleviate supply shortages. However, advanced process capacity remains in short supply, while mature processes face pressure from overcapacity.

(2) Industry Growth Trend Persists, but Pace May Slow

The semiconductor industry will continue its growth trajectory, though the pace of growth may decelerate. The rapid development of technologies such as 5G, artificial intelligence, IoT, and electric vehicles continues to drive increasing demand for semiconductors. Consumer electronics, including smartphones and laptops, remain a significant source of demand for semiconductors. However, challenges such as geopolitical risks, bottlenecks in technological development, and intensifying market competition will also impact the industry.

1.4.2 Legal environment

The Company strictly abides by all laws and environmental regulations, and our product supply chain is managed through a process. We also actively extend our green product policy and develop harmless and green products, considering both quality and environmental benefits; we are committed to energy saving and pollution prevention by enhancing awareness of energy conservation and recycling. In terms of corporate governance, we also comply with laws and regulations and promote corporate social responsibility. We publish corporate responsibility reports annually to disclose relevant information to stakeholders and promote sustainable

development of the company. In addition, we pay close attention to the announcement and changes of various regulations and propose timely response measures to meet the needs of various changes and reduce the impact and influence brought by changes in the legal environment.

There was no violation of the relevant laws and regulations in 2024.

1.4.3 In terms of the overall business environment

As geopolitical risks escalate, the global semiconductor ecosystem is undergoing restructuring, with manufacturing bases shifting from Asia to Europe and the Americas. Governments worldwide are actively promoting regional supply chain development and planning capacity expansion to address geopolitical changes and supply-demand imbalances. The Russia-Ukraine war, the Israel-Palestinian conflict, and the Red Sea crisis are impacting the global economy, compounded by climate change and supply chain alliances, making the semiconductor market increasingly volatile and unpredictable.

However, crises also bring new opportunities. Technological upgrades and energy-saving trends have accelerated the growth of remote work, cloud computing, and e-commerce, while applications in smart homes, smart healthcare, IoT, and electric vehicles are becoming increasingly widespread. For Sonix, a company focused on consumer electronics, the emergence of new products and services represents not only an opportunity for market expansion but also a driver of future growth.

In facing these challenges, the company will place greater emphasis on global economic and industry trends, strengthen technological innovation and product differentiation, enhance collaboration with upstream and downstream partners, explore emerging markets in Southeast Asia, and improve supply chain management while actively fostering talent through academic partnerships. These efforts aim to help the company stand out in a competitive landscape and achieve sustained growth.

1.4.4 Others in the legal and general business environments do not have a material effect on the Company's finance and business matters.

II. Corporate Governance Report

2.1 Information on the company's directors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

2.1.1 Directors

2.1.1.1 Information of Directors

As of April 20, 2025

Job title	Nationality or place of registration	Name	Gender, age	Date of election /Appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Job title	Name	Relationship	
Chairman	R.O.C	James Pao	Male 61-70	June 19,2024	3	December 17,1997	4,549,318	2.71%	4,549,318	2.71%	549,302	0.33%	0	0	M.S. Electronics Engineering, National Chiao Tung University、Hualon Microelectronics Corp. Manager	Director of Sonix Technology Ltd. (Sonix Representative of juristic person)、Sonix Holding (Sonix Technology Ltd. Representative of juristic person)、Nfore Technology Co., Ltd. and Director of Qno Technology Inc.、Chairman of New Pocket Device Corp.	-	-	-	-

Job title	Nationality or place of registration	Name	Gender, age	Date of election /Appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Job title	Name	Relationship	
Director	R.O.C	Samuel Chen	Male 71-80	June 19,2024	3	December 17,1997	7,270,261	4.33%	7,270,261	4.33%	2,843,606	1.69%	0	0	B.S. Chemical Engineering 、 National Tsing Hua University	Chairman of Rayson Technology Co., Ltd. 、 Chip Integration Technology Corp. 、 Anapex Technology Inc. 、 Digit Mobile Inc. 、 Highwave Technology Co., LTD. And Everestek Inc. 、 Director of Polaris Group. 、 Polaris Pharmaceuticals, Inc. 、 DesigneRx Europe Limited 、 Polaris Pharmaceuticals Australia Pty Ltd 、 Polaris Pharmaceuticals Ireland Limited and DesigneRx Pharmaceuticals, Inc. 、 Supervisor of DesigneRx Pharmaceuticals (Shanghai) Inc. 、Director of Polaris Pharmaceuticals (Taiwan), Inc. and Polaris Biopharmaceuticals, Inc. (Polaris Group Representative of juristic person) 、 Director of Genovior Biotech Corporation (Polaris Biopharmaceuticals, Inc. Representative of juristic person) 、 Director of Acepodia, Inc. (Digital Mobile Venture Ltd. Representative of juristic person) 、 Director of Senno Technology Inc. 、 Director of Nfore Technology Co., LTD. (Digital Capital Inc. Representative of juristic person)	-	-	-	-
Director	R.O.C	Chan Yee Hsiung	Male 61-70	June 19,2024	3	December 17,1997	3,325,219	1.98%	3,325,219	1.98%	965,337	0.58%	0	0	Institute of Electrical Engineering, New Jersey Institute of Technology 、 Elan Microelectronics Corp. Assistant Manager of System Design Department	CTO of Sonix Technology Co., Ltd.	-	-	-	-

Job title	Nationality or place of registration	Name	Gender, age	Date of election / Appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Job title	Name	Relationship	
Director	R.O.C	Daniel Pan	Male 61-70	June 19,2024	3	December 17,1997	2,220,515	1.32%	2,220,515	1.32%	97,347	0.06%	0	0	B.B.A. Statistics, National Chung Hsin University College of Law and Commerce 、Elan Microelectronics Corp. Sales Manager	CSO of Sonix Technology Co., Ltd. 、Chairman of Jian Mou Investment Corp. (Sonix Representative of juristic person) 、Director of Paradigm Venture Capital corporation (Jian Mou Investment Corp. Representative of juristic person)	-	-	-	-
Director	R.O.C	Chris Ko	Male 51-60	June 19,2024	3	June 15.2018	578,602	0.34%	578,602	0.34%	85,250	0.05%	1,145,103	0.68%	M.B.A. University Of South Australia 、Elan Microelectronics Corp. Director of System Application Department	CEO of Sonix Technology Co., Ltd.	-	-	-	-
Director	R.O.C	Ching Hui Kuo	Male 61-70	June 19,2024	3	July 16,2021	360,907	0.22%	276,907	0.17%	0	0	0	0	B.B.A., Accounting, Soochow University 、Director of the Honching Certified Public Accountant firm	Director of the Honching Certified Public Accountant firm 、Independent Director of Trigold Holdings Limited.	-	-	-	-

Job title	Nationality or place of registration	Name	Gender, age	Date of election /Appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Job title	Name	Relationship	
Independent Director	R.O.C	Kao Chung Tsai	Male 61-70	June 19,2024	3	June 18,2004	0	0	0	0	0	0	0	0	M.A. Institute of Economics, Soochow University 、 CEO of Best Yield Management and Consulting Corp.	CEO of Best Yield Management and Consulting Corp. 、 Director of Champion Microelectronic Corp.(Sonix Representative of juristic person) 、 Independent Director of Holy Stone Healthcare Co., Ltd. And Double Bond Chemical Ind. Co., Ltd. 、 Director of GlycoNex Incorporation 、 Ultradisplay Inc. 、 AcadeMab Biomedical Inc. 、 supervisor of Syncore technology co., Ltd. 、 Chairman of Nfore Technology Co.,Ltd. (Digital Capital Inc. Representative of juristic person)	-	-	-	-
Independent Director	R.O.C	Mao Tien Shen	Male 61-70	July 16,2021	3	July 16,2021	0	0	0	0	0	0	0	0	B.S. Civil Engineering, Tamkang University 、 Director and VP of Taiwan Mask Corp.	Independent Director of Alpha Microelectronics Corp. and Nyquest Technology Co., Ltd.	-	-	-	-
Independent Director	R.O.C	Tsai Lin Chiang	Female 51-60	June 19,2024	3	June 19,2024	0	0	0	0	0	0	0	0	Department of Accounting, Chung Yuan Christian University CFO of Chinese Gamer International Corp.	CFO of Chinese Gamer International Corp. Taiwan Co., Ltd. Supervisor of Supergamer international Co., Ltd. Supervisor of Funbear international Co., Ltd. (Representative of Chinese Gamer International Corp.) Supervisor of Gametopia. Co., Ltd. Supervisor of Oriental Dragon Digital Co., Ltd. (Representative of Chinese Gamer International Corp.) Director of 9SPLAY ENTERTAINMENT TECHNOLOGY CO., LTD (Representative of Zilong Venture Capital Co., Ltd.)	-	-	-	-

2.1.1.2 Major Shareholders of Corporate Shareholders : None.

2.1.1.3 Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors

Qualification Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
James Pao	Education : M.S. Electronic Engineering, National Chiao Tung University Experience : Chairman of Sonix Technology There are no violations arising out of Article 30 of the Company Act.	Not Available	0
Samuel Chen	Education : B.S. Chemical Engineering, National Tsing Hua University Experience : Chairman of Sonix Technology There are no violations arising out of Article 30 of the Company Act.		0
Chan Yee Hsiung	Education : Institute of Electrical Engineering, New Jersey Institute of Technology Experience : CTO of Sonix Technology There are no violations arising out of Article 30 of the Company Act.		0
Daniel Pan	Education : B.B.A. Statistics, National Chung Hsin University College of Law and Commerce Experience : CSO of Sonix Technology There are no violations arising out of Article 30 of the Company Act.		0
Chris Ko	Education : M.B.A University of South Austria Experience : CEO of Sonix Technology There are no violations arising out of Article 30 of the Company Act.		0
Ching Hui Kuo	Education : B.B.A., Accounting, Soochow University Experience : Director of the Honching Certified Public Accountant firm There are no violations arising out of Article 30 of the Company Act.		1
Kao Chung Tsai	Education : M.A. Institute of Economics, Soochow University Experience : CEO of Best Yield Management and Consulting Corporation There are no violations arising out of Article 30 of the Company Act.	The status of independence for the 3 independent directors: they, their spouses, and their relatives within the second degree have not served as director, supervisor or employees of the company or any of its affiliates and do not hold any shares in the company; have not served as director, supervisor, or employee of any company having a specified relationship with the company; have not received the amount(s) for any services such as business, legal, financial, or accounting services provided to the company or any affiliate thereof within the past 2 years.	2
Mao Tien Shen	Education : B.S. Civil Engineering, Tamkang University Experience : Director and VP of Taiwan Mask Corp. There are no violations arising out of Article 30 of the Company Act.		2
Tsai Lin Chiang	Education : Department of Accounting, Chung Yuan Christian University Experience : CFO of Chinese Gamer International Corp. There are no violations arising out of Article 30 of the Company Act.		1

2.1.1.4 Diversity and Independence of the Board of Directors

- (1)The company's "Corporate Governance Practice Principles" stipulates that the composition of the board of directors should consider diversity, and formulate appropriate diversification policies for operations, business models and development needs.

The board of directors should have the following abilities :

- a. Ability to make operational judgments
- b. Ability to perform accounting and financial analysis
- c. Ability to conduct management administration
- d. Ability to conduct crisis management
- e. Knowledge of the industry
- f. International market perspective
- g. Ability to lead
- h. Ability to make policy decisions

The specific management goal of the diversity policy of the board of directors of the company is that the board of directors should have at least five directors in each of the above-mentioned eight capabilities, and individual directors should have at least five of the above-mentioned eight capabilities. The company has achieved this management goals.

The education experience of each director of the company is obviously helpful to the company's operation, which is in line with the company's policy of diversification of the composition of the board of directors. Each director has the professional background required for business execution, including accounting, industry, finance, marketing, research and development, technology, in terms of business management, professional skills and industry experience, etc., the implementation of the policy of diversifying the composition of the board of directors is sufficient to enhance the function of the board of directors.

The members of the board of directors include electronic engineering, accounting and finance and other related professional backgrounds. The relevant experience includes semiconductor and investment professional fields (James Pao, Samuel Chen, Chan Yee Hsiung and Mao Tien Shen), product application market professional field (Daniel Pan and Chris Ko), and have professional fields in accounting, finance and securities market (Ching Hui Kuo , Kao Chung Tsai and Tsai Lin Chiang).

The reason why the proportion of seats of either gender on the company's board of directors is less than one-third: The company is concerned about the gender diversity and equality of directors. When the board of directors was elected in 2024, it promoted measures in accordance with the " Sustainable Development Roadmap " and implemented the appointment of at least one director of a different gender, which was in line with the relevant laws and regulations at the time. However, it still did not reach one-third due to the characteristics of the company's industry. Most of the directors with practical experience in semiconductor industry management are men.

Measures to improve the gender diversity of directors: The company will continue to promote gender equality on the board of directors in the future and will actively seek female directors to improve corporate governance

effectiveness and implement the policy of diversification of board members.

(2) Independence of the Board of Directors

The company currently has 3 employee directors and 3 independent directors in the tenth session of the board of directors; independent directors account for 33%.

Independent directors, their spouses, and their relatives within the second degree have not served as directors, supervisors or employees of the company or affiliates; they, their spouses, and their relatives within the second degree do not hold any shares in the company; Directors, supervisors, or employees of specific affiliates; who have not received remuneration for providing business, legal, financial, accounting, etc. services to the company or affiliates within the past 2 years.

There are no spouses or relatives within the second degree of relationship between directors, ensuring the independence of board of directors.

(3) Implementation of Diversification

Director	Employee Identity	Age	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	International market perspective	Ability to lead	Ability to make policy decisions
James Pao	-	61-70	✓	-	✓	✓	✓	✓	✓	✓
Samuel Chen	-	71-80	✓	-	✓	✓	✓	✓	✓	✓
Chan Yee Hsiung	✓	61-70	✓	-	✓	✓	✓	✓	✓	✓
Daniel Pan	✓	61-70	✓	-	✓	✓	✓	✓	✓	✓
Chris Ko	✓	51-60	✓	-	✓	✓	✓	✓	✓	✓
Ching Hui Kuo	-	61-70	✓	✓	✓	✓	-	✓	✓	✓
Kao Chung Tsai	-	61-70	✓	✓	✓	✓	✓	✓	✓	✓
Mao Tien Shen	-	61-70	✓	-	✓	✓	✓	✓	✓	✓
Tsai Lin Chiang	-	51-60	✓	✓	✓	✓	-	✓	✓	✓

2.1.2 Information on the general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

As of April 20, 2025

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					Shares	%	Shares	%	Shares	%			Job title	Name	Relationship	
CEO	R.O.C	Chris Ko	Male	2015.08	578,602	0.34%	85,250	0.05%	1,145,103	0.68%	M.B.A University Of South Australia 、 Elan Microelectronics Corp. Director of System Application Department	None	-	-	-	-
CTO	R.O.C	Chan Yee Hsiung	Male	2015.07	3,325,219	1.98%	965,337	0.58%	0	0	Institute of Electrical Engineering, New Jersey Institute of Technology 、 Elan Microelectronics Corp. Assistant Manager	None	-	-	-	-
CSO	R.O.C	Daniel Pan	Male	2015.08	2,220,515	1.32%	97,347	0.06%	0	0	B.B.A. Statistics, National Chung Hsin University College of Law and Commerce 、 Elan Microelectronics Corp. Sales Manager	Chairman of Jian Mou Investment Corp. (Sonix Representative of juristic person) 、 Director of Paradigm Venture Capital Corp. (Jian Mou Investment Corp. Representative of juristic person)	-	-	-	-
VP	R.O.C	P.H. Tung	Male	2010.07	368,052	0.22%	29,572	0.02%	0	0	M.S. Optics of Photonics, National Central University 、 Erso image Section leader 、 PixArt Imaging Inc. Director	None	-	-	-	-
Head of Accounting & Finance Department	R.O.C	Sophia Lin	Female	2004.02	6,162	0.004%	0	0	0	0	Fu Jen Catholic University accountancy 、 Deputy Manager of the Audit Department of Arthur Andersen	Director of Paradigm Venture Capital Corp. (Jian Mou Investment Corp. Representative of juristic person) 、 Supervisor of Nfore Technology Co., Ltd.	-	-	-	-

2.2 Remuneration paid during the most recent fiscal year to directors, the general manager, and assistant general managers

2.2.1. Remuneration to Directors and Independent Directors

Date: December 31, 2024; Unit: Value in NT\$ thousands

Job title	Name	Remuneration								Sum of A+B+C+D and ratio to net income (%)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F +G and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company	
		Base Compensation (A)		Retirement pay and pension (B)		Director profit- sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)							
		The Company	All consolid- ated entities	The Company	All consolid- ated entities	The Company	All consolid- ated entities	The Company	All consolid- ated entities	The Company	All consolid- ated entities	The Company	All consolid- ated entities	The Company	All consolid- ated entities	The Company		All consolidated entities		The Company	All consolid- ated entities		
Director	James Pao	0	0	0	0	2,450	2,450	80	80	2,530 1.41%	2,530 1.41%	8,104	8,104	106	106	2,550	0	2,550	0	13,290 7.42%	13,290 7.42%	-	
	Samuel Chen																						
	Chan Yee Hsiung																						
	Daniel Pan																						
	Chris Ko																						
	Ching Hui Kuo																						
Independent Director	Kao Chung Tsai	0	0	0	0	1,050	1,050	120	120	1,170 0.65%	1,170 0.65%	0	0	0	0	0	0	0	0	1,170 0.65%	1,170 0.65%	-	
	Mao Tien Shen																						
	Tsai Lin Chiang(Note)																						
	Chih Cheng Chou (Note)																						

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: The Company's directors shall be compensated for the performance of their duties, regardless of the Company's operating profit or loss, as determined by the Board of Directors in accordance with their participation in and contribution to the Company's operations and with reference to industry standards.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company / any consolidated entities / invested enterprises): None.

Note: Re-election at the 2024 shareholders' meeting, Tsai Lin Chiang is the newly appointed independent director.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Name of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities H	The Company	All consolidated entities I
Less than NT\$1,000,000	Director : James Pao Samuel Chen Chan Yee Hsiung Daniel Pan Chris Ko Ching Hui Kuo Independent Director : Kao Chung Tsai Mao Tien Shen Tsai Lin Chiang (Note) Chih Cheng Chou (Note)	Director : James Pao Samuel Chen Chan Yee Hsiung Daniel Pan Chris Ko Ching Hui Kuo Independent Director : Kao Chung Tsai Mao Tien Shen Tsai Lin Chiang (Note) Chih Cheng Chou (Note)	Director : Samuel Chen Ching Hui Kuo Independent Director : Kao Chung Tsai Mao Tien Shen Tsai Lin Chiang (Note) Chih Cheng Chou (Note)	Director : Samuel Chen Ching Hui Kuo Independent Director : Kao Chung Tsai Mao Tien Shen Tsai Lin Chiang (Note) Chih Cheng Chou (Note)
NT\$1,000,000(incl.)~ NT\$2,000,000(excl.)	-	-	Director : James Pao	Director : James Pao
NT\$2,000,000(incl.)~ NT\$3,500,000(excl.)	-	-	Director: Chan Yee Hsiung Daniel Pan Chris Ko	Director : Chan Yee Hsiung Daniel Pan Chris Ko
NT\$3,500,000(incl.) ~ NT\$5,000,000(excl.)	-	-	-	-
NT\$5,000,000(incl.) ~ NT\$10,000,000(excl.)	-	-	-	-
NT\$10,000,000(incl.) ~NT\$15,000,000(excl.)	-	-	-	-
NT\$15,000,000(incl.) ~ NT\$30,000,000(excl.)	-	-	-	-
NT\$30,000,000(incl.) ~ NT\$50,000,000(excl.)	-	-	-	-
NT\$50,000,000(incl.) ~ NT\$100,000,000(excl.)	-	-	-	-
NT\$100,000,000 or above	-	-	-	-
Total	9 persons	9 persons	9 persons	9 persons

Note : Re-election at the 2024 shareholders' meeting, Tsai Lin Chiang is the newly appointed independent director.

2.2.2 Remuneration to General Manager and Assistant General Managers

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

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
CEO	Chris Ko	7,406	7,406	148	148	1,334	1,334	3,300	0	3,300	0	12,188 6.81%	12,188 6.81%	-
CTO	Chan Yee Hsiung													
CSO	Daniel Pan													
VP	P.H. Tung													

Remuneration Range Table

Ranges of remuneration paid to each of the Company's general manager(s) and assistant general manager(s)	Names of General Manager(s) and Assistant General Manager(s)	
	The Company	All consolidated entities (E)
Less than NT\$1,000,000	-	-
NT\$1,000,000(incl.) ~ NT\$2,000,000 (excl.)	-	-
NT\$2,000,000(incl.) ~ NT\$3,500,000 (excl.)	Chan Yee Hsiung 、Daniel Pan 、Chris Ko 、P. H. Tung	Chan Yee Hsiung 、Daniel Pan 、Chris Ko 、P. H. Tung
NT\$3,500,000(incl.) ~ NT\$5,000,000 (excl.)	-	-
NT\$5,000,000(incl.) ~ NT\$10,000,000 (excl.)	-	-
NT\$10,000,000 (incl.) ~NT\$15,000,000 (excl.)	-	-
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)	-	-
NT\$30,000,000(incl.) ~ NT\$50,000,000 (excl.)	-	-
NT\$50,000,000(incl.) ~ NT\$100,000,000 (excl.)	-	-
NT\$100,000,000 or more	-	-
Total	4 persons	4 persons

2.2.3 Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

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

	Job title	Name	Amount in stock	Amount in cash	Total	As a % of net profit
Managerial officers	CEO	Chris Ko	0	3,500	3,500	1.95%
	CTO	Chan Yee Hsiung				
	CSO	Daniel Pan				
	VP	P.H. Tung				
	Head of Accounting & Finance Department	Sophia Lin				

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

2.2.4.1 Analysis of the proportion of the total remuneration paid to the director, general manager and vice president in the past 2 fiscal years to the net income:

The total remuneration of directors, general manager and vice president in 2024 decreased compared with 2023, which was due to the decrease in the company's net income in 2024.

Unit: NT\$ thousands

Title	2024				2023			
	The Company		All consolidated entities		The Company		All consolidated entities	
	Rem- unerations	Ratio of Net Income	Rem- unerations	Ratio of Net Income	Rem- unerations	Ratio of Net Income	Rem- unerations	Ratio of Net Income
Director	14,460	8.07%	14,460	8.07%	19,298	10.38%	19,298	10.38%
General Manager and VP	12,188	6.81%	12,188	6.81%	12,531	6.74%	12,531	6.74%

2.2.4.2 The policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

(1) The company's director, supervisor and manager's remuneration shall be handled in accordance with the provisions of Articles 24 and 28 of the company's articles of association. and the benefits before remuneration of directors and supervisors) shall be allocated no less than 10% as employee remuneration and no more than 5% as remuneration of directors and supervisors, and shall consider their participation in the company's operations and the value of their contributions, and negotiate with the

industry's usual standards; The company uses the performance evaluation results as a reference to determine its individual salary according to the Board of Directors "Self-evaluation of performance ".

- (2) The remuneration of the general manager and deputy general manager is evaluated according to the company's "Remuneration Measures for Directors and Managers ", and after considering the time invested, responsibilities, performance, and the company's annual profit status and operating performance, etc., Give reasonable remuneration, and depending on the actual operating conditions and relevant laws and regulations at any time, the remuneration committee regularly reviews the policies, systems, standards and structures of the company's directors and managers performance evaluation and salary remuneration.
- (3) The company's financial operations are stable and conservative, so the company's " Remuneration Measures for Directors and Managers " does not guide directors and managers to engage in behaviors that exceed the company's risk appetite in pursuit of salary remuneration.

2.3 The state of the company's implementation of corporate governance

2.3.1 The state of operations of the board of directors

The number of board meeting held in 2024 was 8 times.

The attendance by the directors was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate	Remarks
Chairman	James Pao	8	0	100%	-
Director	Samuel Chen	7	0	88%	-
Director	Chan Yee Hsiung	8	0	100%	-
Director	Daniel Pan	8	0	100%	-
Director	Chris Ko	8	0	100%	-
Director	Ching Hui Kuo	6	0	75%	-
Independent Director	Kao Chung Tsai	7	0	88%	-
Independent Director	Mao Tien Shen	8	0	100%	-
Independent Director	Tsai Lin Chiang	2	0	100%	2024.6.19 New appointment
Independent Director	Chih Cheng Chou	6	0	100%	2024.6.19 Dismissal

Other information required to be disclosed:

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

- (1) Any matter under Article 14-3 of the Securities and Exchange Act: None.
- (2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: None.

2.3.1.2 The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted: None.

2.3.1.3 The evaluation cycle and period of the board of directors' self-evaluation and the evaluation method and content:

Evaluation Cycle	Evaluation Period	Scope of evaluation	Method of evaluation	Evaluation content
Performed once per year	From 1 January 2024 To 31 December 2024	The board of directors, individual directors, the audit and remuneration committee	Internal evaluation by the board, self-evaluations by individual board members, internal self-evaluation by members of audit committee and remuneration committee	<p>1.Evaluation of the board of directors : degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.</p> <p>2.Evaluation of the individual directors: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.</p> <p>3.Evaluation of the audit committees: participation in the operation of the company; awareness of the duties of the audit committee; improvement of quality of decisions made by the audit committee; makeup of the audit committee and election of its members; internal control.</p> <p>4.Evaluation of the remuneration committee: participation in the operation of the company; awareness of the duties of the remuneration committee; improvement of quality of decisions made by the remuneration committee; makeup of the remuneration committee and election of its members; internal control.</p>
The performance evaluation results have been submitted to the board of directors meeting convened on February 27th, 2025. The performance evaluation results of the board of directors, individual directors, audit and remuneration committee are all between 4 points of "excellent" and 5 points of "excellent", indicating that the overall operation of the company's board of directors is perfect, and that the directors, remuneration and audit committee expressed its approval and positive comments on most of the evaluation items, which can implement corporate governance, improve the functions of the board of directors, and strengthen its operational efficiency.				

2.3.1.4 Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years and the measures taken toward achievement thereof:

- (1) The board of directors of the company implements the "Rules & Procedures of Board of Director Meetings", and reports the status of directors' attendance (list) on the board of directors in accordance with the regulations. Regarding resolutions of the board of directors, it also follows the "Taiwan Stock Exchange Corporation Procedures for Verification and

Disclosure of Material Information of Companies with Listed Securities" Information is announced and displayed on the company's website to enhance information transparency and protect shareholders' rights.

- (2) The company's audit committee consists of three independent directors, the main function is to supervise the fair presentation of the financial reports、the hiring (and dismissal) independence and performance of certificated public accountants、the effective implementation of the internal control system、compliance with relevant laws and regulations and Management of the existing or potential risks; has been set up remuneration committee to strengthen corporate governance and improve the company's salary and remuneration system for directors and managers.

2.3.2 The state of operations of the audit committee

The number of audit committee meeting held in 2024 was 6 times.

The attendance by the independent directors was as follows:

Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate	Remarks
Kao Chung Tsai (Convener)	6	0	100%	2024.6.19 re-election
Mao Tien Shen	6	0	100%	2024.6.19 re-election
Tsai Lin Chiang	4	0	100%	2024.6.19 New appointment
Chih Cheng Chou (Convener)	2	0	100%	2024.6.19 Dismissal

Other information required to be disclosed:

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

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

Session	Date	Resolution	Independent directors' opinions and the Company's Follow-up
The 1th Term, the 13th Meeting	2024.2.27	The business report and financial statements of 2023 Internal control system statement of 2023 General principles for formulating the company's pre-approved non-assurances services policy	Approved by all independent directors without objection
The 1th Term, the 14th Meeting	2024.5.7	The consolidated financial statements of the 1st quarter of 2024 The auditing and attesting fees of CPA in 2024 Distribution of 2023 profits	
The 2th Term, the 1st Meeting	2024.8.7	The consolidated financial statements of the 1st half of 2024	
The 2th Term, the 2nd Meeting	2024.11.8	The consolidated financial statements of the 3rd quarter of 2024	
The 2th Term, the 3rd Meeting	2024.12.5	To approve the endorse and guarantee to Sonix Technology (Chengdu) Co., Ltd.	
The 2th Term, the 4th Meeting	2024.12.13	Amendment internal control system Internal audit plan of 2025	

- (2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.

2.3.2.2 Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

2.3.2.3 Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor:

- (1) The company's internal audit submits audit report to independent directors for review. If they have any questions or instructions, they will write or call the internal auditor to inquire or inform the auditors of the matters to be handled. If there are major abnormalities, they can also call meetings at any time to communicate with each other. It's diversified and smooth.

- (2) Summary of communication between independent director and internal audit :

Date and Nature	Topic	Suggestion
2024.2.27 Audit Committee	Audit plan execution report for the 1st quarter of 2024 Internal control system statement of 2023	All independent directors no opinion
2024.5.7 Audit Committee	Audit plan execution report for the 2nd quarter of 2024	
2024.8.7 Audit Committee	Audit plan execution report for the 3rd quarter of 2024	
2024.11.8 Audit Committee	Audit plan execution report for the 4th quarter of 2024	
2024.12.13 Audit Committee	Amendment internal control system Internal audit plan of 2025	

- (3)The company's accountants according to the TWSA 260 「Communication with Those Charged with Governance」, to communicate with the company by orally or writing, if there are any major abnormal events, they can convene meetings at any time; accountants hold meetings before and after the annual financial statement audit, and to attend the audit committee to explain the audit schedule and key audit matters. There have good discussion and communication between independent directors and accountants about the audit matters and conclusions.

- (4) Communication between independent directors and CPAs :

Date and Nature	Topic	Suggestion
2024.2.27 Audit Committee	Accountants and independent directors communicate the conclusions of the 2023 audit	All independent directors no opinion
2024.12.13 Audit Committee	Communication meeting between accountants and independent directors before the 2024 annual audit	

2.3.3 Operation of the Remuneration Committee

2.3.3.1 Remuneration committee member information

Capacity	Qualifications Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (Convener)	Kao Chung Tsai	Education : M.A. Institute of Economics, Soochow University Experience : CEO of Best Yield Management and Consulting Corporation	The status of independence for the 3 independent directors: they, their spouses, and their relatives within the second degree have not served as director, supervisor or employees of the company or any of its affiliates and do not hold any shares in the company; have not served as director, supervisor, or employee of any company having a specified relationship with the company; have not received the amount(s) for any services such as business, legal, financial, or accounting services provided to the company or any affiliate thereof within the past 2 years.	3
Independent Director	Mao Tien Shen	Education : Department of Civil Engineering, Tamkang University Experience : Director and VP of Taiwan Mask Corp.		2
Independent Director	Tsai Lin Chiang	Education : Department of Accounting, Chung Yuan Christian University Experience : CFO of Chinese Gamer International Corp.		1

2.3.3.2 The function of the remuneration committee of the Company is to evaluate the remuneration policies and systems of the Company's directors and managers from a professional and objective position, and to make recommendations to the Board for its decision-making reference. The Remuneration Committee shall, with the attention of a good administrator, faithfully perform the following functions:

- (1) Formulate and regularly review the policies, systems, standards and structures of the company's directors and managers for performance evaluation and remuneration.
- (2) Regularly evaluate and determine the remuneration of directors and managers.

2.3.3.3 Operation of the Remuneration Committee

- (1) The Company's remuneration committee has a total of 3 members.
- (2) The term of the current members is from June 28, 2024 to June 18, 2027. The number of remuneration committee meetings held in the most recent fiscal year was 3 times. The attendance by the members was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate	Remarks
Independent Director (Convener)	Kao Chung Tsai	3	0	100%	2024.6.28 re-election
Independent Director	Mao Tien Shen	3	0	100%	2024.6.28 re-election
Independent Director	Tsai Lin Chiang	2	0	100%	2024.6.28 New appointment
Independent Director	Chih Cheng Chou	1	0	100%	2024.6.28 Dismissal

Other information required to be disclosed:

If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee: None.

With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

(3)The company's handling of the opinions of the remuneration committee

Session	Date	Proposal content	Resolution	The measures taken by the Company with respect to the opinions given by of the remuneration committee
The 5th Term, the 9th Meeting	2024.2.27	To approve the earnings distribution of directors' and Managers' remuneration of 2023 To approve 「Remuneration Measures for Directors and Managers」	All agree	Proposal to the board of directors, approved by all directors present without objection
The 6th Term, the 1st Meeting	2024.8.7	To approve distribution of directors' remuneration To approve distribution of employees' remuneration for managers	All agree	
The 6th Term, the 2nd Meeting	2024.12.13	To approve distribution of employees' remuneration for managers	All agree	

2.3.4 Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established and disclosed the "Corporate Governance Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".	None
2. Shareholding Structure and Shareholders' Rights				None
(1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(1) The company has formulated "Rules & Procedures of Shareholders Meetings" and has spokesperson and acting spokesperson system. It has dedicated personnel to handle shareholders' suggestions, concerns, disputes and litigation matters. The company website also has an investor relations contact.	
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders ?	✓		(2) The company's stock transfer agent regularly updates the major shareholders and know the identity of its major shareholders and the parties with ultimate control of the major shareholders.	
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		(3) The Company has established "Subsidiaries business management " and "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises"to built and implemented a risk management system and a firewall between the Company and its affiliates.	
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(4) The Company has formulated the " Procedures for Preventing insider Trading ", " Ethical Corporate Management Best Practice Principles "and "Codes of Ethical Conduct", prohibiting insider trading of securities based on undisclosed information.	
3. Composition and responsibilities of the board of directors				No major differences except that other functional committees have not been voluntarily set up
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		(1) In accordance with the provisions of the Company's "Code of Corporate Governance Practice", the composition of the Board of Directors has taken into account the diversity policy. Each director has the professional background required for business execution, including accounting, industry, finance, marketing, research and development, technology, in terms of business management, professional skills and industry experience, etc., the implementation of the policy of diversifying the composition of the board of directors is sufficient to enhance the function of the board of directors. Please refer to " Diversity and Independence of the Board of Directors" on page 12 of this annual report.	
(2) Has the Company voluntarily	✓		(2) The Company has established remuneration and	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>established other functional committees in addition to the remuneration committee and the audit committee?</p> <p>(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p> <p>(4) Does the Company regularly evaluate its external auditors' independence?</p>	✓	✓	<p>audit committee, and will to establish other functional committees depending on the provisions of laws and regulations and operational needs.</p> <p>(3)The company has established " Board of directors Self-evaluation of performance " The performance evaluation results of the overall board of directors, individual board members and functional committees in 2024 were all between 4 points of "excellent" and 5 points of "excellent". The evaluation results were reported to the board of directors on 2025.2.27, and Use it as a reference for individual directors' remuneration and nomination for renewal.</p> <p>(4)The company evaluates the independence of certified accountants with reference to Audit Quality Indicators (AQIs) every year, and has submitted the results to the 2025.5.7 Review Committee and the Board of Directors for discussion and approval; the company evaluates accountants Chou Shih Chieh and Huang Yao lin United Accounting Firm Accountants who meet the company's independence assessment standards (Appendix 1) and obtain an independence statement issued by an accounting firm are qualified to serve as the company's certified accountants.</p>	
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		The company's 14th session of the 10th Board of Directors resolved Sophia Lin will serve as the director of corporate governance, responsible for corporate governance-related matters, providing directors with information needed to perform business, assisting directors to comply with laws, handle matters related to board of directors and shareholders' meetings in accordance with the law, and produce Minutes of board of directors and shareholders meetings, etc.	None
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to	✓		The company's spokesperson and acting spokesperson as the communication channel, the company's website has an investor relations contact and related information; providing channels to assist stakeholders in communicating with the company on various issues. 2024.11.8 Report the issues concerned by stakeholders, communication channels and response methods to the board of	None

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
stakeholders' questions and concerns on important corporate social responsibility issues?			directors. The sustainability report enhances communication with various stakeholders on open and transparent way of information disclosure, and presents the company's management principles and actual impacts on the environment, social, and economic to the public, allowing all stakeholders to understand and agree with the company's various practices and measures.	
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company entrusts the Common Stock Transfer Agent of Yuanta Securities Co., Ltd to handle matters related to shareholder meetings.	None
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	✓ ✓ ✓		(1) The company's website has established an investors for inquiring about financial business and corporate governance status. (2) The company has established Chinese and English websites, with dedicated personnel responsible for information collection, and implementing a spokesperson system to provide channels for inquiries and liaisons, fully disclosing financial and business information. Documents and part of the video of the legal person's briefing are also placed on the company's website for shareholders and Public reference inquiry. (3) The company's annual financial report, first, second and third quarter financial reports and monthly operating conditions shall be announced and reported in advance of the specified deadline.	None
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		(1) Employee rights: protect the rights and interests of employees in accordance with the Labor Base Law and related laws and regulations. (2) Employee wellness : The company creates a good working environment with high-quality welfare measures , benefits include wedding and funeral subsidies, three-month electronic welfare points, birthday gifts, group insurance, annual health examinations, and psychological consultation. Consultation with a masseur, massage by a masseur, domestic and foreign travel subsidies, birthday parties, department dinner subsidies, Sonix Family Day, year-end teething, recognition of senior and outstanding employees, best-selling books and magazine lending, free coffee, discounts at special stores, etc. (3) Investor relations: have "Investors " on the	None

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			<p>Company's website, or inquire the Company's public information through Market Observation Post System, and contact the Company's stock agent or spokespersons or make suggestions at any time.</p> <p>(4) Supplier relations: Continue to promote green environmental management, require raw material suppliers to ensure that their products do not contain prohibited substances harmful to the environment, and ensure that products meet the requirements of the European Union Banned Substances (RoHS) Directive on Electronic Products. At the same time, we strengthen the positive impact of suppliers on society and the environment, communicate with suppliers regularly every year, and deal with them in good faith and reciprocity.</p> <p>(5) Rights of stakeholders: There is a "Stakeholders' Concerns" on the company's website to maintain smooth communication channels and respect and protect their due rights and interests.</p> <p>(6) Directors' continuing education: and Independent Directors may participate in the profession from time to time according to their individual needs knowledge training; Details of the further training (Appendix II).</p> <p>(7) Implementation of risk management policies and risk evaluation standards: Comply with the internal control system to reduce various risks, please refer to page 35 of this annual report.</p> <p>(8) Implementation of customer relations policies: Serve customers in a high-quality and efficient manner and create immediate benefits for customers.</p> <p>(9) The Company has purchasing liability insurance for directors and reported the contents of the insurance to the Board of Directors on 2024.6.28.</p>	

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement: The results of the tenth corporate governance evaluation in 2024 of the listed companies: 36%~50%, and continue to improve unscored parts.

Attachment I : Accountant Independence Assessment

Evaluation Items	Results	Independent
1. Whether the accountant has no direct or indirect material financial interest relationship with the company	Yes	Yes
2. Whether the accountant has no financing or guarantee with the company or the directors and supervisors of the company	Yes	Yes
3. Whether the accountant has no close business activities and potential employment relationship with the company	Yes	Yes
4. Whether the accountants and their audit team members have not served as directors, managers or positions that have a significant impact on the audit work in the company at present or in the last two years	Yes	Yes
5. Whether the accountants have not provided the company with non-audit service items that may directly affect the audit work	Yes	Yes
6. Whether the accountant has no family relationship with the company's directors, managers, or personnel with positions that have a significant impact on the audit case	Yes	Yes

Attachment II : Directors' training status

Name	Organizer	Date	Course Title	Hours
James Pao	Taiwan Institute of Directors	2024.12.12	Trends and Risk Management of Digital Technology and Privacy Protection	3
Samuel Chen	Taiwan Corporate Governance Association	2024.9.12	Internal Control and Risk Management	3
Chan Yee Hsiung	Taiwan Institute of Directors	2024.12.12	Trends and Risk Management of Digital Technology and Privacy Protection	3
Daniel Pan	Taiwan Institute of Directors	2024.12.12	Trends and Risk Management of Digital Technology and Privacy Protection	3
Chris Ko	Corporate Operating and Sustainable Development Association	2024.4.30	Introduction to the newly released my country's Corporate Governance Blueprint 3.0	3
Ching Hui Kuo	Taiwan Institute of Directors	2024.5.9	Create sustainable performance indicators and rewards	3
		2024.8.13	Carbon connection, talk about carbon fees, carbon taxes, carbon rights and trading	3
Kao Chung Tsai	Corporate Operating and Sustainable Development Association	2024.4.30	Introduction to the newly released my country's Corporate Governance Blueprint 3.0	3
		2024.7.26	The latest trends and potential risks in corporate social responsibility	3
Mao Tien Shen	Independent Director Association Taiwan	2024.8.8	Latest developments in sustainable governance issues and directors' responsibilities	3
		2024.8.8	Looking at the applications and challenges of generative AI from ChatGPT	3
Tsai Lin Chiang	Securities & Futures Institute	2024.8.6	Carbon rights trading mechanism and carbon management application	3
	Taipei Exchange	2024.9.12	Publicity and briefing session on insider equity of listed companies	3

2.3.5 Promotion of Sustainable Development – Implementation Status and Deviations
from the Sustainable Development Best Practice Principles for TWSE/TPEX
Listed Companies and the Reasons

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>In order to implement and implement sustainable development, the company formed a "Corporate Social Responsibility Promotion Team " from cross-department personnel in 2015, and changed its name to the "Sustainable Development Team " in 2022. hold regular meetings, set goals and discuss the implementation direction, and the business director and spokesperson serves as the convener of the sustainable development team to integrate company resources, according the sustainable development best practice principles, toward the four major aspects: exercise corporate governance , foster a sustainable environment, preserve public welfare, Enhance disclosure of corporate sustainable development information , implement various work and review the results. has set up "Corporate Sustainability Development" on the company's website to disclose the work goals, current year's implementation status and future directions.</p> <p>The Sustainable Development Team reports to the Board on a semi-annual basis (most recently reported to the Board as 2024.8.7), issued sustainability report every year and supervised by the board of directors , let stakeholders can understand the company's sustainable development process and results.</p> <p>The board of directors not only reviews the progress of the strategy, but also urges the sustainability team to make timely adjustments when necessary.</p>	None
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>The disclosed information covers the sustainable development performance in Hsinchu, Taiwan from January to December 2024.</p> <p>The company lists potential risks, evaluates the impact and impact of various risk issues, identifies internal and external issues that have the greatest impact on the company, and formulates "Emergency Response Management Procedures" and "Production Operation Risk Management Procedures", report to each management level according to the degree of influence. Through the above management measures, we can quickly grasp the situation when a hazard occurs, and take appropriate corresponding measures in time to reduce the impact on customers, suppliers and stakeholders due to business interruption, and conduct relevant reviews after the incident is over to avoid the same incident from happening again In order to strengthen the company's continuous operation management and achieve the goal of sustainable operation.</p> <p>The risk assessment of issues related to the company's operations is detailed (Attached 1).</p>	None

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
3. Environmental Issues	✓		(1) Through ISO9001 (certificate period 2025.3.29 ~ 2028.3.29), ISO14001 (certificate period 2025.4.6 ~ 2028.4.6) and IECQ QC 080000 (certificate period 2025.3.11~2028.2.8), we strengthen the management of green products and green supply chain through process-based and systematic management mode, and continuously improve and ensure the effective operation of various management systems. In addition, in order to effectively manage business waste and cooperate with environmental management requirements, a waste clean-up plan approved by the competent environmental protection authority has been obtained. Entrust the removal and treatment company approved by the competent environmental protection authority to be responsible for the removal and treatment of business waste, and classify it according to the content of the application, so as to achieve the goal of source reduction and environmental sustainability.	None
(1) Has the Company set an environmental management system designed to industry characteristics?				
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		(2) Although our company is an IC design company and does not have its own factory for production and manufacturing, it is still committed to improving the utilization efficiency of various resources, continuing to promote various energy-saving and carbon-reduction plans, and reducing its impact on the environment. The implementation status is as follows: a. Reduce waste: Distributing eco-friendly tableware to colleagues is hygienic and environmentally friendly, and disposable tableware is no longer used at company dinners. b. Save paper: promote various electronic signing projects to reduce paper printing and use; Cooperate with online tax filing and cancel the printing and distribution of supporting documents; Encourage the use of recycled paper double-sided printing, after the implementation and publicity of various paper-saving programs, the annual use of paper per person has been reduced year by year, the highest reduction rate has even reached 35%, and the minimum amount is maintained at present. c. Save electricity: install regular shutdown of air conditioning and lighting devices to avoid waste of electricity caused by colleagues forgetting to turn off the power; Replace LED energy-saving lamps to save electricity. d. For suppliers to produce and provide products and raw materials, it is required to prohibit or restrict the use of substances harmful to the environment and reduce the load on the environment.	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		(3)The company is an IC design company, no manufacturing, facing the potential risk of climate change, the shortage of raw material resources of the foundry and the increase in production costs, the possible interruption of operations caused by international transportation difficulties, and the threat to the life safety of employees due to extreme weather, etc., all of which may have an impact on the company and increase losses; On the other hand, in order to adapt to the change of climate change also brings new opportunities for the company, with the deterioration of the global environment, the social awareness of environmental protection is increasing, leading consumers to begin to be interested in environmental protection concepts and energy-saving products, the company in the face of this global trend of green energy product consumption and the requirements of various countries and regulations, the design of green environmental protection products and the promotion of green supply chain management also spares no effort, focusing on the development of products for use in the field of consumer electronics, towards high added value, energy saving, environmental protection and other directions.	
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		(4) All greenhouse gas emissions of the company are indirect greenhouse gas emissions. The main sources are purchased electricity and water. The company itself has no demand for production water and only uses domestic water. The sewage it generates is concentrated and collected to the park sewage treatment center. After treatment, the waste will be discharged uniformly after meeting the discharge standards of environmental protection regulations. The company will classify the waste for recycling and storage according to the nature of each waste. The company will also report the output and temporary storage of industrial waste regularly every month in accordance with the requirements of environmental protection laws. We entrust various wastes to qualified cleaners of the Environmental Protection Agency, who are responsible for removing and processing wastes to achieve the goal of reducing waste generation at the source. Although our company is not a public or private site that requires the establishment of greenhouse gas reduction regulations, In recent years, we have promoted various energy-saving programs, with reducing electricity usage and carbon dioxide emissions as the main policies. We have also promoted electronic processes, moved towards paperlessness, reduced the use of paper and toner, and adjusted the operation of the ice water machine according to the seasons. of effectiveness. At present,	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons												
	Yes	No	Summary description													
			<p>we are aiming to continuously reduce the usage of various resources (greenhouse gas emissions, water consumption and total waste weight) by 1 % every year, and continue to move towards the goal of a low-carbon enterprise that saves energy, reduces carbon and cares for the earth.</p> <table><tr><td>Data for the past two years (Hsinchu, Taiwan)</td><td>2024</td><td>2023</td></tr><tr><td>Greenhouse gases (CO2 metric tons)</td><td>713</td><td>696</td></tr><tr><td>Water consumption (degrees)</td><td>2,941</td><td>2,781</td></tr><tr><td>Waste (kg)</td><td>205</td><td>200</td></tr></table>	Data for the past two years (Hsinchu, Taiwan)	2024	2023	Greenhouse gases (CO2 metric tons)	713	696	Water consumption (degrees)	2,941	2,781	Waste (kg)	205	200	
Data for the past two years (Hsinchu, Taiwan)	2024	2023														
Greenhouse gases (CO2 metric tons)	713	696														
Water consumption (degrees)	2,941	2,781														
Waste (kg)	205	200														
4.Social Issues				None												
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(1) The company has formulated a "Human Rights Policy" to ensure the basic human rights of colleagues with sustainable development, recognize and abide by the " Universal Declaration of Human Rights", " The United Nations Global Compact", "United Nations Guiding Principles on Business and Human Rights", " International Labor Organization" and other international human rights conventions, eliminate any infringement and violation of human rights, and clearly reveal that all colleagues are treated and respected in a fair and fair manner. And disclose "human rights concerns and implementation status" on the company website.													
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		(2) The company attaches great importance to employee welfare, and allocates no less than 10% of the current year's profits (profits before tax minus benefits before employee remuneration distribution and directors' remuneration) as employee remuneration, and uses comprehensive welfare measures to create a high-quality working environment and a friendly workplace. For employee welfare measures, please refer to pages 63-82 of the company’s 2023 Sustainability Report. The company attaches great importance to diversity and equality in the workplace, and realizes that men and women have equal pay for equal work and equal opportunities for promotion. In 2024 the average proportion of female employees was 26%, and the average proportion of female supervisors was 15%. The company's average salary adjustment in 2024 is 2%.													
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		(3) The company attaches great importance to the safety and health of employees and provides a safe working environment: employee health examinations and health lectures; setting up lactation rooms; and safe office environment (setting up access control and surveillance systems, and security company inspections). The office environment is disinfected several times a year. We attach great importance to the development and													

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
<p>(4) Has the Company established effective career development training programs for employees?</p> <p>(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?</p> <p>(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?</p>	✓		<p>training of our colleagues, and enhance our colleagues' knowledge and skills through a complete training system and online learning system. Based on the company's vision and annual goals, relevant learning and development plans are formulated to enable growth and achievement of organizational goals. Please refer to page 60 of this annual report.</p> <p>The company's occupational accident rate in 2024 was 0%, and there were no occupational accidents.</p> <p>The company had no fire incidents in 2024.</p> <p>The company attaches great importance to fire safety management, and the office conducts fire inspections at least once a year to prevent problems in the bud.</p> <p>(4) The company provides excellent training opportunities to colleagues and enhances their skills and knowledge through a variety of training and development programs. We also pass on practical experience to different employees within the organization through peer-to-peer coaching, and provide complete learning and development plans and career planning to help colleagues fully realize their work potential. The employee learning and development map includes newcomers, departmental majors, functional development, personal development plans, etc., and provides diverse and rich learning courses in order to enable employees to enjoy their work, grow and achieve organizational goals. Please refer to page 60 of this annual report.</p> <p>(5) The company has established the "Code of Integrity Management" and operating procedures such as R&D, procurement, production, operation, and service, and strictly abides by them to ensure the quality of the company's products and protect the rights and interests of customers; and a dedicated unit handles the customer complaint process to achieve customer satisfaction target.</p> <p>(6) The company continues to promote green environmental management, requiring raw material suppliers to ensure that their products do not contain prohibited substances that are harmful to the environment, to ensure that the products meet the requirements of customers and the EU's RoHS regulations on electronic products, and reduce environmental impact. At the same time, we will strengthen the positive impact of suppliers on society and the environment, and communicate with suppliers regularly every year, and uphold the principle of integrity and reciprocity to deal with them. For the implementation, please refer to the company's 2023 sustainability report.</p>	
5. Does the company refer to international reporting standards or guidelines when preparing its	✓		The company has prepared a sustainability report with reference to internationally accepted reporting standards and disclosed it on the mops and the	None

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above??			company's website; this report has not yet obtained the confidence or assurance opinion of a third-party verification unit.	
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: The company has a "Sustainable Development Best Practice Principles", which focuses on environmental and ecological protection and effective use of resources, protects the rights and interests of employees and provides a good working environment, and cares for the rights and interests of the disadvantaged and consumers. Its operations are consistent with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies". There is no significant difference.				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development:				
(1).The company continues to assist disadvantaged groups and supports social welfare organizations such as World Vision, World Peace, BoYo Social Welfare Foundation, and Ling jiu Mountain Charity Foundation. Specific actions include responding to the "Ling jiu Mountain Charity Foundation" initiative. The "Vulture Sends Blessings ~ Taiwan Wonderful Blessing Project" sends love food boxes to care for the elderly living alone in the local area, and participates in the "Ling jiu sends AI, Sonix Education Assistance Program" to help students from Zhaomen Junior High School in Hsinchu area go to school with peace of mind; and also takes the initiative to call for help. The company's colleagues work together to raise funds for charity and help disadvantaged groups with love. In 2024, a total of approximately NT\$300,000 was raised in donations. The company also hired a visually impaired person to provide colleagues massage to relieve stress. In 2024, a total of nearly 450 people were served.				
(2).For other information on the company's sustainable development operations, please refer to the "Corporate Sustainability Development" section of the company's website.				

Attached 1: Risk Assessment of Issues Related to Company Operations

Major Issues	Risk Assessment Project	Risk Management Policy or Strategy
Environment	Environmental impact and management	The company continues to promote green manufacturing processes, actively introduces various green products to meet environmental protection standards, implements environmental protection policies and promotes them to the entire supply chain, selects high-quality suppliers and strengthens cooperation with supply chain partners through the audit review and elimination system, and work together to protect the environment; continue to promote energy-saving measures, and obtain the "waste disposal plan" approved by the environmental protection authority. According to the content of the application, implement classification and dispose of industrial waste to achieve the goal of reducing the amount from the source and achieving environmental sustainability.
Social	Occupational safety and human resources risks	The company is committed to creating a friendly workplace, allowing employees to enjoy working and learning to grow, providing employees with a safe workplace and a safe employment environment, and conducting health checks for all employees and managers to maintain the physical and mental health of employees. In the design of a single salary, according to the individual's academic experience and the company's performance evaluation results, refer to the salary level of the industry, provide an overall salary that is superior to the industry level, and actively conduct salary surveys and participate in regional salary associations, in order to Ensure that the overall salary of the company's outstanding talents remains competitive in the market.
Corporate Governance	Operational Risk	The company's sustainable development mission to employees, shareholders and social responsibilities is always ready to face various operational risks and crises, implement the corporate sustainable operation plan, start from risk control and hazard identification, and carry out pre-planning for potential risks and hazards. Drilling and planning, when a hazard occurs, in a planned and organized manner, the company's important business functions can be quickly restored to normal in the

Major Issues	Risk Assessment Project	Risk Management Policy or Strategy
		shortest possible time. List potential risks, assess the impact and the degree of impact on operations, and formulate There are "Emergency Response Management Procedures" and "Production Operation Risk Management Procedures" as a response method, which can quickly grasp the situation when a hazard occurs, and take appropriate corresponding measures in time to reduce the impact on customers, manufacturers and other interests caused by business interruption The influence of related parties, and conduct relevant reviews after the event is over, to avoid the recurrence of the same situation, so as to strengthen the company's continuous operation management and achieve the goal of sustainable operation.

2.3.6 Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The company's board of directors has approved the greenhouse gas inventory and verification schedule in line with the "Sustainable Development Roadmap for Listed Companies" on 2022.5.6 and 2023.2.24, and will continue to complete the establishment of full-time (part-time) units in accordance with the reference guidelines and relevant regulations of the competent authority. . Detailed promotion schedule for each project, formulating complete inventory procedures and phased goals for board supervision and control, and reporting the implementation progress to the board of directors on a quarterly basis. Continue to control the greenhouse gas inventory and verification disclosure schedule. Completion status to demonstrate the company's supervision and governance of climate-related risks and opportunities as well as its commitment and practice in sustainable development.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The company refers to TCFD to identify major climate-related risks and opportunities, and regularly conducts reviews and corrections in accordance with changes in the environment and regulations. The impact on the company's business, strategy and finance (short, medium and long term) is mainly due to the shortage of raw material resources in foundries. Increased production costs, possible interruptions in operations due to difficulties in international transportation, and threats to employee life and safety due to extreme weather may all have an impact on the company and increase losses. Therefore, in response to the issue of climate change, the company will actively extend its green product policy, develop low-power, harmless and green products, take into account carbon reduction, quality and environmental benefits, actively strengthen awareness of energy conservation and recycling, commit to resource conservation and pollution prevention, and then Enhance the company's overall market competitiveness.
3. Describe the financial impact of extreme weather events and transformative actions.	The company is an IC design company without its own factory production and manufacturing. The potential risks faced by climate change are the shortage of raw material resources in foundries and increased production costs, difficulties in international transportation that may cause operational interruptions, and extreme weather that threatens the lives and safety of employees. etc., all of which may have an impact on the company and increase losses; on the other hand, changes in adapting to climate change also bring new opportunities to the company. As the global environment worsens, social awareness of environmental protection becomes more and more high, leading consumers to begin to People are increasingly interested in environmental protection concepts and energy-saving products. In the face of the global trend of green energy product consumption and the regulatory requirements of various countries, the company has spared no efforts in the design of green environmental protection products and the promotion of green supply chain management, focusing on the development of product applications. In the field of consumer electronics, it is developing towards high added value, energy saving, environmental protection and other directions.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The company lists potential risks (including climate risks), evaluates the impact and impact of each risk issue, identifies the issues that have the greatest impact on the company internally and externally, and formulates "emergency management operating procedures" and "production

Item	Implementation status
	<p>operations". "Risk Management Process", reporting to each management level according to the degree of impact.</p> <p>Through the above management measures, we can quickly grasp the situation when the hazard occurs, take appropriate response measures immediately, reduce the impact of business interruption on customers, suppliers and all stakeholders, and conduct relevant reviews after the incident is over to avoid the same situation. It happened again, so as to strengthen the company's continuous operation management and achieve the purpose of sustainable operation.</p>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company has not yet used scenario analysis to assess resilience to climate change risks.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company does not yet have a transformation plan to manage climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet used internal carbon pricing as a planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company has not yet set climate-related targets.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan	According to the "Sustainable Development Roadmap for Listed Companies" plan, the company is a company with a paid-in capital of less than 5 billion yuan and should apply greenhouse gas inventory and verification in the third stage 2026. The company's consolidated subsidiary (Each subsidiary (including entities reported in consolidated statements) shall be subject to greenhouse gas inventory and verification in the fourth stage 2027.

2.3.7 Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) In accordance with the “Codes of Ethical Conduct” approved by the board of directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, To ensure the commitment and compliance of the board of directors and senior management.</p> <p>(2) Business activities with a relatively high risk of dishonesty within the business scope of the company include Item 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies " regularly use various meetings to strengthen publicity and education training to avoid violations of integrity management.</p> <p>(3) The integrity management policy formulated by the company clearly and detailly stipulates the specific practices of integrity management and the prevention of dishonest behavior, including operating procedures, behavior guidelines, education and training, etc., and formulates relevant punishment and complaint systems and implements them.</p>	None
<p>2. Ethical Management Practice</p> <p>(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p> <p>(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical</p>	<p>✓</p> <p>✓</p>		<p>(1) The company has formulated the "Codes of Ethical Conduct". need consider the agents, suppliers, customers or others and whether has dishonesty record and avoid dealing with them. When sign a contract with others, the content should include compliance with the integrity management policy and clauses that the counterparty of the transaction can terminate or rescind the contract at any time if it is involved in dishonest behavior.</p> <p>(2) Administrative management department responsible for handling the company's integrity management and other related operations; including setting confidentiality and integrity clauses in the</p>	None

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
<p>corporate management policy and program to prevent unethical conduct and monitor their implementation?</p> <p>(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</p> <p>(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>company contract, conducting employee education and training courses and publicizing legal cases, and the general manager's responsible for supervision and implementation. Report to the Board of Directors quarterly.</p> <p>2024 implementation situation: Formulating contracts about confidentiality agreements and terms- 63 pieces; new employee's education and training - 22 sessions (44 hours); integrity business code case promotion -32 sessions (64 hours).</p> <p>(3) The company has established the "Codes of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles", to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies.</p> <p>(4) The company has established effective accounting and internal control system and operating effectively; internal audit draws up annual audit plan based on the risk assessment results, will consider the principle of integrity to audit. And will submit the results to the audit committee and board of directors.</p> <p>(5) According to the organization's vision and annual goals, including the concept of honest management, formulate and hold training at all levels and various lectures (such as newemployee education and training and online learning course promotion), and send personnel to participate in relevant external training as needed course.</p>	
<p>3. Implementation of Complaint Procedures</p> <p>(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?</p> <p>(2). Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(3) Has the company adopted proper measures to protect whistle-blowers from</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The company has established an "Impeachment policy", set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers.</p> <p>(2) The company's "Impeachment policy" has established investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner</p> <p>(3) The company provides multiple reporting channels, confidentially the</p>	None

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
retaliation for filing complaints?			identity and content of the whistle-blowers, and promises to protect the whistle-blowers from retaliation for filing complaints.	
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The company has disclosed the "Codes of Ethical Conduct" and " Procedures for Ethical Management & Guidelines for Conduct " on the Market observation post system and the company website has placed the execution situation on the company website for inspection.	None
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: The company formulated the code of integrity management in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies " and relevant laws and regulations, and complied with it. There is no significant difference.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): The company attaches great importance to and adheres to the code of integrity management, and spreads this concept to customers and suppliers to implement the company's concept of integrity management; abide by the company act, securities and exchange act, relevant regulations of listed companies or other relevant laws and regulations of commercial conduct, and follow the regulations disclose company information on the Market observation post system to achieve information openness and transparency.				

2.3.8 Any other information facilitating Corporate Governance implementation status should also be disclosed

For the operation status of the company's corporate governance, you can go to the Market observation post system and the company website.

2.3.9 Matters that should be disclosed regarding the implementation of the internal control system :

2.3.9.1 Statement of Internal Control System: Please refer to the Internal Control section on the Market Observation Post System (MOPS) website: <https://mopsov.twse.com.tw/mops/web/t06sg20>

2.3.9.2 When a CPA is authorized to review the internal control system, the review report prepared by the CPAs shall be disclosed : None.

2.3.10 Major Resolutions of the Annual Shareholders' Meeting, the Board of Directors' Meetings and the Audit Commission's Meetings

2.3.10.1 Major resolutions of 2024.6.19 Annual Shareholders' Meeting

Major Resolutions	Execution situation
1. To approve the business report and financial statements of 2023	The business report and financial statements have been published on the Market observation post system and the company website for public viewing
2. To approve the distribution of 2023 Profits	Cash of \$1.2 per share, set the ex-dividend record date on 2024.7.22, and complete the distribution on 2024.8.8
3.To elect new Directors	9 directors were elected and the change registration was completed.
4.To approve the Proposal of release the prohibition on Directors from participation in competitive business	The announcement of important information on the day of the shareholders' meeting was completed

2.3.10.2 Major Resolutions of the Board of Directors' Meetings

Date	Major Resolutions
2024.2.27	1. To approve the earnings distribution of directors' and Managers' remuneration of 2023 2. To approve distribution of directors' and employees' remuneration of 2023 3. To approve 「Remuneration Measures for Directors and Managers」`「Rules & Procedures of Board of Director Meetings」and 「Audit Committee Charter」 4. To approve the business report and financial statements of 2022 5. To approve to elect new Directors 6. To approve the Proposal of release the prohibition on Directors from participation in competitive business 7.To approve convening the general shareholders' meeting of 2024 8.To approve the business plan of 2024 9.To approve the statement of Internal control system 2023
2024.5.7	1.To approve the consolidated financial statements of the 1st quarter of 2024 2.To approve the auditing and attesting fees of CPA in 2024 3.To approve the distribution of 2023 Profits
2024.6.19	1. Director's term of office expires, elected the chairman
2024.6.28	1. To approve the cash ex-dividend date of 2023 2. Director's term of office expires, re-election the Remuneration Committee
2024.8.7	1.To approve the consolidated financial statements of the 1st half of 2023 2.To approve distribution of directors' remuneration 3.To approve employees' remuneration for managers 4.To approve the sustainability report of 2023
2024.11.8	1.To approve the consolidated financial statements of the 3rd quarter of 2023
2024.12.5	1.To approve the endorse and guarantee to Sonix Technology (Chengdu) Co., Ltd.
2024.12.13	1.To approve distribution of employees' remuneration for managers 2.To approve the amendments to 「Rules Governing the Preparation and Filing of Sustainability Reports」and establish internal control system 3.To approve internal audit plan of 2025
2025.2.27	1. To approve the earnings distribution of directors' and Managers' remuneration of 2024 2. To approve distribution of directors' and employees' remuneration of 2024 3. To approve the business report and financial statements of 2024 4. To approve the scope of grassroots employees 5. To approve 「Remuneration Measures for Directors and Managers」`「Rules & Procedures of Board of Director Meetings」and 「Audit Committee Charter」 6. To approve convening the general shareholders' meeting of 2025 7. To approve the business plan of 2025 8. To approve the statement of Internal control system 2024
2025.5.7	1. To approve the distribution of 2024 Profits 2. To approve the auditing and attesting fees of CPA in 2025 3. To approve the consolidated financial statements of the 1st quarter of 2025 4. To approve the Proposal of release the prohibition on Directors from participation in competitive business 5.To approve convening the general shareholders' meeting of 2025.

2.3.11 Major issues of record or written statements made by any Directors dissenting to major resolutions passed by the Board of Directors : None.

2.4 Information on the professional fees of the attesting CPAs

2.4.1 The amounts of the audit fees and non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services, and given any of the following conditions, as follows :

Unit: NT\$ thousands

Name of Accounting Firm	Names of CPAs	Period covered by CPA audit	Audit fees	Non-audit fees	Total	Remark
Deloitte Taiwan	Shih Chieh Chou Yao Lin Huang	2024.1.1~2024.12.31	3,895	235	4,130	The content of non-audit fees are the transfer pricing report.

2.4.2 When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed : None.

2.4.3 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed : None.

2.5 Information on replacement of Certified Public Accountant : None.

2.6 Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed : None.

2.7 Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report disclosed

2.7.1 Changes in Shareholding of Directors, Managerial Officers, and Major Shareholders :

Please refer to the Directors, Managers and Major Shareholders Information section in Basic Information on the Market Observation Post System (MOPS) website.

<https://mopsov.twse.com.tw/mops/web/IRB110>

2.7.2 The counterparty of equity transfer is a related party : None.

2.7.3 The counterparty of the equity pledge is a related person : None.

2.8 Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

As of April 20,2025

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Samuel Chen	7,270,261	4.33%	2,843,606	1.69%	0	0%	Fang Hsin Chang Yi Ting Chen Yi Chun Chen	Spouse Father and daughter Father and daughter	-
James Pao	4,549,318	2.71%	549,302	0.33%	0	0%	-	-	-
Chan Yee Hsiung	3,325,219	1.98%	965,337	0.58%	0	0%	-	-	-
Fang Hsin Chang	2,843,606	1.69%	7,270,261	4.33%	0	0%	Samuel Chen Yi Ting Chen Yi Chun Chen	Spouse Mother and daughter Mother and daughter	-
Digital Capital Inc. Taiwan Branch	2,798,000	1.67%	-	-	-	-	Yi Chun Chen	principal	-
Digital Capital Inc. Taiwan Branch representative : Yi Chun Chen	2,363,360	1.41%	0	0%	0	0%	Samuel Chen Fang Hsin Chang Yi Ting Chen	Father and daughter Mother and daughter sisters	-
Digital Mobile Venture Ltd. Taiwan Branch	2,376,000	1.42%	-	-	-	-	Yi Ting Chen	principal	-
Digital Mobile Venture Ltd. Taiwan Branch representative : Yi Ting Chen	1,929,405	1.15%	0	0%	0	0%	Samuel Chen Fang Hsin Chang Yi Chun Chen	Father and daughter mother and daughter sisters	-
Yi Chun Chen	2,363,360	1.41%	0	0%	0	0%	Samuel Chen Fang Hsin Chang Yi Ting Chen Digital Capital Inc. Taiwan Branch	Father and daughter mother and daughter sisters principal	-
Daniel Pan	2,220,515	1.32%	97,347	0.06%	0	0%	-	-	-
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1,963,316	1.17%	-	-	-	-	-	-	-
Yi Ting Chen	1,929,405	1.15%	0	0%	0	0%	Samuel Chen Fang Hsin Chang Yi Chun Chen Digital Mobile Venture Ltd. Taiwan Branch	Father and daughter mother and daughter sisters principal	-

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

As of December 31,2024

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	%	Shares	%	Shares	%
Jian Mou Investment Corporation	15,500,000	100%	-	-	15,500,000	100%
Paradigm Venture Capital Corporation	-	-	459,960	20.98%	459,960	20.98%
Sonix Technology K.K	8,000	100%	-	-	8,000	100%
Sonix Technology Ltd.	33,010,000	100%	-	-	33,010,000	100%
Sonix Holding	-	-	32,010,000	100%	32,010,000	100%
Sonix Technology (Shenzhen) Co., Ltd	Note	-	Note	100%	Note	100%
Sonix Technology (Chengdu) Co., Ltd.	Note	-	Note	100%	Note	100%

Note: limited company, no number of shares

III. Capital and Shares

3.1 Capital and Shares

3.1.1 Source of Capital

3.1.1.1 Share capital formation process

As of May 8,2025;Unit: NT\$ thousand

Year/Month	Issued price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital paid in by assets other than cash	Other
1996/07	10	2,200	22,000	2,200	22,000	Founding Capital	None	85 Jian San Ren Zi No. 198989
1998/11	10	7,560	75,600	7,560	75,600	Raise 41,300 thousand for capital Retained earnings of 11,000 thousand transferred to capital Employee stock options was exercised for 1,300 thousand for capital	None	87 Jian San C Zi No. 256681
1999/05	10	30,000	300,000	19,300	193,000	Raise 11,900 thousand for capital Retained earnings of 94,500 thousand transferred to capital ; Employee stock options was exercised for 11,000 thousand for capital	None	Jing (088) Shang Zi No. 088118039
2000/09	10	60,000	600,000	41,000	410,000	Retained earnings of 193,000 thousand transferred to capital Employee stock options was exercised for 24,000 thousand for capital	None	2000/08/29 NO.(2000) Taiwan Financial securities(1)73145
2001/07	10	100,000	1,000,000	67,150	671,500	Retained earnings of 225,500 thousand transferred to capital Employee stock options was exercised for 36,000 thousand for capital	None	2001/07/12 NO.(2001) Taiwan Financial Securities(1)144579
2002/07	10	156,000	1,560,000	94,809.5	948,095	Retained earnings of 235,025 thousand transferred to capital Employee stock options was exercised for 41,570 thousand for capital	None	2002/07/02 NO.(2002) Taiwan Financial Securities(1)0910136011
2003/10	10	156,000	1,560,000	117,380	1,173,800	Retained earnings of 189,619 thousand transferred to capital Employee stock options was exercised for 36,086 thousand for capital	None	2003/08/25 NO.(2003) Taiwan Financial Securities(1)0920138604
2004/11	10	185,000	1,850,000	132,118	1,321,180	Retained earnings of 117,380 thousand transferred to capital Employee stock options was exercised for 30,000 thousand for capital	None	2004/09/30 NO.Financial Management Securities(1)0930144471
2005/08	10	185,000	1,850,000	141,686	1,416,857	Retained earnings of 65,677 thousand transferred to capital Employee stock options was exercised for 30,000 thousand for capital	None	2005/07/12 NO.Financial Management Securities(1)0940128130
2006/09	10	250,000	2,500,000	150,732	1,507,317	Retained earnings of 70,460 thousand transferred to capital ; Employee stock options was exercised for 20,000 thousand for capital	None	2006/07/14 NO.Financial Management Securities(1)0950130704
2007/08	10	250,000	2,500,000	157,254	1,572,536	Retained earnings of 45,219 thousand transferred to capital Employee stock options was exercised for 20,000 thousand for capital	None	2007/07/11 NO.Financial Management Securities(1)0960035577
2008/01	10	250,000	2,500,000	157,809	1,578,087	Employee Stock Option 5,551	None	2008/01/21 NO. Licensed 09701009560
2008/04	10	250,000	2,500,000	158,823	1,588,234	Employee Stock Option 10,147	None	2008/04/22 NO. Licensed 09701101020
2008/07	10	250,000	2,500,000	166,088	1,660,881	Retained earnings of 47,647 thousand transferred to capital Employee stock options was exercised for 25,000 thousand for capital	None	2008/07/11 NO.Financial Management Securities(1)097003487
2008/07	10	250,000	2,500,000	166,582	1,665,815	Employee Stock Option 4,934	None	2008/07/21 NO. Licensed 09701171570
2008/10	10	250,000	2,500,000	166,891	1,668,907	Employee Stock Option 3,092	None	2008/10/17 NO. Licensed 09701263130
2009/01	10	250,000	2,500,000	167,073	1,670,726	Employee Stock Option 1,819	None	2009/01/16 NO. Licensed 09801009210
2009/04	10	250,000	2,500,000	167,175	1,671,749	Employee Stock Option 1,023	None	2009/04/16 NO. Licensed 09801073720
2009/07	10	250,000	2,500,000	167,507	1,675,073	Employee Stock Option 3,324	None	2009/07/16 NO. Licensed 09801156740
2009/10	10	250,000	2,500,000	167,729	1,677,289	Employee Stock Option 2,216	None	2009/10/15 NO. Licensed 09801238330
2010/01	10	250,000	2,500,000	167,877	1,678,770	Employee Stock Option 1,481	None	2010/01/18 NO. Licensed 09901008410

3.1.1.2 Share Type

Type of stock	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	167,877,062	82,122,938	250,000,000	Listed stock

3.1.1.3 Information Relating to the Shelf Registration System:Not applicable.

3.1.2 List of Major Shareholders

As of April 20, 2025

Names of major shareholders	Shares	Shareholding (shares)	Shareholding (%)
Samuel Chen		7,270,261	4.33%
James Pao		4,549,318	2.71%
Chan Yee Hsiung		3,325,219	1.98%
Fang Hsin Chang		2,843,606	1.69%
Digital Capital Inc. Taiwan Branch		2,798,000	1.67%
Digital Mobile Venture Ltd. Taiwan Branch		2,376,000	1.42%
Yi Chun Chen		2,363,360	1.41%
Daniel Pan		2,220,515	1.32%
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		1,963,316	1.17%
Yi Ting Chen		1,929,405	1.15%

3.1.3 Dividend Policy and Implementation Status

3.1.3.1 Dividend Policy

If there are any net profits after tax (including the amount of adjustment of unappropriated earnings) for the current period as indicated in the Company's annual final accounts, the Company shall first make up for the accumulated losses and set aside 10% as legal reserve in accordance with the laws; however, this shall not apply if the accumulated legal reserve has reached the Company's paid-in capital. Then, special reserve is provided or reversed in accordance with the law or the regulations of the competent authority. The Board of Directors shall prepare a proposal for the distribution of the annual earnings, including the undistributed earnings at the beginning of the period, and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

The Company distributes share dividends and cash dividends after taking into account its future business needs and long-term financial plan and provided that the ratio for share dividend shall not exceed 50% of the total distribution. The distribution of profits may also be made by way of share or cash dividends. The appropriation for cash dividend should not be less than 10% of the annual dividends distributed.

The company's dividend distribution ratio has been higher than 70% in the past five years. In the future, based on the company's operating conditions, capital needs and changes in the internal and external environment, and taking into account the company's operations and shareholders' interests, the company will aim to distribute dividends stably every year. Return earnings to shareholders.

3.1.3.2 Proposed Distribution of Dividend

The cash dividends paid to shareholders from the Company's 2024 earnings amounted to NT\$167,877,062 with NT \$1 per share paid to shareholders listed in the shareholder roster as of the ex-dividend date in accordance with their shareholdings.

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

3.1.5 Employee and Directors' Remuneration

3.1.5.1 The percentages or ranges with respect to employee and director profit-sharing compensation, as set forth in the company's articles of incorporation

When the Company has an amount of profit (the term "an amount of profit" means pre-tax benefits deducted the benefits before employees' and directors' remuneration), shall allocate not less than 10% as employees' remuneration, not more than 5% as directors' remuneration. However, the company's accumulated losses (including adjusted unappropriated earnings) shall have been covered.

The aforementioned employee remuneration may be in the form of stock or cash and may be paid to employees of the controlling company or subordinate companies who meet the conditions set by the Board of Directors. The aforementioned director remuneration can only be in the form of cash.

The previous two shall be resolved by the Board of Directors and reported to the shareholders' meeting.

3.1.5.2 The basis for estimating the amount of employee and director profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

If the Company makes a profit in a year, which is defined as profit before tax before the distribution of employee remuneration and director and supervisor remuneration, no less than 10% of the profit shall be allocated as employee remuneration and no more than 5% to director and supervisor remuneration. If there is a major change in the distribution amount resolved by the board of directors before the release date of the annual individual financial report, the change will adjust the original annual expenses. Annual adjustments are posted.

3.1.5.3 Information on any approval by the board of directors of distribution of profit-sharing compensation:

The proposed distribution of Directors', Employees' remuneration of NT\$3,500 thousand and NT\$36,300 thousand, respectively, from the Company's 2024 earnings, all in cash, was approved by the Board of Directors on February 27, 2025.

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

and how it is treated:

The Board of Directors of the Company passed the resolution to total NT\$37,360 thousand for employees' remunerations in 2024, as well as NT\$3,900 thousand for directors' remunerations in 2024, and all paid in cash. These actual payments match the original resolution and the figures decided upon by the Board of Directors.

3.1.6 Status of a company repurchasing its own shares : None.

3.2 Status of Corporate Bonds : None.

3.3 Status of Preferred Shares : None.

3.4 Status of Global Depositary Receipts : None.

3.5 Status of Employee Stock Option Plan (ESOP) : None.

3.6 Status of New Restricted Employee Shares : None.

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

3.8 Financing Plans and Implementation : None.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

4.1.1.1 Main business content

- (1)Research and development, design, manufacturing, sales, distribution, and import/export trade of semiconductors.
- (2)Computer program design and development.
- (3)Sales, distribution, and import/export trade of electronic, chemical, and mechanical equipment and chemical raw materials.
- (4)I599990 other design businesses (integrated circuit design, testing).
- (5)ZZ99999 In addition to licensed businesses, it may engage in non-prohibited or restricted businesses under the law.

4.1.1.2 Business Proportions (2024)

Main Product Items	% of Revenue
Consumer IC	56%
Multimedia IC	44%
Total	100%

4.1.1.3 The company's current main product(service) items

Currently, the company's main products can be roughly divided by their primary use into consumer ICs, microcontroller ICs, multimedia ICs, and optical recognition chipsets (Optical ID).

4.1.1.4 New products (services) planned to be developed

- (1) 32-bit high-performance voice SoC platform
- (2) High-precision microcontroller medical application platform
- (3) HPD AI network camera chip support
- (4) USB Type-C interface Power Delivery control chip
- (5) Motor control chip
- (6) Industrial control chip
- (7) Automotive-grade MCU
- (8) Unmanned vehicle image transmission solution

4.1.2 Industry Overview

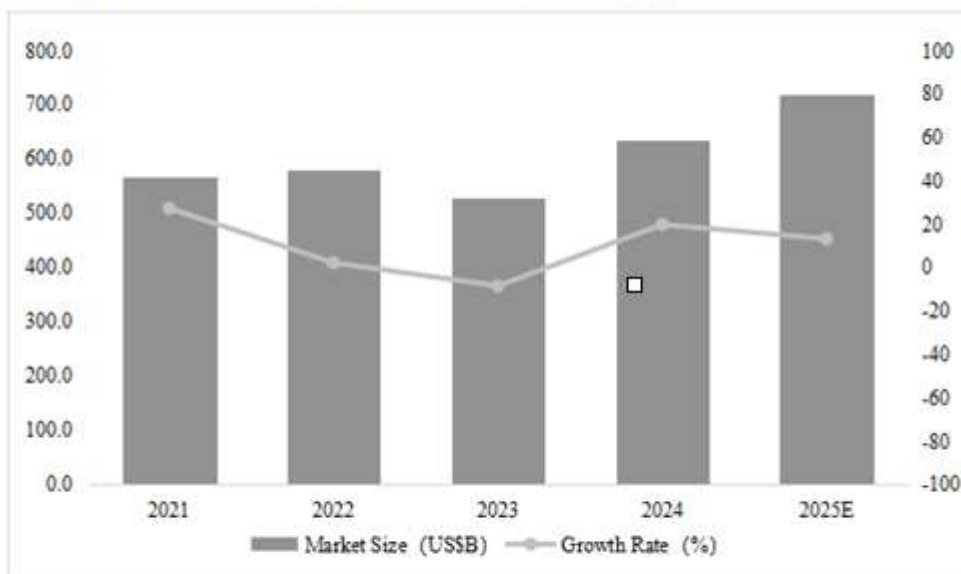
4.1.2.1 Industry Development and Current Status

The development of our country's semiconductor industry can be traced back to the 1960s, beginning with semiconductor packaging and testing sector. In the 1970s, the business of professional wafer foundry emerged, laying the foundation for the gradual development of the industry from downstream to upstream, and gradually forming a vertically integrated and specialization industrial structure. Benefiting from the complete semiconductor industry chain in our country and government policy promotion, the IC design industry began to stand out, and today, the output value of Taiwan's IC design industry is ranked second only to the United States.

According to data from the World Semiconductor Trade Statistics (WSTS), driven by demand for AI and high-speed computing, the global semiconductor market sales reached \$627.6 billion in 2024, a 19% increase compared to the previous year. The widespread adoption of generative AI, along with continued improvements in personal computer (PC) and smartphone sales, has led to signs of a demand recovery for chips. However, amid the impact of changing international circumstances, WSTS forecasts that the growth rate of the global

semiconductor market in 2025 will be lower than in 2024, falling to 11%. The World Semiconductor Industry Cooperative Association (WICA) shares a similar outlook for the 2025 market.

Global Semiconductor Market Size and Growth Rate Forecast for 2021-2025



Source : WICA

The Taiwan Semiconductor Industry Association (TSIA) pointed out that in 2024, the output value of Taiwan's IC industry reached 5.3151 trillion yuan, with a year-on-year increase of 22%, surpassing global growth rates. Among them, the IC design industry performed exceptionally well, with an output value of 1.2721 trillion yuan and a year-on-year increase of 16%.

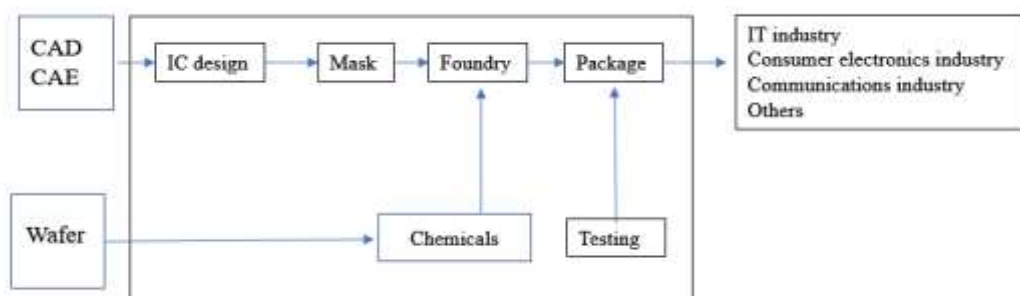
Looking ahead to 2025, generative AI is driving a significant increase in demand for GPUs and ASIC chips, particularly in areas such as cloud data processing, servers, and edge computing. The demand for advanced process technologies in the semiconductor industry continues to grow. However, rising geopolitical risks, U.S. export controls and tariff policies, and China's new energy-saving regulations for advanced chips are causing drastic fluctuations in the global economy, bringing uncertainties to the industry's development. Nevertheless, the overarching trends of AI-driven digital transformation, sustainable development, and energy conservation continue to propel technological innovation in the tech industry. As a core hub of the global semiconductor industry, Taiwan boasts the advantage of a complete ecosystem. By focusing on the development of new products and applications across the upstream and downstream supply chains, Taiwan can enhance its overall competitiveness. In the medium to long term, the outlook remains optimistic in fields such as AI servers, data centers, edge computing, high-speed computing and transmission, cloud manufacturing, electric vehicles, and networking. These developments are also expected to sustain the growth of the IC design industry.

4.1.2.2 The interconnectivity among the upstream, midstream, and downstream industries

Upstream:
Material

Midstream:
IC Design Fabrication

Downstream:
Application



Source: ITRI, ITIS project

4.1.2.3 Product Development Trends

Consumer IC applications span a wide range of fields, including household appliances, education, entertainment, and healthcare devices, with diverse and complex product uses. At its inception, our company primarily focused on voice control ICs as its main product. However, in recent years, we have continuously expanded our product portfolio. In addition to successfully developing applications related to microcontrollers, we have also ventured into the multimedia imaging sector, further diversifying our product applications. Below is an overview of the development status of each product line:

The core of our consumer ICs is microcontrollers with voice functionality, also known as voice control ICs. Voice ICs have long been widely used in toys, clocks, gifts, and educational products, with Taiwan being a major global supplier of voice control ICs. In recent years, the rise of artificial intelligence and the Internet of Things (IoT) has driven the integration of voice ICs with household appliances, medical equipment, gaming peripherals, and various devices, significantly broadening their application scope.

Microcontrollers are widely applied in various small household appliances, electronic devices, personal and home healthcare products, wireless handheld communication devices, wearable devices, and computer and multimedia peripherals. Our company's microcontroller core technology, developed over more than a decade, excels in reliability and anti-interference capabilities. Our medical measurement microcontrollers feature a built-in high-precision 24-bit digital signal converter and provide customers with comprehensive development toolkits and real-time technical support. With superior product performance, we have become a top partner for manufacturers of small household appliances, computer peripherals, and personal medical devices. To meet evolving demands, our company has gradually expanded from consumer electronics into industrial control and automotive sectors, entering broader markets.

In the multimedia imaging sector, our main products include image processing chips and wireless audio-visual solutions, which are applied in laptop webcams, USB transmission cameras, drones, wireless surveillance cameras, and automotive monitoring cameras. In the AI era, webcams play a critical role in various applications and ecosystems, with significant growth expected in the future. Within our multimedia product line, the Optical ID chipset, developed using our proprietary core technology and patented in multiple countries, is

not only applied in the educational product market but also supports handwriting functions. It can integrate with different media and connect with wireless transmission components such as Bluetooth and Wi-Fi to become a new type of input device. Additionally, it can be paired with various kits to serve as a STEM education platform.

4.1.2.4 Product Competition Situation

With the support of policy initiatives and a well-established semiconductor ecosystem, our country's IC design industry is flourishing. IC products are widely applied in various fields such as industrial, automotive, and consumer electronics (3C) devices. Consequently, each IC design company has its area of expertise. Regarding our company's product applications, the main competitors in microcontrollers are Taiwanese IC design firms. As the Internet of Things (IoT) continues to proliferate and foreign companies withdraw from the consumer market, the applications for microcontrollers are expanding continuously, presenting limitless business opportunities for our company. In the high-end market for voice control ICs, our company is a leader alongside Taiwanese manufacturers. For multimedia imaging products, our main competitors in laptop applications are also Taiwanese companies. In the wireless network camera chip and automotive surveillance camera chip markets, our primary competitors are foreign firms.

4.1.3 Technology and R&D Overview

4.1.3.1 Levels of Research and Development Technology

The company currently has a research and development center that actively engages in the research, development, and design of new products. In order to sustain the company's growth and continuously innovate its technological capabilities, we will not only continue to enhance our research and development capabilities in the consumer electronics field but also establish key core technologies for multimedia and information-related product markets. Our business technology levels are as follows:

(1) Development of High-Speed Digital Signal Processor: Establish a high-speed computing digital signal processor to develop a series of related products that require high-speed computing capability.

(2) Image Technology: Develop core image technology and apply it to PC peripherals, security monitoring, consumer electronics, home entertainment, information household appliances display and graphics chips, such as image compression, image transmission, image storage, and digital image processing, and other series of products.

Our company aims to become a comprehensive integrated circuit provider for digital audio and video, information household appliances, and computer peripherals through our product process capability and core technology research and development capability.

4.1.3.2 The research and development expenses

Unit: NT\$ thousand

Items	Year	2023	2024	As of March, 31 2025(Note)
R&D Expense		694,628	817,371	183,850
Net Operating Sales		2,609,937	2,744,466	615,488
Proportion of R&D Expenses to Operating Income		27%	30%	30%

Note : Financial figures are reviewed by CPA

4.1.3.3 Technologies and products successfully developed in the last two years

2024

- Launched the SNC733xx series integrated with 2.4GHz/Bluetooth/wired three-mode applications, supporting wired USB 8KHz and wireless 8KHz data transmission, while also featuring Bluetooth mouse functionality.
- Introduced a new generation OID SoC, equipped with a high-speed, high-resolution sensor array and image processing engine, which converts continuous handwritten code information into handwriting trajectories, expanding OID applications from point reading to handwriting.
- Released the first-generation ARM Cortex-M4 MCU platform chip from Sonix, suitable for PC gaming peripherals, smart home appliances, industrial control, etc.; the first M4 MCU platform chip is applied in a complete solution for 8KHz analog magnetic axis keyboards.
- Developed Sonix's first HDR ISP with an integrated AI NPU, featuring 8 million pixels and supporting Microsoft Human Presence Detection (HPD), Windows Hello, and other AI functionalities.
- Developed a 5GHz high-definition, long-range, low-latency image transmission solution, applicable to various types of unmanned aerial vehicles (UAVs).

2023

- Launched the market's first true wireless full-duplex 8KHz gaming-specific series solution, which adopts a dual-core architecture to handle RF control and peripheral sensors separately, truly realizing the transmission and reception of complete mouse packets within an 8KHz cycle time. Achieve full-duplex performance.
- Developed DDR5 module LED professional control MCU, tailor-made for I3C transmission specifications, with built-in ARGB function to help customers reduce design requirements.
- Launched Sonix's first HDR ISP, supporting FHD HDR TNR @30fps/FHD TNR @60fps, and supporting RGB, RGB+IR new generation Win Hello models.
- For wireless audio and video applications, a long-distance/low power consumption/high bandwidth (4 Mbps) 2.4G FHSS wireless transceiver is developed, enabling outdoor wireless transmission distances up to 800 meters.

4.1.4 Long and Short-Term Business Development Plans

4.1.4.1 Short-term plans

- (1) Operational contingency measures: Establish a platform to enable personnel to work remotely or in shifts when necessary, ensuring operations are not affected by external environmental issues.
 - (2) Information security risks and response: In the post-epidemic era, working from home and remote video conferencing have become trends, and the demand for information security protection has also increased. Develop information security policies and continuously introduce information security management plans to reduce risks and threats.
 - (3) Marketing strategy: In line with the launch of new products and based on the market characteristics of different regions, formulate marketing strategies to meet customer needs and expand business operations.
- A. Taiwan, Hong Kong, and Mainland China: Increase professional agents and solution developers, and assist in enhancing their software engineering capabilities to facilitate product promotion and sales. Provide customers

with real-time services through remote meetings and video conferencing in response to the epidemic.

- B. North America: Actively develop solution designers and makers, understand customer needs, and provide user-friendly interface development tools to expand downstream customer application areas ; Expand the marketing service network and provide direct technical support to key customers, coupled with application services from agents, to increase the company's market share.
 - C. Asian regional market: Establish local marketing distributors in Japan and set up Japanese subsidiaries. Sales and FAE personnel who are familiar with the market will directly understand customer needs and provide real-time services to penetrate into the local market. Actively expand the Korean and Vietnam market, increase agents and solution providers to promote products, and set up a base in India to explore emerging regional markets.
- (4) Production Strategy
- A. Maintain stable cooperative relationships with existing wafer foundry manufacturers and seek domestic and foreign wafer foundries to meet the demand for increased production capacity and reduce the risk of material shortages. Implement a quality management system to further enhance the quality image of the company's products and increase the company's competitiveness.
 - B. Continuously upgrade the process to increase the output of each wafer unit area to cope with the problem of insufficient production capacity.
- (5) Product Development
- A. Master the timeliness of product launches In response to the expansion of business scale, establish a project management system, integrate communication and coordination between departments, and facilitate the mastery of the timeliness of product launches.
 - B. Strengthen research and development work and expand the product line Actively expand end-use products, develop technology towards high-end products, and enter application areas such as the Internet of Things, wearable devices, automotive electronics, and smart handheld peripheral devices.
- (6) Human Resources: Human resources are an important asset in the IC design industry. In order to maintain the company's high growth and market competitiveness, actively enhance the company's reputation and strive to provide a good working environment and compensation to attract excellent research and development and management talents.

4.1.4.2 Long-term Plan

(1) Marketing Strategy

- A. In addition to marketing in the existing markets of Taiwan, Hong Kong, the United States, and Japan, actively explore marketing opportunities in other regions globally to diversify product marketing areas.
- B. To more effectively manage agents or direct customers in various regions, establish subsidiaries overseas to provide the fastest service.
- C. Strengthen the international marketing capabilities of business personnel to provide customers with more comprehensive services.
- D. Promote products through remote conferences and video introductions.

(2) Product Development

- A. With the improvement of production processes, develop towards highly integrated chip development.

B. Seek cooperation with domestic and foreign academic research institutions or IC design peers to obtain key technologies and improve product levels and accelerate product development.

C. In the future, high-growth industries will focus on automotive and industrial control semiconductors, and the company's product development will also gradually move towards this direction.

(3) Production Strategy: Establish long-term partnerships with main wafer foundries and back-end chip testing and cutting manufacturers to achieve the goal of coexistence and mutual prosperity.

4.2 Market and Sales Overview

4.2.1 Market Analysis

4.2.1.1 Sales region of the main products

Unit: NT\$ thousands

Region \ Year	2024	
	Sales Amount (NTD)	Sales Proportion %
Taiwan	638,528	23%
China	2,085,291	76%
Others	20,647	1%
Total	2,744,466	100%

4.2.1.2 Market share

The company's products mainly consist of consumer ICs, multimedia ICs, and microcontrollers. The company's revenue in 2024 was NT\$2.74 billion, ranking roughly 39th in the IC design industry. Due to the widespread use of consumer voice ICs and multimedia ICs, there is a lack of market share statistics. However, regarding microcontrollers (MCUs), according to the global MCU revenue and application survey conducted by Gartner, the market share of MCUs is highly concentrated among large international companies. Our company's market share is only in single digits, indicating potential for continuous growth in the future.

4.2.1.3 Future supply and demand situation and growth of the market

(1) Future supply and demand situation :

The global semiconductor industry's trends are significantly influenced by national policies. Additionally, the time required for semiconductor companies to move from investment to mass production often spans several years, giving the semiconductor market a cyclical characteristic. According to a TrendForce survey, the consumer product end market is trending towards weakness in 2024, leading component manufacturers to conservatively stock inventory. Coupled with the gradual release of mature production capacity, the average utilization rate of global wafer foundries is below 80%. Although visibility in the consumer end market remains low, inventory in supply chains such as automotive and industrial control has begun to hit the bottom gradually since the second half of 2024. Inventory will be progressively replenished in 2025. Furthermore, the increasing use of wafers driven by edge AI applications and continued cloud AI deployments will still stimulate overall demand.

(2) Possibilities of growth :

The global economy and technology industry are constantly changing under the impact of the pandemic. The popularization of 5G and WiFi6 technology has

driven the demand for communication equipment, and the improvement of product specifications has increased the demand for advanced processes.

Giant companies such as Google, Apple, Facebook, and Amazon have successively launched self-made AI chips, increasing their reliance on wafer foundries.

The introduction of AI has also become another important trend in IC design. The application of AI chips has extended from cloud computing to edge computing, and is widely used in AI cameras, AI visual sensors, assisted driving systems, automotive imaging, home security monitoring, and many other fields. The pandemic of Covid-19 has led to a closer integration of healthcare technology and science, and patients and healthcare workers increasingly rely on remote care. Medical research combined with high-performance computing and artificial intelligence (AI) has gradually become mainstream, and remote treatment is becoming more accurate through the use of medical devices such as blood pressure monitors and blood glucose meters, and medical device manufacturers are gradually adding network connectivity technologies such as Wi-Fi and Bluetooth to their devices, combined with cloud technology and big data to provide more accurate diagnosis.

The upgrade of IoT technology to the experience of smart homes enhances entertainment choices, improves home security, and provides more convenience. Smart speakers for entertainment, wireless security systems, smart locks and doorbell cameras for home security, voice assistants, smart lighting and other devices provide more convenience for home life.

Overall, in the post-pandemic era, the development of smart healthcare, smart factories, smart cities, and smart car electronics is accelerating, providing a broad market opportunity for MediaTek, which is focused on imaging and video, healthcare, and consumer electronics.

4.2.1.4 Competitive Advantages

- (1) Excellent R&D and innovation.
- (2) Maintain good relationships with the wafer fabs.
- (3) Provide customers with excellent product services and maintain stable and mutually beneficial cooperation.

4.2.1.5 Factors affecting the development vision, advantages, disadvantages and coping strategies

(1) Advantages:

- A. Rapid evolution of electronic product technology, with new applications and business opportunities constantly emerging.
- B. The complete domestic semiconductor foundry system provides the company with excellent logistics support.
- C. Maintaining long-term stable cooperative relationships with customers.
- D. Stable R&D management team and excellent product development and cost control capabilities.
- E. The gradual manifestation of long-term brand effects, with solution providers and third-party technical support forming a powerful driving force for product expansion.

(2) Disadvantages:

- A. Short life cycle of IC products, high homogeneity of product specifications, and numerous competitors.
- B. Limited talent pool for IC design in Taiwan, still requiring improvement in system integration capabilities. In addition, the rapid advancement of

semiconductor manufacturing technology, the rise of China's IC industry, and the absorption of experienced talent has made talent retention difficult. The threshold for the IC design industry has also risen, leading to a rising cost trend.

- C. The wafer foundry supply chain has the characteristics of a business cycle. Expanding factories takes time, and dramatic fluctuations in production capacity and prices affect the company's growth and profits.
 - D. With the rise of geopolitics, the semiconductor industry policies of various countries have shifted from global division of labor to national protectionism. The United States, the European Union, India, Japan, and mainland China have all actively established independent semiconductor production capacity as a national policy, causing supply chain sectors and market shifts, requiring adjustments to operational directions and deployment arrangements.
- (3) Coping strategies for disadvantages:
- A. Actively integrate the development of Silicon IP, develop diverse and high-value niche products to enrich the company's product line, provide customers with complete solutions, strengthen market competitiveness, and enhance profit margins.
 - B. Strengthen cooperation with universities to cultivate and attract more outstanding talents to join the R&D team.
 - C. Cooperate with domestic and foreign IP design companies to promote system integration, while also grasping the demands of the mainland domestic market and collaborating with local brands to grasp the first-hand product specifications, so as to maintain the advantage of technology leadership.
 - D. Continuously develop diverse wafer foundry partners and upgrade to more advanced processes to diversify risks and reduce costs.

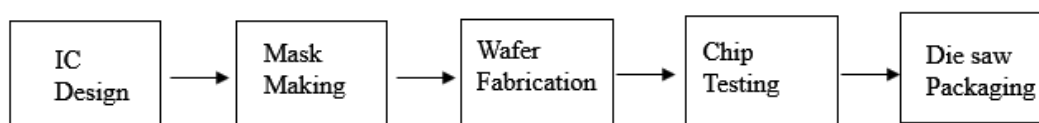
4.2.2 The important uses and production processes of the main products

4.2.2.1 The important application of the product

Product items	Major Applications
Consumer IC	Including high-speed voice/melody ICs, high-point LCD voice/melody ICs, green and environmentally friendly music ICs, 4/16/24 multi-channel voice/music ICs, as well as high-compression and high-quality DSP/32-bit SoC platforms, which are widely used in interactive toys, educational toys, handheld game consoles, e-books, toy robots, unmanned aerial vehicles, home appliances, gaming headsets, and various products that require voice, sound, and melody.
Microcontroller	The 8-bit microcontroller IC has excellent anti-power supply noise interference ability and has been widely used in various products such as air conditioning control boards, induction cookers, and microwaves. In addition, the microcontroller IC has a built-in high-resolution analog-to-digital converter, which can effectively capture weak signals from various sensors and is widely used in medical and health care products such as blood pressure monitors, ear thermometers, and electronic scales. The series of products that integrate USB transmission interface and built-in flash memory support online update function, making it easy for the development and program modification of end products, and are applied to

Product items	Major Applications
	computer and gaming peripheral devices such as mice, keyboards, and headsets. In response to energy-saving needs, BLDC brushless DC motor IC has the characteristics of low power consumption and high efficiency, and is gradually used in the fields of home appliances, machine tools and automobiles.
Multimedia IC	The applications of multimedia image processor IC include web cameras for Notebook and USB camera chips. It further enhances integration with new generations of various embedded operating systems and continuously strengthens image and color processing technologies. In addition, it integrates high-quality compression engines, expands integration with other image recognition, transmission, and processing technologies, allowing image control chips to be used in various fields such as communication, video surveillance, and human-machine interfaces. Furthermore, a series of wireless audio and video solutions have also been developed for various external devices. These solutions can perform synchronized data transmission for multiple devices, with stable signals that will not interfere with each other. They are suitable for products such as home security monitoring platforms, wireless headphones, microphones, wireless video doorbells, wireless audio and video remote-controlled cars, and unmanned aerial vehicles.
Optical ID	Optical ID is an innovative solution that combines optical, image processing, and printing technologies. It can embed digital data onto the surface of ordinary printed materials, and the information can be read by an OID chip. This technology has obtained multiple patents in various countries and is widely used in educational toys, electronic audio books, electronic whiteboards, anti-counterfeiting, gaming machines, IPTV, online teaching, and STEM education.

4.2.2.2 The production process of the product



The manufacturing process mentioned above, the company is mainly responsible for circuit design, while the other vendors in the supply chain collaborate to complete the production.

4.2.3 Supply of Main Materials

The main material of the company is wafer, which is currently supplied by well-known domestic and foreign manufacturers such as TSMC, UMC, and Korean manufacturers. Although short-term foundry production capacity is tight, we have established a close and cooperative long-term relationship with our suppliers, and have actively coordinated with them to strive for production capacity to meet customer demand.

4.2.4 Customer names and corresponding sales/purchase amounts and percentages that account for 10% or more of the total sales/purchase amount in any of the past two years

4.2.4.1 Information on Major Suppliers for the Most Recent 2 Years

Unit : NT\$ thousand

	2023				2024				Up to of the 1 st Quarter of 2025			
Item.	Name	Amount	Percentage	Relationship	Name	Amount	Percentage	Relationship	Name	Amount	Percentage	Relationship
1	F	197,619	31.72%	None	F	311,162	35.94%	None	I	103,259	32.44%	None
2	J	102,137	16.40%	None	I	130,724	15.10%	None	D	45,121	14.18%	None
3	K	63,127	10.13%	None	J	100,817	11.64%	None	-	-	-	None
4	Others	260,088	41.75%	-	Others	323,056	37.32%	-	-	169,911	53.38%	-
	Net Purchase	622,971	100.00%	-	Net Purchase	865,759	100.00%	-	Net Purchase	318,291	100.00%	-

Suppliers with a fluctuation of over 20% are mainly due to changes in their sales portfolio and significant shifts in procurement targets.

4.2.4.2 Information on Major Customers for the Most Recent 2 Fiscal Years

Unit : NT\$ thousand

	2023				2024				Up to of the 1 st Quarter of 2025			
Item.	Name	Amount	Percentage	Relationship	Name	Amount	Percentage	Relationship	Name	Amount	Percentage	Relationship
1	D	556,417	21.32%	None	D	301,331	10.98%	None	D	75,047	12.19%	None
2	Others	2,053,520	78.68%	-	Others	2,443,135	89.02%	-	Others	540,441	87.81%	-
	Net Sales	2,609,937	100.00%	-	Net Sales	2,744,466	100.00%	-	Net Sales	615,488	100.00%	-

Customers with a fluctuation of over 20% are mainly due to changes in their sales portfolio and significant shifts in procurement targets.

4.3 Employee Information

Employee Statistics for the Most Recent 2 Fiscal Years up to the Annual Report Publication Date.

Year		2023	2024	Up to May 8, 2025
Number of Employees	R&D	364	370	372
	Sales	27	27	29
	Administration	77	75	73
	Total	468	472	474
Average Age		39.4	39.9	39.9
Average Years of Service		10.0	10.5	10.5
Education distribution percentage	Ph.D. & Masters	47%	47%	47%
	Bachelor's Degree	45%	46%	46%
	Below Senior High School	8%	7%	7%

4.4 Environmental Protection Expenditure Information

Losses incurred in the past year and up to the date of printing due to environmental pollution and disclose the estimated amounts and countermeasures that may occur currently and in the future : None.

4.5 Labor Relations

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

4.5.1.1 Employee Benefits

Our company places great importance on employee welfare and spares no effort in safeguarding employee rights. Guided by this philosophy, the company and the Employee Welfare Committee provide employee remuneration, subsidies for weddings, funerals, and celebrations, electronic welfare points for the three major festivals, birthday cash gifts, group insurance, annual health checkups, psychological counseling services, visually impaired massage services, domestic and international travel subsidies, birthday celebrations, departmental meal subsidies, Sonix Family Day, year-end banquets, recognition for senior and outstanding employees, R&D bonuses, high-value talent referral bonuses, borrowing of bestselling books and magazines, free coffee, discounts at affiliated stores, subsidies for the Taiyuan Technology Park fitness center, and car parking subsidies. Through the provision of these employee benefits, we promote labor-management harmony, ensure employee welfare and health, and achieve a win-win situation for both labor and management.

4.5.1.2 Employee Training and Development

In 2024, a total of 912 training sessions were conducted, with 2,294 hours of training and an expenditure of NT\$155 thousand on training costs.

Based on the company's vision, annual goals, and competency requirements for each position, relevant learning and development plans are formulated. Through a comprehensive competency training system and an online e-learning platform, we enhance employees' knowledge and skills, enabling them to enjoy their work while growing alongside the company.

New employee training

- (1) New Employee Mentor System: Assists new hires in familiarizing themselves with the work and living environment, understanding work-related people, matters, and training.
- (2) New Employee Competency Training and Achievement Presentation: Each department has tailored training plans, taught by senior engineers who pass down their experience. A new employee achievement presentation is held after three months.
- (3) HR Interviews and Care: HR conducts interviews and provides support for new employees.

The Lecture

- (1) Regularly hold sessions for the transfer of mature technologies and sharing of work experiences across departments.
- (2) Invite renowned domestic and international professors, celebrities, and scholars to deliver themed lectures, recharging employees while demonstrating the company's corporate responsibility and concern for social issues.

Competency-Based Training

- (1) Employees : The company plans training based on competencies, either organizing in-house sessions or sending employees to courses offered by professional institutions.
- (2) Managers : Based on the management competencies required at each level, a training system is developed to equip managers at different stages with the necessary management skills, enabling them to apply these abilities effectively in leading their departments.

Online learning :

Sonix University offers a variety of e-learning courses. Employees can enhance their knowledge and skills according to their own needs and schedules, completing a personalized learning roadmap for self-development.

4.5.1.3 Retirement system and implementation status

The company has established an employee retirement plan in accordance with the Labor Standards Act. Each month, 2% of the total salary of employees under the old retirement system is contributed to a dedicated account at the Bank of Taiwan. Additionally, since July 1, 2005, the new labor pension system has been implemented, with 6% of wages contributed to individual labor pension accounts as stipulated by the Labor Pension Act, ensuring the rights and benefits of employees.

4.5.1.4 Agreements and measures to protect employee rights between labor and management

- (1) To safeguard employee rights and maintain harmonious labor-management relations, the company regularly holds labor-management meetings as a communication channel, with no labor disputes occurring.
- (2) The company complies with labor laws and respects internationally recognized basic labor and human rights principles, ensuring employees' legal rights without gender discrimination or differential treatment. Various

management regulations regarding personnel, administrative affairs, appointments, dismissals, and compensation have been established as standards to follow.

- (3) On the first day of employment, new employees sign a labor contract, and a dedicated staff member provides a detailed explanation of the work rules.

4.5.1.5 Work Environment and Employee Personal Safety Protection Measures

The company is committed to providing a safe and secure work environment for employees, addressing this through the following measures :

- (1)Equipment and Security Mechanisms: The company provides safe and well-maintained equipment, integrated with security mechanisms from an external park security company and the park management center to ensure overall safety. Access control is implemented at all park entrances and exits, with vehicles required to pass a license plate recognition process for entry and exit.
- (2)Office Internal Safety: To enhance office security, all entrances and exits are equipped with access control and surveillance systems. Employees access office areas based on their job nature and authorization scope. Security personnel are stationed in the first-floor lobby to manage visitors and control elevator access to specific floors. Safety hardware and software in the office area prioritize personnel safety, ensuring maximum protection for employees.
- (3)Emergency Response and Training: The company has established an emergency response team and a civil defense team to help employees familiarize themselves with the environment. Internal training courses are held annually, and participation in park-wide training is also conducted. Firefighting equipment is regularly inspected and reported as required, while continuous monitoring is carried out in conjunction with the park's system.
- (4)Environmental Cleanliness and Maintenance: The internal environment, including carpets, air conditioning units, and indoor air circulators, is cleaned and disinfected annually. Professional cleaning staff maintain the premises, ensuring a clean and tidy office environment.
- (5)Work Environment Testing: Annual workplace environment assessments are conducted, checking factors such as lighting and CO2 levels to ensure a safe and comfortable work environment. Drinking water is regularly sampled and tested in accordance with regulations to guarantee hygiene and safety for employees.

Through these measures, the company strives to ensure that employees can work in a safe, comfortable, and clean environment.

4.5.1.6 Employee Behavior or Code of Ethics

Our company has established "Ethical Corporate Management Best Practice Principles" and "Codes of Ethical Conduct", Regardless of whether they are inside or outside the company, employees should demand high standards of personal behavior and professional ethics. When engaging in daily work and business, they should strictly follow the company's professional ethics standards, maintain the company's reputation, and earn the respect and trust of customers, suppliers, and other stakeholders.

- 4.5.2 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an

estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

- 1.The company places great importance on employee communication mechanisms, viewing harmonious employee relations as the cornerstone of high-efficiency productivity and performance. Internal communication software allows employees to directly express opinions to supervisors or senior managers. During the biannual performance evaluations, employees can voice their opinions and suggestions. Various company matters are communicated through email, internal communication software, and the internal website.
- 2.The company has always valued employee welfare and is committed to enhancing harmonious labor-management relations. This principle will continue to be upheld in the future, and to date, no significant labor disputes have occurred.

4.6 Information security management

4.6.1 The Information Security Risk Management Framework

The company has an "Information Security Team" led by the highest-ranking information unit executive, have dedicated information security supervisor and security personnel, responsible for information security management, planning, supervision and execution. The Team is mainly responsible for formulating and regularly reviewing information security policies, establishing incident reporting and response mechanisms, continuously improving defense capabilities, and enhancing employees' information security awareness. They report to the board of directors regularly each year, the latest reporting date was 2024.11.8.

4.6.2 Information Security Policy

The company's information security policy key points are as follows:

- (1)Refer to international information security standards and comply with domestic and foreign information security regulations, regularly revise the latest information security specifications
- (2)Collaborate with external information security expert teams to detect and prevent security threats early
- (3) Establish a multi-level defense structure and strengthen defense depth
- (4)Strengthen information security professional capabilities and personnel, enhance internal information security planning and incident analysis and handling capabilities
- (5)Continuously promote information security education and disaster recovery drills

4.6.3 Information security management programs

The specific management plans that the company has adopted or implemented are as follows:

- (1) Next-generation firewall and intrusion detection system
- (2) Endpoint antivirus and regular system vulnerability patching
- (3) Multi-level antivirus and anti-hacking mechanisms for email and network, as well as joint defense systems
- (4) Regular scanning and correction of website vulnerabilities
- (5) Regular data backup and restoration mechanisms
- (6) Regular information security awareness training and testing for colleagues
- (7) Regular social engineering defense exercises

- (8) Establishment of information security incident analysis, monitoring, and handling mechanisms
- (9) Joining a security alliance to obtain the latest security information
- (10) Weekly meetings to discuss information security risks and response measures

The company has strengthened its measures to respond to possible hacker intrusions, ransomware, and DDOS/APT attacks. We will continue to monitor external information security incidents, absorb new knowledge to strengthen information security controls, continuously establish multi-level protection and information security incident handling mechanisms, and strengthen the promotion of information security awareness to respond to the ever-changing network attack behaviors. In addition, when sensitive data needs to be delivered to vendors and customers, we always require the signing of a confidentiality agreement to regulate their confidentiality obligations.

4.6.4 Investments in resources for information security management

The resources the company has invested in information security management in 2024 are as follows:

- (1) Education and training: Complete all-employee education and training and questionnaires twice
- (2) Social engineering drill: Conducted 4 email phishing drills to simulate attack scenarios and provide education and training to colleagues by clicking on phishing links
- (3) The funding for [Information Security] related software and hardware exceeds NT\$5 million

4.6.5 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant information security incidents, the possible impacts therefrom, and measures being or to be taken : None.

4.7 Important contracts : None.

V. Review of Financial Position, Financial Performance, and Risk Matters

5.1 Financial Position

5.1.1 Financial Position

Unit: NT\$ thousands

<div>Year</div> <div>Item</div>	2024.12.31	2023.12.31	Difference	
			Amount	%
Current Assets	2,828,345	2,824,516	3,829	0%
Investments accounted for using equity method	4,923	4,207	716	17%
Property, Plant and Equipment	658,654	682,680	(24,026)	(4%)
Investment properties	115,845	118,186	(2,341)	(2%)
Intangible Assets	160,207	135,955	24,252	18%
Other Assets	272,414	342,222	(69,808)	(20%)
Total Assets	4,040,388	4,107,766	(67,378)	(2%)
Current Liabilities	392,134	412,283	(20,149)	(5%)
Non-Current Liabilities	129,208	133,868	(4,660)	(3%)
Total Liabilities	521,342	546,151	(24,809)	(5%)
Share Capital	1,678,770	1,678,770	0	0%
Capital surplus	62,661	62,661	0	0%
Retained Earnings	1,773,658	1,789,005	(15,347)	(1%)
Other Equity	3,957	31,179	(27,222)	(87%)
Total Equity	3,519,046	3,561,615	(42,569)	(1%)
Explanation: (variance over 20% and more than 10 million)				
1.Decrease of Other Assets : Mainly due to the decrease financial assets at fair value through other comprehensive income - non-current.				
2.Decrease of Other Equity : Mainly due to the decrease unrealized gain on total equity financial assets at fair value through other comprehensive income.				

5.2 Financial Performance

5.2.1 Financial Performance Comparative Analysis

Unit: NT\$ thousands

Item \ Year	2024	2023	Amount	%
Operating Revenue	2,744,466	2,609,937	134,529	5%
Operating Costs	1,602,620	1,519,667	82,953	5%
Gross Profit	1,141,846	1,090,270	51,576	5%
Operating Expenses	1,056,376	932,341	124,035	13%
Profit from Operations	85,470	157,929	(72,459)	(46%)
Non -Operating Income and Expenses	114,769	43,234	71,535	165%
Profit before Tax	200,239	201,163	(924)	(0%)
Income Tax Expenses	21,149	15,281	5,868	38%
Net Profit for the year	179,090	185,882	(6,792)	(4%)
Other Comprehensive Income for the year	(20,207)	193,694	(213,901)	(110%)
Total Comprehensive Income for the year	158,883	379,576	(220,693)	(58%)
Explanation : (variance over 20% and more than 10 million)				
1. Decrease of profit from operations 、 other comprehensive income for the year 、 total Comprehensive Income for the year : Mainly due to the increase of research and development expenses and decrease in unrealized gain on total equity financial assets at fair value through other comprehensive income.				
2. Increase of non-operating income and expenses 、 income tax expenses : Mainly due to the increase in the net foreign currency exchange 、 increase in the income tax on unappropriated earnings and adjustments for prior periods .				

5.2.2 The sales volume forecast and its basis, impact on the company's future financial operations and response plans

The company continues to focus on the field of consumer electronics, and will actively expand the widely used microcontrollers and multimedia products with high growth potential. Based on the sales data in 2024, the current industrial environment and market demand, etc., the sales volume forecast in 2025 are about 531,797 thousand pieces.

Respond to future market demands, the company actively develops new products and strengthens talent training to gain competitive advantage.

5.3 Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Net Cash flow from fund-raising	Effects of Exchange Rate	Cash Surplus (Deficit)	Leverage of Cash Deficit	
					Investment Plan	Financing Plan
1,058,821	398,849	(52,943)	25,431	1,430,158	-	-
Analysis of change in cash flow in 2024 :						
1.Net cash generated from operating activities : Mainly due to the profits and inventories.						

- 2.Net cash generated from investing activities : Mainly due to disposal of financial assets at amortized cost.
- 3.Net cash used in financing activities : Mainly due to the distribution of cash dividends.

5.3.2 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Net Cash flow from fund-raising	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plan	Financing Plan
1,430,158	380,000	250,000	1,560,158	-	-
Analysis of change in cash flow in 2025 :					
1.Net cash generated from operating activities : Mainly due to the 2025 annual profits.					
2.Net cash used in investing and financing activities : Mainly due to the distribution of cash dividends.					

5.4 Impact of the latest major capital expenditures on financial operations : None.

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

In 2024, share of loss of associates was NT\$36 thousand.

Future investment plans still will take the company's overall development into consideration, and will be evaluated separately when necessary based on industry conditions and business needs.

5.6 Risk Management Analysis

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

Unit: NT\$ thousands

Item	2024
Net interest income	31,040
Net foreign exchange gain	44,691
Net interest income/net revenue	1.1%
Net interest income/net income before tax	15.5%
Net foreign exchange gain/net revenue	1.6%
Net foreign exchange gain/net income before tax	22.32%

5.6.1.1 Effects of changes in interest rates on corporate finances and future response measures

The Company has no significant impact on the company's profits and losses due to changes in interest rates.

5.6.1.2 Effects of changes in foreign exchange rates on corporate finances and future response measures

In terms of exchange rate, the company mainly adopts the natural risk avoidance method and increases the holdings of accounts in different currencies to avoid most exchange risks, and pays attention to exchange rate changes to adjust foreign currency holding positions at any time; masters information on exchange rate changes, and judges that measures should be taken to reduce The impact of exchange rate changes.

5.6.1.3 Effects of changes in inflation on corporate finances and future response measures

The impact of inflation does not currently have a significant impact on the Company's profits and losses.

Purpose and policy of financial risk management: The main financial instruments of the company include accounts receivable and accounts payable. The financial management department of the company provides services to various business units, coordinates the operation of entering domestic and international financial markets, and supervises and manages the financial risks related to the company's operations through internal risk reports that analyze the risk level and breadth. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

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

5.6.2.1 The company has not engaged in high-risk, high-leverage investments, lending funds to others parties, derivatives trading and endorsements & guarantees was provided only for to Sonix Technology (Chengdu) Co., Ltd. in 2024 and as of the publication date of the annual report.

5.6.2.2 The company formulates the "Procedures for Acquisition or Disposal Assets", "Procedures for Lending Funds to Other Parties" and "Procedures for Endorsement & Guarantee"; if engaged in related matters, implement them in accordance with the relevant provisions of the measures, and avoid losses through the control mechanism. In order to protect the rights of the company.

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

The company takes R&D and design as the main development topic, and has spared no effort in R&D investment over the years. In 2024, the research and development expenditure was NT\$ 817,371 thousand, accounting for 30% of the revenue; in 2024, it will still invest in research and development funds accounting for more than 20% of the revenue, which is estimated to be NT\$865,649 thousand For the development plan of new products. (Please refer to page 49)

5.6.4 Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The execution of the company's various businesses is handled in accordance with laws and regulations. In the most recent year and up to the date of publication of the annual report, the company has not been affected by major domestic and foreign policy and legal changes that affect the financial and business affairs.

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

The semiconductor technology industry is changing with each passing day. No matter the technical level of wafer manufacturing process, packaging and testing

is constantly improving, IC design needs to be equipped with more IP technologies to respond to market development and competition trends. In order to launch more complete functions, low cost and High-quality product. The company actively invests in the research and development of various products, pays attention to the changes in the industry at any time, and introduces advanced process technology to meet the challenges of technological changes. (Please refer to page 49).

In accordance with the information security management policy (Please refer to page 63), the company is committed to maintaining the normal operation of the company's financial business and implementing information security risk management.

5.6.6 Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response : None.

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

5.6.8 Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken : None.

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

In order to ensure production capacity and delivery time, the company is currently cooperating with several well-known wafer manufacturers and packaging and testing foundries to avoid the risk of centralized.

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

5.6.11 Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken : None.

5.6.12 Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report : None.

5.6.13 Other important risks, and mitigation measures being or to be taken : Information security management policy (Please refer to page 63).

5.7 Other important matters : None.

VI. Special Items

6.1 Information about the Affiliated Companies

Please refer to the Market Observation Post System (MOPS) website.

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

6.2 Private Placement Securities : None.

6.3 Other Supplementary Information : None.

6.4 Occurrence of events that have a significant impact on shareholders' equity or the price of securities as specified in Article 36, Paragraph 3, Subparagraph 2 of Securities and Exchange Act in the most recent year up to the publication date of this annual report t : None.