

Syncomm Technology Corp.

2024 Annual Report (Translation)

March 25, 2025

The Company's website for querying the annual report: <https://www.syncomm.com.tw>

The website for querying the annual report on the MOPS: <https://mops.twse.com.tw>

I. The spokesperson, acting spokesperson of the Company:

Name of spokesperson: Huang, Liang-Chun

Title: President

Tel: (03)5169188

Email address: ir@syncomm.com.tw

Name of acting spokesman: Liao, Li-Wen

Title: Head of Finance and Accounting

Tel: (03)5169188

Email address: ir@syncomm.com.tw

II. Headquarters, branches, and factories:

Headquarters:

Address: 10F.-1, No. 101, Sec. 2, Gongdao 5th Rd., Hsinchu City, Republic of China (Taiwan)

Tel: (03)5169188

Branch: None

Factory: None

III. Stock Transfer Agency:

Name: Stock Affairs Agency Department, Grand Fortune Securities Co., Ltd.

Address: 6F, No. 6, Sec. 1, Zhongxiao W. Rd., Taipei City, Republic of China (Taiwan)

Website: <http://www.gfortune.com.tw>

Tel: (02)2371-1658

IV. Certified Public Accountant (CPA) who audited and signed for the most recent year's financial report:

Name of CPAs: Huang, Pei-Chuan 、 Chen, Chin-Chang

Name of CPA firm: PricewaterhouseCoopers Taiwan

Address: 27F, No. 333, Sec. 1, Keelung Rd., Taipei City, Republic of China (Taiwan)

Website: <http://www.pwc.tw>

Tel: (02)2729-6666

V. Name of the exchange where the Company's securities are traded overseas and the method by which the Company's securities are inquired: None.

VI. Company website: <https://www.syncomm.com.tw>

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ONE. Letter to Shareholders

Dear Shareholders,

I. 2024 Operating Results

In 2024, Syncomm Technology recorded operating revenue of NT\$345,263 thousand, representing a 57.4% increase compared to NT\$219,393 thousand in 2023. The growth was primarily driven by a recovery in the consumer electronics market and the easing of inventory adjustment pressure among end-brand customers, which helped restore sales momentum and contributed to an increase in gross profit. Operating expenses amounted to NT\$145,168 thousand, up 11.3% from NT\$130,431 thousand in 2023. This increase was mainly due to the provision for profit-based employee rewards and higher operating expenses in 2024. Non-operating income reached NT\$10,593 thousand, a 170.7% increase from NT\$3,913 thousand in 2023, mainly attributed to higher interest income, gains on financial assets, and an increase in foreign exchange gains.

Overall, in terms of 2024 financial performance, profit before tax was NT\$29,810 thousand, net profit after tax was NT\$30,771 thousand, and comprehensive net profit for the period was NT\$31,334 thousand.

Unit: NTD Thousands; %

Items	2023		2024	
Operating revenue	219,393	100%	345,263	100%
Operating gross margin	103,077	47%	164,385	48%
Operating expenses	130,431	60%	145,168	42%
Operating profit (loss)	(27,354)	(13%)	19,217	6%
Non-operating income/expense	3,913	2%	10,593	3%
Net profit (loss) before tax	(23,441)	(11%)	29,810	9%
Net profit (loss) after tax	(22,507)	(10%)	30,771	9%
Total comprehensive profit (loss)	(22,555)	(10%)	31,334	9%
Basic earnings (loss) per share (NTD)	(\$0.70)		\$0.72	

II. 2024 Summary of Business Plan

In recent years, the complex and volatile global political and economic landscape has constantly influenced the pace of regional trade and economy, posing considerable challenges for global enterprises. However, the overall sales of consumer products have gradually

recovered momentum due to the improved resilience of the entire post-pandemic supply chain. During this period, Syncomm Technology has also maintained close cooperation with customers and supplier partners, closely monitored market demand trends, and achieved significant growth in both revenue and profitability. Existing product application areas such as soundbars, musical instrument transmission, and high-fidelity headphones have all seen new customers contributing to revenue. Furthermore, the company continues to deepen its core technologies in software and algorithms and actively explore the remote control and AIoT-related application markets. Syncomm Technology maintains differentiation in its hardware and software integrated solutions through flexible business models and operational efficiency, enhancing overall competitiveness for customers, deepening the Company's competitive moat, and continuously improving operating performance.

III. 2025 Business Strategy and Plan

Syncomm Technology, with its SYNIC brand, pursues excellence in the core technologies of "high-fidelity, low-latency, and one-to-many wireless network architecture." In addition to continuously improving transmission bandwidth and anti-interference performance, its high-fidelity compression technology SHDC®, certified by the Japan Audio Society (JAS), and the SynicSA® spatial audio algorithm are progressively gaining customer recognition across various applications. This will increase market share in existing application markets and secure new customer project opportunities. Furthermore, Syncomm Technology is actively investing in the research and development of next-generation wireless chips and modules, focusing on the business opportunities of edge AI and wireless applications. The goal is to combine new 2.4GHz and 5GHz radio frequency designs with next-generation Bluetooth BT6/BT7 technology, along with audio, control, and AI algorithm development, to provide features such as Hi-Res high-fidelity audio, voice control, and spatial detection. This will demonstrate "high performance, low latency, and one-to-many" capabilities in smart home AIoT, AR/VR and smart glasses, as well as robot multi-sensor application scenarios, truly satisfying users' infinitely smart wireless experience and expanding the Company's business opportunities.

IV. Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment

Looking ahead to 2025, we face new challenges posed by the rising tide of anti-globalization nationalism and the impact of tariff and trade wars on global political and economic issues.

Additionally, environmental issues, although seemingly less emphasized, can at any time significantly impact the lives of all global citizens. The demands for corporate operational flexibility and speed will continue to increase. Syncomm Technology views these pressures not only as risks to be carefully managed but also as opportunities for strategic advantage in a highly competitive landscape. The Company will leverage its talent and management strengths, pursue innovative strategies, and strive for excellence in quality. In addition to complying with all relevant domestic regulations and aligning with the government's global ESG sustainability initiatives, the Company remains vigilant to policy developments in major sales regions and local governments. By continuously harnessing its expertise in operations and R&D, Syncomm Technology will adapt its business strategy to the new market normal with agility and resilience, all while maintaining its vision of delivering a perfect wireless experience. Through a commitment to sustainable, efficient, and low-latency smart living, and with the dedicated efforts of all employees and the support of shareholders, the Company will continue to deliver strong operating performance and reward shareholder confidence.

We hereby extend our best wishes for your continued good health and success in all your endeavors.

Chairman: Lo, Sen-Chou

President: Huang, Liang-Chun

TWO. Corporate Governance Report

I. Information on directors, President, Vice Presidents, assistant managers, department heads, and branch heads

(I) Directors:

1. Information of Directors

March 25, 2025. Unit: shares/%

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office	Shareholding at the time of election		Number of shares currently held		Shares currently held by spouse and minor children		Shares held in the name of others		Major experience/educational background	Positions concurrently held in the Company and other companies	Other managers, directors, or supervisors who are spouses or relatives within the second degree of kinship of the Company's directors or supervisors			Notes
							Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)			Title	Name	Relations	
Chairman	Alcor Micro Corporation	-	R.O.C.	2014.5.30	2023.6.13	3 years	8,444,245	26.47	10,887,288	24.52	-	-	2,117,159	4.77	-	-	None	None	None	None
	Representative: Lo, Sen-Chou	Male 61 to 70	R.O.C.	2023.6.13	2023.6.13	3 years	0	0	501,692	1.13	0	0	0	0	California State University Chico MSCS, USA Founder & Chairman of Egis Technology Inc	Chairman and President, Egis Technology Inc. Chairman, Ivy Asset Management Consulting Co., Ltd. Director, Headway Capital Ltd. Director, Oriental Gold Holdings Ltd. Director, Kiwi Technology Inc. Director, Silicon Optronics Inc. Director, Gallopwave Inc. Legal Representative Chairman, Alcor Micro Corp. Representative Chairman, Algoltek Inc. Legal Representative Director, ENE Technology Inc. Legal Representative Chairman, iCatch Technology Inc. Legal Representative Director, Teletrix Co. Legal Representative Chairman, Gear Radio Electronics Corp. Legal Representative Director, InPsytech, Inc. Legal Representative Chairman, Gear Radio Limited	None	None	None	None
Vice Chairman	Alcor Micro Corporation	-	R.O.C.	2014.5.30	2023.6.13	3 years	8,444,245	26.47	10,887,288	24.52	-	-	2,117,159	4.77	-	-	None	None	None	None
	Representative: Tsai, Ling-Chun	Female 61 to 70	R.O.C.	2014.5.30	2023.6.13	3 years	88,310	0.27	166,310	0.37	0	0	0	0	Bachelor, Department of Accounting, Chinese Culture University COO, Alcor Micro Corporation Associate Vice President, Barits Securities Corp. Special Assistant, Holy Stone Enterprise Co., Ltd.	Vice Chairman and CEO, Alcor Micro Corporation Legal Representative Director, Algoltek Inc. Legal Representative Chairman, Chun-Feng Investment Ltd. Legal Representative Supervisor, Hua VII Venture Capital Corp. Legal Representative Director, Foxfortune Technology Ventures Ltd. Legal Representative Director, WK Technology Fund IX Ltd. Associate Vice President, Barits Securities Corp. Legal Representative Director, WK Technology Fund IX II Ltd. Independent Director, member of Audit Committee and Remuneration Committee, GlycoNex Incorporation Legal Representative Director, KooData Inc. Director, Alcor Micro Technology Inc. Director, Alcor Micro Technology (HK) Ltd. Legal Representative Chairman, ENE Technology Inc.	None	None	None	None
Director	Alcor Micro Corporation	-	R.O.C.	2014.5.30	2023.6.13	3 years	8,444,245	26.47	10,887,288	24.52	-	-	2,117,159	4.77	-	-	None	None	None	None
	Representative: Peng, Chih-Chiang	Male 51 to 60	R.O.C.	2023.6.13	2023.6.13	3 years	0	0	50,000	0.11	0	0	0	0	Ph.D., Management of Technology, National Chiao Tung University Master, Industrial Engineering, University of Pittsburgh, USA Independent Director, Unimicron Technology Corp. Independent Director, ITE Tech Inc. Legal Representative Director, Topoint Technology Co., Ltd. Supervisor, Wavetek Microelectronics Corporation Director, Unitruth Advisor (Shanghai) Co., Ltd.	Legal Representative Director and President, UMC Capital Corp. Legal Representative Director and President, Hong Ding Entrepreneurship Investment Co., Ltd. Director and President, UMCCAPITAL CORPORATION Legal Representative Chairman, Pariumfill Inc. Legal Representative Chairman, Tera Energy Development Co., Ltd. Legal Representative Director, TXC Corporation Independent Director, member of Audit Committee and Remuneration Committee, Kiwi Technology Inc. Legal Representative Director, Trendforce Inc. Legal Representative Director, iCatch Technology Inc.	None	None	None	None

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office	Shareholding at the time of election		Number of shares currently held		Shares currently held by spouse and minor children		Shares held in the name of others		Major experience/educational background	Positions concurrently held in the Company and other companies	Other managers, directors, or supervisors who are spouses or relatives within the second degree of kinship of the Company's directors or supervisors			Notes
							Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)			Title	Name	Relations	
															Director, Everrich (Shandong) Energy Co., Ltd.	Director, U-Media Communications Inc.				
Director	Huang, Liang-Chun	Male 41 to 50	R.O.C.	2017.6.26	2023.6.13	3 years	93,310	0.29	171,310	0.39	0	0	0	0	Bachelor, Department of Engineering and System Science, National Tsing Hua University Regional Manager, Sales Department, TE Connectivity Ltd.	President, Syncomm Technology Corp.	None	None	None	None
Director	Liao, Hui-Ling	Female 61 to 70	R.O.C.	2003.6.27	2023.6.13	3 years	253,709	0.80	327,110	0.74	0	0	0	0	Tatung Senior Commercial High School Supervisor, Syncomm Technology Corp.	Assistant Manager, Sales Division, Concord Securities, Chiayi Branch	None	None	None	None
Director	Hsu, Yu-Pin	Male 41 to 50	R.O.C.	2017.6.26	2023.6.13	3 years	2,055,677	6.44	2,650,414	5.97	0	0	1,492,711	3.36	Master, International Management, National Cheng Kung University Bachelor, Department of Political Economy, National Sun Yat-sen University Chairman, Ding Wen Information Co., Ltd.	Chairman, Jia Xi Investment Co., Ltd. Supervisor, Cheng Ho Investment Co., Ltd. Director, Ding Jiao Printing Co., Ltd. Director and Vice President, Tingwen Publisher Co., Ltd.	None	None	None	None
Independent Director	Wu, Chih-Ming	Male 61 to 70	R.O.C.	2011.6.27	2023.6.13	3 years	0	0	0	0	0	0	0	0	Master of Engineering, University of Michigan, USA Chairman, G. Marso Electronics Inc. Chairman, Cathay Securities Corporation Chairman, J.F. Investment Consulting Co., Ltd. COO, J.P. Morgan Asset Management Executive Vice President, J.F. Securities Vice President, Hua Nan Securities Assistant Manager, Taiwan International Securities	Member of Audit Committee and Remuneration Committee, Syncomm Technology Corp. CEO, Ensure Finance Consultant Incorporation Chairman, Ebizserve Inc. Legal Representative Chairman, Ebizserve Technology Corp. Independent Director, Member of Audit Committee and Remuneration Committee, ENE Technology Inc. Legal Representative Director, BioObject Inc. Director, BigObject, Inc. (British Cayman Islands) Legal Representative Director, Taiwan Lung Meng Advanced Composite Materials Co., Ltd.	None	None	None	None
Independent Director	Yu, Chi-Min	Male 51 to 60	R.O.C.	2017.6.26	2023.6.13	3 years	0	0	0	0	0	0	0	0	S.J.D., Southern Methodist University, USA J.D, Southern Methodist University, USA LLM in Comparative Law, Southern Methodist University, USA LLB, School of Law, Soochow University Chairman, Taiwan Society of Health Law Secretary-General, Taiwan Technology Industry Legal Officers Association Vice Chairman, Chinese National Cybersecurity Law Association Director, EasyCard Corporation Independent Director, member of Audit Committee and Remuneration Committee, Sentelic Corporation Independent Director, member of Audit Committee and Remuneration Committee, Lemtech Holdings Co., Limited	Member of Audit Committee and Remuneration Committee, Syncomm Technology Corp. Associate Professor, School of Law, Soochow University Legal Representative Director, Taiwan Lung Meng Advanced Composite Materials Co., Ltd.	None	None	None	None
Independent Director	Cheng, Chun-Yuan	Male 61 to 70	R.O.C.	2021.7.8	2023.6.13	3 years	0	0	0	0	0	0	0	0	MS in BA, University of Southern California, USA MBA, Southern Illinois University Carbondale Bachelor, Department of Civil Engineering, Chung Yuan Christian University CFO, Taigen Biotechnology Co., Ltd. Director, Corporate Development Division, Vanguard International Semiconductor Corporation	Member of Audit Committee and Remuneration Committee, Syncomm Technology Corp. Chairman, Ming Yuan Capital Co., Ltd. Chairman, Ming Jing Capital Co., Ltd.	None	None	None	None

Title	Name	Gender	Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office	Shareholding at the time of election		Number of shares currently held		Shares currently held by spouse and minor children		Shares held in the name of others		Major experience/educational background	Positions concurrently held in the Company and other companies	Other managers, directors, or supervisors who are spouses or relatives within the second degree of kinship of the Company's directors or supervisors			Notes
								Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)			Title	Name	Relations	
																Deputy Director, Finance Division, Taiwan Semiconductor Manufacturing Co., Ltd.					

2. Major shareholders of corporate shareholders:

July 8, 2024

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding percentage of the major shareholders of corporate shareholders
Alcor Micro Corporation	Egis Technology Inc.	20.46%
	Chen, Chien-Sheng	3.27%
	Citi (Taiwan) Commercial Bank Custodial Investment Account of Norges Bank-Fund Mgr. Neuberger Berman Europe Limited	2.84%
	Chang, Chi-Tung	1.68%
	Kuo, Ting-Chien	1.42%
	Yang, Tsang-Shuo	1.20%
	Liang, Ming-Chuan	0.87%
	Chou, Hsiao-Chi	0.70%
	Neuberger Berman Taiwan 5G Equity SITE Fund Account	0.62%
	Deng, Yu-Lin	0.51%

3. The principal shareholders of corporate shareholders that are corporate entities:

April 26, 2024

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding percentage of major shareholders of corporate shareholders
Egis Technology Inc.	Lo, Sen-Chou	12.13%
	Hsieh, Ching-Chiang	4.71%
	Johnson Chang	4.45%
	Citibank (Taiwan) Commercial Bank entrusted to custody the investment account of Norges - External Manager BDN Europe Ltd.	2.91%
	Wu, Tzu-En	2.40%
	HSBC Bank (Taiwan) Ltd., entrusted to custody the investment account of Point72 Associates Ltd.	2.08%
	Ho, Yen-Fu	1.79%
	Wu, Wei-Cheng	1.79%
	Hsieh, Ting-Yun	1.01%
	Hsieh, Hao-Yun	1.01%

4. Disclosure of directors' professional qualifications and information on the independence of independent directors

Conditions	Professional qualification and experience (Note)	Independence status	Number of other public companies where the independent director concurrently serves:
Name			
Chairman	Currently serving as the Chairman of the Company's ultimate parent company, Egis	Not applicable	0

Name Conditions	Professional qualification and experience (Note)	Independence status	Number of other public companies where the independent director concurrently serves:
Alcor Micro Corporation Representative: Lo, Sen-Chou	Technology Inc., and the Chairman of the Company's parent company, Alcor Micro Corporation, as well as the Corporate Director (Chairman) Representative of affiliates under their control. Possesses many years of rich experience in industry operations and management, along with strong leadership capabilities. He is not in violation of any of the matters listed in Article 30 of the Company Act.		
Vice Chairman Alcor Micro Corporation Representative: Tsai, Ling-Chun	Currently serving as the Vice Chairman and CEO of the Company's parent company, Alcor Micro Corporation, and holding positions as a Director, Legal Representative Director, and Supervisor of affiliates under Alcor Micro Corporation. Possesses extensive experience in guiding brokerage firms and many years of industry operations and management. She is not in violation of any of the matters listed in Article 30 of the Company Act.	Not applicable	1
Director Alcor Micro Corporation Representative: Peng, Chih-Chiang	Currently serving as the President of UMC Capital Corp., and Hong Ding Entrepreneurship Investment Co., Ltd., and holding positions as the Legal Representative Director of several electronic and semiconductor companies. Possesses many years of experience in industry operations and management, strategic planning capabilities, and expertise in mergers and acquisitions. He is not in violation of any of the matters listed in Article 30 of the Company Act.	Not applicable	1
Director Huang, Liang-Chun	Currently serving as the President of the Company, with many years of experience and expertise in industry marketing, business operations, customer management, and corporate management. He is not in violation of any of the matters listed in Article 30 of the Company Act.	Not applicable	0
Director Liao, Hui-Ling	Currently serving as the Assistant Manager of Concord Securities, with many years of experience in investment and monitoring industry development trends. She is not in violation of any of the matters listed in Article 30 of the Company Act.	Not applicable	0
Director Hsu, Yu-Pin	Currently serving as the Director and Vice President of Tingwen Publisher Co., Ltd., Chairman of Jia Xi Investment Co., Ltd., and holding positions as a director and supervisor of multiple companies. Possesses experience in corporate management. He is not in violation of any of the matters listed in Article 30 of the Company Act.	Not applicable	0
Independent Director Wu, Chih-Ming	Currently serving as the CEO of Ensure Finance Consultant Incorporation, Chairman of Ebizserve Inc., Legal Representative Chairman of Ebizserve Technology Corp., Legal Representative Director, BioObject Inc., Director of BIGOBJECT INC. in the British Cayman Islands, and serving as an independent director and a member of the Audit and	The Company has obtained written statements from each independent director, confirming their independence in relation to the Company, as well as their independence from the Company's direct family members. The content of the declaration includes: (1) Neither the individual, their	1

Name	Conditions	Professional qualification and experience (Note)	Independence status	Number of other public companies where the independent director concurrently serves:
	Remuneration Committees of one listed company. Previously held key positions such as Chairman and COO in multiple securities and investment consulting companies, with extensive and diverse experience in industry research, finance, and business management. He is not in violation of any of the matters listed in Article 30 of the Company Act.		<p>spouse, relatives within the second degree of kinship, nor direct blood relatives within the third degree of kinship have served as directors, supervisors, or employees of the Company or its affiliates.</p> <p>(2) Neither the individual, their spouse, nor relatives within the second degree of kinship (or in the name of others) have held shares in the Company.</p>	
Independent Director Yu, Chi-Min	Currently an Associate Professor in the School of Law at Soochow University, and has previously served as the Chairman of the Taiwan Society of Health Law, Secretary-General of the Taiwan Technology Industry Legal Officers Association, and Vice Chairman of the Chinese National Cybersecurity Law Association. Possesses extensive legal expertise and industry-related experience. He is not in violation of any of the matters listed in Article 30 of the Company Act.		<p>(3) Neither the individual has served as a director, supervisor, or employee of a company with a specific relationship to the Company (as defined in Article 3, Paragraph 1, Subparagraphs 5 to 8 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies").</p> <p>(4) Neither the individual, their spouse, nor the Company they are employed by has provided auditing, business, legal, financial, accounting, or related services to the Company or its affiliates in the past two years in exchange for remuneration.</p>	0
Independent Director Cheng, Chun-Yuan	Currently the Chairman of Ming Yuan Capital Co., Ltd. and Ming Jing Capital Co., Ltd., has previously held key positions in listed companies in finance, corporate development, and other areas. Possesses extensive industry experience in financial accounting and corporate development planning. He is not in violation of any of the matters listed in Article 30 of the Company Act.		<p>(5) There is no relationship of spouse or relative within the second degree of kinship with any other director.</p> <p>(6) Not elected as per Article 27 of the Company Act, which applies to government, corporate shareholders, or their representatives.</p> <p>The Company has verified the obtained information, confirming that the three independent directors meet the qualification requirements set forth by the FSC in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act, both before their appointment and during their term of office. Furthermore, the independent directors have been granted the power to fully participate in decision-making and express opinions, as stipulated in Article 14-3 of the Securities and Exchange Act, allowing them to independently perform their duties.</p> <p>The Company believes that the independence of directors must be assessed based on the substance of the situation. The Board of Directors is committed to continually evaluating the independence of directors, including whether the relevant directors can consistently pose constructive questions</p>	0

Conditions Name	Professional qualification and experience (Note)	Independence status	Number of other public companies where the independent director concurrently serves:
		to management and other directors, and whether their expressed viewpoints are independent of management or other directors. The actions of the Company's independent directors have consistently met expectations, demonstrating the above-mentioned qualities.	

Note: For detailed information on the professional qualifications and experience of the directors, please refer to pages 4 to 6 of this annual report.

5. Diversification and independence of the Board of Directors:

(1) Diversification of the Board of Directors:

The Company's "Corporate Governance Best Practice Principles" stipulate that the composition of the Board of Directors should consider diversity to strengthen corporate governance and promote the healthy development of the board's structure. This approach will contribute to enhancing the overall performance of the Company. Except for directors who also serve as managers of the Company, whose board seats should not exceed one-third of the total, the Company should establish appropriate diversity policies based on its operations, business model, and development needs. These policies should include, but not be limited to, the following two key standards:

- A. Basic conditions and values: Gender, age, nationality, and culture.
- B. Professional knowledge and skills: Professional background and abilities (such as law, finance, accounting, industry, marketing, and technology) as well as industry experience.

The current board member diversity policy of the Company and its implementation are as follows:

Core elements of diversity Name of director	Basic conditions and values						Industry experience				Professional ability			
	Nationality	Gender	Holding concurrent position as an employee of the	Age		Years of service of independent directors		Technology industry	Securities & finance	Venture capital	Academic and educational services	Law	Business administration	Accounting and finance
				31 to 50 years old	51 to 70 years old	2 consecutive terms or less	More than 3 consecutive terms							
Alcor Micro Corporation Representative: Lo, Sen-Chou	R.O.C.	Male			✓			✓		✓			✓	
Alcor Micro Corporation Representative: Tsai, Ling-Chun	R.O.C.	Female			✓			✓	✓				✓	✓
Alcor Micro Corporation Representative: Peng, Chih-Chiang	R.O.C.	Male			✓			✓		✓			✓	
Huang, Liang-Chun	R.O.C.	Male	✓	✓				✓					✓	
Liao, Hui-Ling	R.O.C.	Female			✓				✓					✓
Hsu, Yu-Pin	R.O.C.	Male		✓						✓	✓		✓	✓
Wu, Chih-Ming	R.O.C.	Male			✓		✓	✓	✓	✓			✓	✓
Yu, Chi-Min	R.O.C.	Male			✓		✓				✓	✓		
Cheng, Chun-Yuan	R.O.C.	Male			✓	✓		✓		✓			✓	✓

The 10th Board of Directors of the Company consists of 9 members, with the following professional backgrounds, including 6 members from the industry sector, 1 from venture capital, 1 from the financial securities sector, and 1 from academia. Among them, 1 director is an employee of the Company, accounting for 11.11%, and 3 are independent directors, accounting for 33.33%. The Company also pays attention to gender diversity within the board, with 2 female directors, representing 22.22%. In terms of age distribution, 2 directors are between 31 to 50 years old, and 7 directors are between 51 to 70 years old.

The directors of any gender on the Board of Directors of the Company has not yet reached one-third of the Board of Directors members. The following is a description about the reasons and the measures the Company plans to adopt to improve the gender diversity of the Board of Directors:

- I. Reason: The Company has appointed 9 directors according to the Articles of Incorporation. The current directors were elected at the shareholders' meeting on June 13, 2023. As there are two female directors, the Company is considered complying with the relevant laws and regulations prevailing at that time. Notwithstanding, the Company doesn't set the special requirements about the gender ratio.
- II. Measures adopted: Once the term of the Board of Directors has expired, before the re-election, the Company will seek recommendations from multiple channels including the industry and academia and proactively invite female professionals with industry experience to join the Company to improve corporate governance performance and implement the board diversity policy. The Company aims to have comprise at least one-third of the entire board.

The current board members of the Company collectively possess expertise in business judgment, accounting and financial analysis, management, crisis response, industry knowledge, international market insight, and leadership decision-making. They also possess extensive industry experience across various sectors. Chairman Lo, Sen-Chou has experience in venture capital and serves as the chairman of several semiconductor and technology companies, demonstrating extensive leadership and management capabilities. Vice Chairman Tsai, Ling-Chun has experience in leading broker-dealer enterprises, leadership and management experience in the semiconductor industry, and expertise in finance and accounting. Director Peng, Chih-Chiang has experience in venture capital and management within semiconductor and technology industries. Director Huang, Liang-Chun possesses marketing and management experience in the semiconductor and electronics industries. Director Liao, Hui-Ling has extensive investment experience in the securities industry. Director Hsu, Yu-Pin has experience in education, cultural enterprises, and investment, along with strong financial management capabilities. Independent Director Wu, Chih-Ming has served as the chairman of an electronics company, managed investment firms, and worked for many years in the securities and investment advisory fields. Independent Director Yu, Chi-Min is a law professor with legal expertise and served as the independent director in the electronics industry. Independent Director Cheng, Chun-Yuan has managed

investment businesses, worked in the semiconductor and biotechnology industries, and possesses expertise in financial management.

In summary, the diverse perspectives and complementary expertise of the Company's board members align with the board diversity policy advocated by the Company. In the future, based on the operation of the board, the Company's operational status, and development needs, the Company will amend and update the aspects and standards of the diversity policy as necessary. This will further enhance the knowledge, skills, and competencies that board members should possess to effectively perform their duties.

(2) Independence of the Board of Directors:

The Company has a total of 9 directors, with 3 independent directors, accounting for 33.33%. Each independent director meets the criteria for independence, as detailed in "4. Disclosure of directors' professional qualifications and information on the independence of independent directors". Among the 9 directors, there are no spousal relationships or second-degree kinship ties, and thus, and none of the circumstances specified in Articles 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

(II) Information on the President, Vice Presidents, Assistant Managers, and heads of various departments and branches

March 25, 2025. Unit: shares

Title	Nationality	Name	Gender	Date of election (appointed)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major experience/educational background	Positions concurrently held in other companies	Managers who are spouses or relatives within second degree of kinship		
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relations
President	R.O.C.	Huang, Liang-Chun	Male	2016.7.7	171,310	0.39	0	0	0	0	Department of Engineering and System Science, National Tsing Hua University Regional Manager, Sales Department, TE Connectivity Ltd.	None	None	None	None
Vice President, R&D	R.O.C.	Jen, Tsung-Hui	Male	2018.7.27	124,810	0.28	1,000	0	0	0	Master, Institute of Electro-Optical Engineering, National Chiao Tung University President, Alcorvison Technology Corp.	None	None	None	None
Special Assistant of the President (Note 1)	R.O.C.	Lin, Chien-Hung	Male	2022.12.13	19,000	0.04	0	0	0	0	Master of Law, Chinese Culture University Information Management & DSP Telecommunications System, Lancaster University Vice President, Sales Division, Hiti Digital Inc.	None	None	None	None
Head of Accounting	R.O.C.	Liao, Li-Wen	Female	2017.10.12	156,312	0.35	0	0	0	0	Department of Business Administration, Tunghai University Manager, Finance Department, Omnivision Technology	None	None	None	None
Head of Finance				2017.4.10											

Note 1: Special Assistant of the President, Lin, Chien-Hung, resigned on December 31, 2024, due to personal career planning factors. The information disclosed is up to December 31, 2024.

Note 2: When the Chairman and the President (or the highest level manager) are the same person, spouses, or direct family members, the reasons, rationale, necessity, and corresponding measures should be disclosed. In this case, the Chairman and the President of the Company are not the same person, so this provision does not apply.

II. The remuneration to directors, President, and Vice Presidents in the most recent year

(I) Remuneration to general directors and independent directors

December 31, 2024. Unit: NTD thousands

Title	Name	Remuneration to directors								The sum of A, B, C and D and as a percentage of net income (%)		The relevant remuneration received by employees holding concurrent positions								The sum of A, B, C, D, E, F and G as a percentage of net income (%)		Remuneration from the reinvested business other than the subsidiaries or the parent company
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Business execution cost (D)		The Company	All companies included in the financial statements	Salaries, bonuses, and special allowances (E)		Severance pay and pension (F)		Remuneration to employees (G)				The Company	All companies included in the financial statements	
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements			The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount			
Director	Alcor Micro Corporation Representative: Lo, Sen-Chou	5,001	5,001	-	-	970	970	350	350	6,321 20.54%	6,321 20.54%	4,191	4,191	-	-	75	-	75	-	10,587 34.41%	10,587 34.41%	5,049
	Alcor Micro Corporation Representative: Tsai, Ling-Chun																					
	Alcor Micro Corporation Representative: Peng, Chih-Chiang																					
	Huang, Liang-Chun																					
	Liao, Hui-Ling																					
Independent Director	Hsu, Yu-Pin	1,080	1,080	-	-	-	-	228	228	1,308 4.25%	1,308 4.25%	-	-	-	-	-	-	-	-	1,308 4.25%	1,308 4.25%	-
	Wu, Chih-Ming																					
	Yu, Chi-Min																					
	Cheng, Chun-Yuan																					

1. Apart from the disclosures in the table above, the remuneration received by the Company's directors for services provided to all companies within the financial statements in the most recent year (such as serving as consultants for the parent company/all companies within the financial statements/affiliates that are not employees): None.

2. The policy, system, standards, and structure for the remuneration of independent directors, as well as the correlation between the remuneration amount and factors such as the responsibilities, risks, and time commitment involved, are as follows:

(1) According to the Company's Articles of Incorporation, the remuneration of directors is authorized by the Board of Directors and is determined based on the director's level of participation in operations and contribution value, taking into account industry standards.

(2) The remuneration of independent directors is primarily paid as a fixed amount, including the fixed remuneration for serving as an independent director and the travel expenses for attending meetings. A reasonable remuneration structure different from that of non-independent directors may be adopted as appropriate.

Remuneration range table

Range	Name of director			
	Sum of the first four remunerations (A+B+C+D)		Sum of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	Parent company and all companies included in the financial statements
< NT\$ 1,000,000	Alcor Micro, Corporation and its Representatives Chih-Chiang Peng, Liang-Chun Huang, Hui-Ling Liao, Yu-Pin Hsu, Chi-Ming Wu, Chi-Min Yu, Chun-Yuan Cheng	Alcor Micro, Corporation and its Representatives Chih-Chiang Peng, Liang-Chun Huang, Hui-Ling Liao, Yu-Pin Hsu, Chi-Ming Wu, Chi-Min Yu, Chun-Yuan Cheng	Alcor Micro, Corporation and its Representatives Chih-Chiang Peng, Hui-Ling Liao, Yu-Pin Hsu, Chi-Ming Wu, Chi-Min Yu, Chun-Yuan Cheng	Alcor Micro, Corporation and its Representatives Chih-Chiang Peng, Hui-Ling Liao, Yu-Pin Hsu, Chi-Ming Wu, Chi-Min Yu, Chun-Yuan Cheng
NT\$1,000,000 (in)~NT\$ 2,000,000 (ex)	Alcor Micro Corporation Representatives Sen-Chou Lo and Ling-Chun Tsai	Alcor Micro Corporation Representatives Sen-Chou Lo and Ling-Chun Tsai	Alcor Micro Corporation Representative Sen-Chou Lo	-
NT\$2,000,000 (in)~NT\$ 3,500,000 (ex)	-	-	Alcor Micro Corporation Representative Ling-Chun Tsai	Alcor Micro Corporation Representative Sen-Chou Lo
NT\$3,500,000 (in)~NT\$ 5,000,000 (ex)	-	-	Liang-Chun Huang	Liang-Chun Huang
NT\$5,000,000 (in)~NT\$10,000,000 (ex)	-	-	-	Alcor Micro Corporation Representative Ling-Chun Tsai
NT\$10,000,000 (in)~NT\$15,000,000 (ex)	-	-	-	-
NT\$15,000,000 (in)~NT\$30,000,000 (ex)	-	-	-	-
NT\$30,000,000 (in)~NT\$50,000,000 (ex)	-	-	-	-
NT\$50,000,000 (in)~NT\$100,000,000 (ex)	-	-	-	-
NT\$100,000,000 and above	-	-	-	-
Total	9 people	9 people	9 people	9 people

(II) Remuneration to the President and Vice Presidents

December 31, 2024. Unit: NTD thousands

Title	Name	Salaries (A)		Severance pay and pension (B) (Note)		Bonuses and special allowances (C)		Amount of employee remuneration (D)				The sum of A, B, C and D and as a percentage of net income (%)		Remuneration from the reinvested business other than the subsidiaries or the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Huang, Liang-Chun													
Vice President, R&D	Jen, Tsung-Hui	6,058	6,058	108	108	1,032	1,032	140	-	140	-	7,338	7,338	-
												23.84%	23.84%	

Note: The actual payment was NTD 0, and the amount was the appropriated amount.

Remuneration range table

Range	Name of President and Vice Presidents	
	The Company	All companies included in the financial statements
< NT\$ 1,000,000	-	-
NT\$1,000,000 (in)~NT\$ 2,000,000 (ex)	-	-
NT\$2,000,000 (in)~NT\$ 3,500,000 (ex)	-	-
NT\$3,500,000 (in)~NT\$ 5,000,000 (ex)	Liang-Chun Huang, Tsung-Hui Jen	Liang-Chun Huang, Tsung-Hui Jen
NT\$5,000,000 (in)~NT\$10,000,000 (ex)	-	-
NT\$10,000,000 (in)~NT\$15,000,000 (ex)	-	-
NT\$15,000,000 (in)~NT\$30,000,000 (ex)	-	-
NT\$30,000,000 (in)~NT\$50,000,000 (ex)	-	-
NT\$50,000,000 (in)~NT\$100,000,000 (ex)	-	-
NT\$100,000,000 and above	-	-
Total	2 people	2 people

(III) Employee remuneration distribution to key managers

December 31, 2024 Unit: NTD thousand

	Title	Name	Stock	Cash	Total	Total as a percentage of net income after tax
Managers	President	Huang, Liang-Chun	Not applicable	178	178	0.58%
	Vice President, R&D	Jen, Tsung-Hui				
	Head of Finance and Accounting	Liao, Li-Wen				

The amount distributed is based on the total amount of employee remuneration approved by the Company's Board of Directors on March 6, 2025, in reference to the incentive distribution ratio.

(IV) An analysis of the total remuneration paid by the Company and all consolidated companies to the Company's directors, supervisors, President, and Vice Presidents in the most recent two fiscal years, in relation to the ratio of net income of the individual or separate financial statements, as well as an explanation of the remuneration policy, standards and composition, the procedures for setting remuneration, and the correlation with operational performance, is as follows:

- (1) Total remuneration paid to the Company's directors, president, and vice presidents as a percentage of net income in the last two years

Title	Remuneration as a percentage of net income after tax	
	2023	2024
Directors (including independent directors)	(21.18%)	24.79%
President and Vice Presidents	(36.11%)	23.84%

The percentage of directors' remuneration to net income after tax increased slightly compared to the previous year, mainly because the Company recorded a profit in 2024, resulting in a higher remuneration provision, and therefore the total amount of remunerations increased. The percentage of the remunerations for president and vice presidents to net income decreased from the previous year, mainly due to the shift from a loss in 2023 to a profit in 2024, as well as the decrease in RSA-related expenses recognized in 2023 compared to 2024.

- (2) The policies, standards, and components of remuneration, the procedures for determining remuneration, and their linkage to operating performance and future risks

The remuneration of the Company's directors and independent directors is determined based on their level of participation in the Company's operations and the value of their contributions, with reference to industry standards. Directors' remuneration is allocated according to the profit ratio specified in the Company's Articles of Incorporation and

based on the results of the Board of Directors' performance evaluation. Independent directors may receive a reasonable remuneration different from non-independent directors and are entitled to a fixed monthly amount. The remuneration policy for the President and Vice Presidents considers industry salary benchmarks, the scope of responsibilities and authority in the Company, their contribution to the Company's operations, as well as the overall operational performance of the Company and individual performance, to ensure fairness and reasonableness. The reasonableness of the above-mentioned remuneration is reviewed and proposed by the Remuneration Committee and submitted to the Board of Directors for approval, with the aim of balancing sustainable corporate development and risk management.

III. Status of Corporate Governance

(I) Operation of the Board of Directors: In the most recent year (2024), the Board of Directors held 6 meetings (A). The attendance of directors is as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note 1)	Remarks
Chairman	Alcor Micro Corporation Representative: Lo, Sen-Chou	5	1	83%	
Vice Chairman	Alcor Micro Corporation Representative: Tsai, Ling-Chun	6	0	100%	
Director	Alcor Micro Corporation Representative: Peng, Chih-Chiang	6	0	100%	
Director	Huang, Liang-Chun	6	0	100%	
Director	Liao, Hui-Ling	6	0	100%	
Director	Hsu, Yu-Pin	6	0	100%	
Independent Director	Wu, Chih-Ming	6	0	100%	
Independent Director	Yu, Chi-Min	6	0	100%	
Independent Director	Cheng, Chun-Yuan	6	0	100%	

Note 1: The actual attendance rate (%) is calculated based on the number of board meetings held during the director's term of office and their actual attendance.

Other matters to be recorded:

I. If any of the following situations occur during the operation of the Board of Directors, the date, session, content of motions, opinions of all independent directors, and the Company's handling of the independent directors' opinions should be specified:

- (I) Matters listed under Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, and the provisions of Article 14-3 of the Securities and Exchange Act do not apply. For matters listed under Article 14-5 of the Securities and Exchange Act, please refer to the section on the operational status of the Audit Committee in this annual report.
- (II) Any other documented objections or qualified opinions raised by independent directors against board resolutions in relation to matters other than those described above: None.

II. The implementation of directors' recusal from conflict of interest motions should specify the director's name, the content of motions, the reason for recusal, and their participation in voting as follows:

- (I) The 9th meeting of the 10th Board of Directors (April 23, 2024) resolved to approve the issuance of new shares through a cash capital increase for the Company's initial listing on the Innovation Board, with the insider subscription plan. Vice Chairman Tsai, Ling-Chun and President Huang, Liang-Chun, as related parties, recused themselves from voting. The motion was passed with unanimous consent from the other attending directors, as solicited by the acting chairperson.
- (II) The 9th meeting of the 10th Board of Directors (April 23, 2024) resolved to approve the remuneration and bonus distribution plan for the Company's insiders. Vice Chairman Tsai, Ling-Chun and President Huang, Liang-Chun, as related parties, recused themselves from voting. The motion was passed with unanimous consent from the other attending directors, as solicited by the acting chairperson.

III. TWSE/TPEX listed companies are required to disclose information regarding the evaluation cycle and period, scope, methods, and content of the Board of Directors' self-evaluation (or peer evaluation). The execution of the Board evaluation should be detailed in the attached table:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	2024.01.01 to 2024.12.31	Board of Directors	Internal self-valuation of the Board of Directors	I. Participation in the Company's operations II. Improvement of the quality of the Board of Directors' decision making III. Composition and structure of the Board of Directors IV. Election and continuing education of directors V. Internal control
Once a year	2024.01.01 to 2024.12.31	Individual board member	Self-evaluation of board members	I. Familiarity with the Company's goals and missions II. Awareness of the duties of a director III. Participation in the Company's operations IV. Management of internal relationship and communication V. The director's professionalism and continuing education VI. Internal control
Once a year	2024.01.01 to 2024.12.31	Remuneration Committee	Internal self-evaluation of Remuneration Committee	I. Participation in the Company's operations II. Awareness of the duties of the

				Remuneration Committee III. Improvement on the quality of the Remuneration Committee's decision making IV. Composition of the Remuneration Committee and election of its members V. Internal control
Once a year	2024.01.01 to 2024.12.31	Audit Committee	Internal self-evaluation of Audit Committee	I. Participation in the Company's operations II. Awareness of the duties of the Audit Committee III. Improvement on the quality of the Audit Committee's decision making IV. Composition of the Audit Committee and election of its members V. Internal control

In 2024, the performance evaluation of the Board of Directors, the functional committees mentioned above, and the board members showed that all evaluation items received agreement or strong agreement, indicating that the operational implementation was satisfactory. The report was submitted to the Board of Directors on March 6, 2025.

IV. The goals for enhancing the functions of the Board of Directors for the current and most recent fiscal years (such as establishing an Audit Committee, improving information transparency, etc.) and the assessment of their implementation status are as follows:

- (I) The Company has established its own Rules of Procedure for Board of Directors Meetings in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to ensure compliance. Attendance of directors at Board meetings is disclosed in the annual report and on the MOPS to implement corporate governance.
- (II) To ensure that the risks undertaken by directors and managers in the implementation of their duties are protected, the Company provides liability insurance for directors and managers on an annual basis.
- (III) In 2011, at the 18th meeting of the 5th Board of Directors, the Company established the "Remuneration Committee Organizational Charter" and formed the Remuneration Committee. The committee members are appointed by the Board of Directors, and one independent director is elected by all members to serve as the convener. The main duties of the Committee are to assist the Board of Directors in formulating and regularly assessing the performance evaluation, remuneration policy, system, standards, and structure for directors and managers. Since the beginning of 2024 until the publication date of the annual report, the Remuneration Committee held 3 meetings. Relevant personnel were invited to attend the meetings for inquiries and discussions, the meetings proceeded smoothly with effective communication.
- (IV) In 2021, at the 5th meeting of the 9th Board of Directors, the Company established the "Audit Committee Organizational Charter" and formed the 1st Audit Committee on July 8, 2021, replacing the supervisor system. The Audit Committee holds at least one meeting each quarter and is responsible for reviewing the Company's financial statements, the appointment and remuneration of CPAs, the effectiveness of the internal control system, and other duties specified in the Audit Committee Organizational Charter. Since the beginning of 2024 until the publication date of the annual report, the Audit Committee held 7 meetings. Relevant personnel were invited to attend the meetings for inquiries and discussions, the meetings proceeded smoothly with effective communication.
- (V) To implement corporate governance and enhance the functions and operational efficiency of the Board of Directors and functional committees, the Company has established the "Board of Directors and Functional Committees Performance Evaluation Procedures". After evaluation, the performance and implementation of the Board of Directors and functional committees in 2024 were deemed satisfactory, and the report was submitted to the Board of Directors on March 6, 2025.
- (VI) In accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies, the Company provides information on courses organized by external training institutions for directors' reference, and encourages directors to actively participate in corporate governance-related courses to learn new knowledge and enhance the exchange with others, in order to strengthen the functions of the board members. All directors have completed the continuing education hours required by their re-appointment, namely 63 hours, in 2024. The continuing education of directors is disclosed in the annual report and on the MOPS.
- (VII) In order to implement corporate governance, the Company has appointed the Chief Corporate Governance Officer in May 2023, and amended the "Standard Operating Procedures for Handling Directors' Requests" at the same time, in order to strengthen the functions of the Board of Directors and enhance the sustainable value of the enterprise.
- (VIII) The Company's website features a sustainable management section and an investor relations section, providing key information related to the Company's finances, business, and corporate governance. It also establishes contact channels for various stakeholders.

(II) Status of the Audit Committee

The Company established the 1st Audit Committee on July 8, 2021, replacing the supervisor system. The term of the current (2nd) committee members is from June 13, 2023, to June 12, 2026. The Audit Committee held 6 meetings (A) in the most recent year (2024). The attendance of independent directors is as follows:

Title	Name	Number of actual attendances (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Notes
Convenor	Wu, Chih-Ming	6	0	100%	
Committee member	Yu, Chi-Min	6	0	100%	
Committee member	Cheng, Chun-Yuan	6	0	100%	
Other matters to be recorded: If any of the following situations occur during the operation of the Audit Committee, the date, session, content of motions, opinions of independent directors (including objections, reservations, or significant recommendations), the decision made by the Audit Committee, and the Company's handling of the Audit Committee's opinions should be specified:					
(I) Matters listed under Article 14-5 of the Securities and Exchange Act					
Term and date of Audit Committee meetings	Content of motions		Independent directors' objections, reservations or significant recommendations	Audit Committee's resolution result	The Company's handling of the opinions of the Audit Committee
5th meeting of the 2nd term 2024.1.22	<ol style="list-style-type: none"> Proposed to amend the Company's "Internal Control System and Implementation Rules" and renaming it as the "Internal Control System Principles" and establishment of the Company's "Implementation Rules for Internal Audit" Proposed to formulate of the Company's audit procedures for various cycles and management methods of the internal control system 		None	Approved by all members present at the Audit Committee meeting	The motion was approved unanimously by all attending directors
6th meeting of the 2nd term 2024.3.5	<ol style="list-style-type: none"> Proposed the "Internal Control System Effectiveness Assessment" and "Statement of Internal Control" of the Company in 2023 Proposed to amend certain articles of the Company's "Rules of Procedure for Board of Directors Meetings" Proposed to amend certain articles of the Company's "Audit Committee Organizational Charter" Proposed to amend certain articles of the "Procedures for Acquisition or Disposal of Assets" Proposed the election of the Company's representative by the Audit Committee Proposed the Company's 2023 business report and financial statements Proposed the Company's 2023 earnings distribution plan Proposed the Company's distribution of cash from capital reserve Proposed the Company's evaluation of the independence and suitability of the CPAs Proposed the decision not to proceed with the private placement of common shares approved at the 2023 annual general shareholders' meeting Proposed the Company's issuance of common shares through private placement 		None	Approved by all members present at the Audit Committee meeting	The motion was approved unanimously by all attending directors
7th meeting of the 2nd term 2024.4.23	<ol style="list-style-type: none"> Proposed the Company's remuneration to the CPAs in 2024 Proposed the Company's 2024 Q1 financial statements Proposed the plan for the Company to acquire specialized technology from RivieraWaves SAS Proposed the plan for the Company to acquire specialized technology from Gear Radio Electronics Corp. Proposed the plan for the Company to conduct a cash capital increase and issue new shares for public underwriting before the initial listing on the Innovation Board of Taipei Exchange 		None	Approved by all members present at the Audit Committee meeting	The motion was approved unanimously by all attending directors
8th meeting of the 2nd term 2024.8.1	<ol style="list-style-type: none"> Proposed the Company's 2024 Q2 financial statements Proposed amendments to the approval levels for the internal control management regulations, including "Work Rules", 		None	Approved by all members present at the Audit	The motion was approved unanimously by

	"Occupational Health and Safety Work Rules", "Retirement Procedures", "Labor Retirement Fund Supervision Committee Organizational Charter", "Contract Management Procedures", "Credit Management Procedures", "Patent Infringement Crisis Management Procedures", and "Business Confidentiality Protection Procedures". 3. The Company has adjusted the approval levels in the "Management Procedures of Approval Authority"		Committee meeting	all attending directors
9th meeting of the 2nd term 2024.11.4	1. Proposed the Company's 2024 Q3 financial statements 2. Proposed amendments to certain articles of the Company's "Seal Management Procedures". 3. Establishing the "Sustainable Information Management Procedure" of the Company 4. Proposed to amend certain articles of the Company's "Internal Control System Principles" and "Implementation Rules for Internal Audit".	None	Approved by all members present at the Audit Committee meeting	The motion was approved unanimously by all attending directors
10th meeting of the 2nd term 2024.12.11	1. Establishing the Company's "Investment Procedures" 2. Amendments to the Company's "Internal Control System - Investment Cycles" 3. Amendments to the Company's "Investment Cycles Audit Procedure" and "Management Regulations Audit Procedure" 4. Proposed the Company's 2025 audit plan	None	Approved by all members present at the Audit Committee meeting	The motion was approved unanimously by all attending directors

(II) Other resolutions that were not approved by the Audit Committee but were agreed upon by more than two-thirds of all directors:
No such situation.

II. The implementation of independent directors' recusal from conflict of interest motions should specify the independent director's name, the content of motions, the reason for recusal, and their participation in voting as follows: No such situation.

III. Communication between independent directors, head of internal audit, and CPAs (should include major matters discussed regarding the Company's financial and business conditions, the methods of communication, and the results, etc.):

(I) The Company's independent directors have direct communication channels with the head of internal audit. Regularly, internal audit reports are submitted to the independent directors for review, and they attend every Audit Committee meeting. The head of internal audit also provides regular reports to the independent directors regarding the execution of the Company's internal audit operations. The summary of the communications between the head of internal audit and the Company's directors in 2024 is as follows:

Date	Communication focus	Suggestions and results
2024.1.22	1. Report on the implementation of internal audit operations 2. Amendment status to the internal control system	The committee members agreed with the report's findings and had no other suggestions for this meeting
2024.3.5	1. Report on the implementation of internal audit operations 2. Report on the results of the 2023 internal control self-evaluation 3. 2023 statement of internal control system 4. Amendment status to the internal control system	
2024.4.23	1. Report on the implementation of internal audit operations	
2024.8.1	1. Report on the implementation of internal audit operations 2. Amendment status to the internal control system	
2024.11.4	1. Report on the implementation of internal audit operations 2. Amendment status to the internal control system	
2024.12.11	1. Report on the implementation of internal audit operations 2. Amendment status to the internal control system 3. Information security management operation report 4. 2025 annual audit plan	

(II) The CPAs communicates at least once a year regarding the audit results of the financial statements, key audit matters, and significant amendments to laws and regulations. The summary of communication between the independent directors and CPAs in 2024 are as follows:

Date	Communication focus	Suggestions and results
2024.3.5	1. Communication with the governance unit during the audit completion phase of the 2023 financial statements 2. Recent amendments to laws and regulations	The committee members agreed with the report's findings and had no other suggestions for this meeting
2024.4.23	The review of the financial statements for Q1, 2024 has been completed	
2024.8.1	Communication with the governance unit during the audit completion phase of the financial statements of Q2 2024	
2024.8.1 A separate communication meeting before the Audit Committee meeting	Review results (separate meetings)	
2024.11.4	Communication with the governance unit during the audit completion phase of the financial statements of Q3 2024	

(III) The Company's corporate governance operations and the deviations compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Items	Operational status			The deviation compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company approved the establishment of the "Corporate Governance Best Practice Principles" at the Board of Directors meeting on May 2, 2023. These principles have been disclosed on the Company's website and the MOPS and are updated promptly in response to subsequent regulatory amendments.	In compliance with principles
II. Equity structure and shareholders' equity of the Company				
(I) Has the company established internal procedures for handling shareholder suggestions, inquiries, disputes, and litigation matters, and implemented them accordingly?	✓		(I) The Company has a spokesperson, an acting spokesperson, and an investor relations contact as points of contact for handling shareholder suggestions or inquiries. Additionally, the Company's website includes an investment and shareholder services consultation mailbox managed by dedicated personnel to address shareholder suggestions and related matters.	In compliance with principles
(II) Does the Company maintain records of the major shareholders who effectively control the Company and the ultimate controllers of these major shareholders?	✓		(II) The Company's personnel in charge of the shareholders service are responsible for the relevant matters. The shareholder service agent, "Shareholders Service Agency Dept., Grand Fortune Securities Co., Ltd.," assists in the shareholders services and reports the changes in shareholding by the insiders (directors, managers, and shareholders holding more than 10% of the Company's total shares) on the "MOPS" on a monthly basis, helping control the roster of major shareholders effectively.	In compliance with principles

Items	Operational status			The deviation compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	None	Summary Description	
(III) Has the Company established and implemented a risk control mechanism and firewall mechanism for affiliates?	✓		(III) The Company has established the "Operating Procedures for Transactions with Group Enterprises, Related Parties, and Affiliates" and implements them in accordance with the procedures.	In compliance with principles
(IV) Has the Company established internal regulations prohibiting insiders from trading securities using non-public information obtained from the market?	✓		(IV) The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct", and has formulated the "Internal Major Information Handling and Insider Trading Prevention Management Procedures", which specifically regulate the matters that Company personnel should pay attention to when performing their duties, prohibiting insiders from trading securities using non-public information obtained from the market.	In compliance with principles
III. The composition and duties of the Board of Directors				
(I) Has the Board of Directors formulated a diversity policy, specific management objectives, and ensured its implementation?	✓		(I) The Company has established the "Corporate Governance Best Practice Principles." Article 20 of the Principles expressly states the diversity policy of the Board of Directors and the abilities that the Board of Directors shall have: 1. The composition of the Board of Directors shall take diversity into account, and an appropriate diversity policy has been formulated in terms of its own operations, business models and development needs. It is advisable to include without limitation to the following two major standards: (1) Basic conditions and values: gender, age, nationality and culture, among which, the proportion of female directors should reach one-third of the Board seats.	In compliance with principles

Items	Operational status			The deviation compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	None	Summary Description	
			<p>(2) Professional knowledge and skills: professional backgrounds (such as law, finance, accounting, industry, marketing, and technology), professional skills, and industry experience.</p> <p>2. The Board of Directors shall have the following abilities:</p> <p>(1) The ability to make operational judgments. (2) Accounting and financial analysis ability. (3) Operation and management ability. (4) Crisis management capability. (5) Industry knowledge. (6) International market outlook. (7) Leadership. (8) Decision-making ability.</p> <p>3. The nomination and selection of the Company's board members complies with the Articles of Incorporation and adopts a candidate nomination system. In addition to evaluating the educational background, experience and qualifications of each candidate, the Company also complies with the "Corporate Governance Best Practice Principles" to ensure the diversity of the Board members and independence of the independent directors.</p> <p>4. The 10th Board of Directors of the Company consists of 9 directors, including 1 director who is an employee, accounting for 11.11%, and 3 independent directors, accounting for 33.33%.</p> <p>6. The Company also values the gender equality in the composition of the Board of Directors. Currently, out of the 9 directors, there are 2 female directors, accounting for 22.22%. The female directors are set to reach one-</p>	

Items	Operational status			The deviation compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	None	Summary Description	
(II) In addition to the legally required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?		✓	<p>third of the whole directors in the future.</p> <p>7. For the Company's implementation of the Board diversity policy and statistics about the implementation status, please refer to Page 10~12 of the annual report about the diversity and independence of the Board of Directors, which is disclosed on the Company's website.</p> <p>(II) The Company has established the Remuneration Committee and Audit Committee as required by law, while other functional committees have not yet been established.</p>	It will be established according to the actual needs of the Company.
(III) Has the Company established a board performance evaluation system and evaluation methods, conducts regular annual performance evaluations, reports the evaluation results to the Board of Directors, and uses the results as a reference for individual director remuneration and reappointment nominations?	✓		<p>(III) To continuously implement corporate governance and enhance the functionality of the Board of Directors, the Company has established the "Board of Directors and Functional Committees Performance Evaluation System" and has stipulated that the Board of Directors must conduct a performance evaluation of the board and its members and various functional committees at least once a year, The Company has conducted the 2024 board performance evaluation and presented the results at the board meeting on March 6, 2025. Based on the evaluation results, the overall performance of the 2024 board operations was deemed satisfactory, as reference in determining remuneration for individual directors, and their nomination for additional office terms.</p>	In compliance with principles
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		<p>(IV) The Company's Board of Directors assesses the independence and suitability of the CPAs on an annual basis, and makes reference to the Audit Quality Indicators (AQIs) to assess the</p>	In compliance with principles

Items	Operational status			The deviation compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	None	Summary Description	
			independence and suitability of the external auditors. For the Company's evaluation on the independence of external auditors in 2024, the Audit Committee and the Board of Directors approved on March 5, 2024 that Pei-Chuan Huang, CPA and Chin-Chang Chen, CPA of PwC Taiwan are independent and competent, and free from any conflict of interest with the Company or any circumstances that affect their independence. Meanwhile, in reference to the AQI, the Company also confirmed that the number of external inspection deficiencies of the CPAs and the CPA firm are lower than the average level among the peers and that their training hours and professional support meet the average level among the peers. Therefore, they were appointed upon the Company's review and approval.	
IV. Do listed companies allocate a suitable and appropriate number of corporate governance personnel and designate a Head of Corporate Governance responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with necessary materials to perform their duties, assisting directors and supervisors in complying with laws and regulations, managing board and shareholders' meeting-related matters in accordance with the law, and preparing board and shareholders'	✓		On May 2, 2023, the Company's Board of Directors resolved to appoint Senior Manager Liao, Li-Wen from the Finance and Accounting Department as the Head of Corporate Governance. The authority of the Chief Corporate Governance Officer and corporate governance officers include handling matters related to the board and shareholders' meetings in accordance with the law, preparing the minutes of the meetings, assisting directors in their appointments and continuing education, renewing the liability insurance for directors and managers, providing directors with the necessary information to execute their duties, and helping directors comply with relevant laws and regulations.	In compliance with principles

Items	Operational status			The deviation compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	None	Summary Description	
meeting minutes)?				
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a stakeholder section on the Company website, appropriately responding to important corporate social responsibility issues raised by stakeholders?	✓		The Company has designated a spokesperson and an acting spokesperson to handle related matters. A stakeholder section and dedicated contact points have been set up in the sustainability section of the Company website to maintain smooth communication channels with stakeholders. The Company identifies the issues of concern for each type of stakeholder and uses these as a reference for the Company's operational direction.	In compliance with principles
VI. Has the Company appointed a professional shareholder services agency to handle shareholders' meeting affairs?	✓		The Company has appointed the Stock Affairs Agency Department of Grand Fortune Securities Co., Ltd. to handle shareholders' meeting and stock affairs.	In compliance with principles
VII. Information transparency				
(I) Does the company have a website that discloses financial, business, and corporate governance information?	✓		(I) The Company has established an investor section on the Company's website, disclosing financial, business, and corporate governance-related information.	In compliance with principles
(II) Does the Company adopt other methods of information disclosure (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, and posting the process of institutional investor	✓		(II) The Company has established a spokesperson system. The Company's President, Liang-Chun Huang, serves as the spokesperson. Meanwhile, the Company has designated personnel to be responsible for collecting and disclosing company information, ensuring that information that may impact shareholder and stakeholder decision-making is disclosed in a timely and appropriate manner. The Company	In compliance with principles

Items	Operational status			The deviation compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	None	Summary Description	
briefings on the Company website, etc.)?			also posted the investor conference on the Company's website and set up the English website.	
(III) Does the Company announce and report the annual financial statement within two months after the end of the fiscal year, and announce and report the financial statements for Q1, Q2, and Q3, as well as the monthly operating performance, ahead of the required deadlines?		✓	(III) In 2024, the Company has not yet announced and reported its annual financial statements in advance; however, it has announced and reported its annual financial reports by the prescribed deadline, and announced and reported its quarterly financial reports and monthly operating status earlier than the prescribed deadlines.	No significant difference.
VIII. Does the Company have other important information that helps understand its corporate governance operations (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the training of directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	✓		(I) Employee rights: The Company has established employee work rules and strictly enforces relevant regulations to protect employee rights. Employees can safeguard their rights through suggestion boxes, email communication, and quarterly labor-management meetings. (II) Employee care: The personnel regulations comply with government laws and regulations, and the employee welfare system is comprehensive. In addition to providing bonuses for the three major festivals, employee remuneration, travel allowances, and implementing a retirement pension system, the Company also offers group insurance for employees and arranges regular health checkups. The Company actively encourages employees to participate in various training courses. Furthermore, a Welfare Committee has been established, which allocates funds monthly and prepares annual welfare plans and budgets.	In compliance with principles

Items	Operational status			The deviation compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	None	Summary Description	
			<p>(III) Investor relations: In accordance with legal requirements, the Company honestly and transparently discloses company information to protect the rights of investors and stakeholders. The Company has set up both Chinese and English websites, email communication channels, and a spokesperson system as means of communication with investors.</p> <p>(IV) Supplier relations: The Company has established relevant regulations for supplier management and maintains good relationships, working together to enhance corporate social responsibility. Additionally, the Company ensures that its products comply with international regulations such as the EU RoHS, REACH, and other national laws regarding hazardous substances.</p> <p>(V) Stakeholders' rights: The Company website has established contact points and a spokesperson system as channels for communication with stakeholders.</p> <p>(VI) Implementation of customer policy: The Company maintains good relationships with customers to respond to rapid market changes. The Company continuously develops innovative solutions, with a customer-oriented approach, to meet customer needs and provide comprehensive services.</p> <p>(VII) The Company has established various internal regulations and performs risk management and evaluation accordingly.</p> <p>(VIII) The Company has purchased liability insurance for its directors and reported the insurance details to the Board of Directors on November 4, 2024.</p>	

Items	Operational status			The deviation compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
			<p>(IX) Continuing education of directors: All directors possess professional backgrounds and management experience, and undergo regular training in accordance with legal requirements and actual needs.</p> <p>(X) The Company's website has established sections for sustainability, investor relations, and corporate governance to provide relevant important information.</p>	
<p>IX. Please describe improvements made based on the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose prioritized enhancements for any issues and measures that have not yet been improved: Not applicable, as the Company was listed on the Innovation Board on June 27, 2024, but has not yet been included into the companies under evaluation in 2024.</p>				

(IV) If the Company has established a Remuneration Committee, the composition, duties, and operation of the Committee should be disclosed:

1. Composition of the Remuneration Committee members

Identity	Conditions	Professional qualification and experience	Independence status	Number of other public companies where the committee members concurrently serve as members of the Remuneration Committees:
	Name			
Convenor	Wu, Chih-Ming	Please refer to page 7~10 of this annual report for the information of directors.	Please refer to page 7~10 of this annual report for the information of directors.	1
Committee member	Yu, Chi-Min			0
Committee member	Cheng Chun-Yuan			0

2. Responsibilities

- (1) Establish and regularly review the policies, systems, standards, and structures for the performance evaluation and remuneration of directors, independent directors, members of functional committees, and managers.
- (2) Regularly evaluate and establish the remuneration for directors, independent directors, members of functional committees, and managers.

3. Operational status:

- (1) The Company's Remuneration Committee consists of 3 members.
- (2) Current term of office:

The term of office for the current term (6th term) members commences from June 13, 2023 to June 12, 2026.

The Remuneration Committee held 2 meetings (A) in the most recent year (2024).

The attendance of members is as follows:

Title	Name	Number of actual attendances (B)	Number of attendance by proxy	Actual attendance rate (B/A) (%)	Notes
Convenor	Wu, Chih-Ming	2	0	100%	
Committee member	Yu, Chi-Min	2	0	100%	
Committee member	Cheng Chun-Yuan	2	0	100%	

Other matters to be recorded:

- I. If the Board of Directors declines to adopt or revise the recommendations of the Remuneration Committee, specify the date and term of the Board of Directors meeting, the content of the motion, the resolution of the board, and the Company's handling of the Remuneration Committee's opinions (if the Board of Directors has resolved a higher level of remuneration than the Remuneration Committee's recommendation, specify the difference and the reason for the difference): None.
- II. The decisions of the Remuneration Committee, if any member disagrees or retains an opinion with records or written statements, should specify the date, term, content of the motion, the opinions of all members, and the handling of those opinions: None.

Term and date of the Remuneration Committee	Content of motions	Remuneration Committee's resolution result	The Company's handling of the Remuneration Committee's opinions
3rd meeting of the 6th term 2024.3.5	<ol style="list-style-type: none"> 1. Regularly review and establish the policy for the remuneration of directors, independent directors, members of various functional committees, and managers. 2. The Company proposed to pay directors' remuneration 	All attending members Approved and passed	Proposed to be approved by all attending directors of the Board of Directors.
4th meeting of the 6th term 2024.4.23	<ol style="list-style-type: none"> 1. Proposed cash capital increase and issuance of new shares for insider stock options before the Company's initial listing on the Innovation Board of Taipei Exchange. 2. Proposed the remuneration and bonus distribution to the Company's internal personnel 	All attending members Approved and passed	Proposed to be approved by all attending directors of the Board of Directors

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

Items	Implementation Status			The deviation compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor														
	Yes	None	Summary Description															
I. Has the Company established a governance structure to promote sustainable development, set up dedicated (or part-time) units for sustainable development, authorized senior management by the board to handle the matter, and the board's oversight situation?	✓		The Company's Board of Directors approved the establishment of the Company's "Sustainable Development Best Practice Principles" on May 2, 2023. The President's Office is designated as the management unit for promoting sustainable development, responsible for proposing and implementing sustainability policies, systems, related management guidelines, and specific action plans, and will report to the board annually. The practice of sustainable development in 2024 was reported to the Board of Directors on December 11, 2024. The Board of Directors reviews and supervises the implementation of sustainable development which the Company invests in (such as participation in communities, investment of resources, greenhouse gas inventory planning, communication between the Company and stakeholders in November 2024, and identification of major topics of concern).	No significant difference.														
II. Has the Company, in accordance with the principle of materiality, conducted risk assessments on environmental, social, and governance issues related to its operations, and established relevant risk management policies or strategies?	✓		<p>The Company reviews the operations of each department and identifies stakeholder concerns, conducts risk identification and assessment based on the principle of materiality, and adopts specific action plans to mitigate the impact of related sustainability risks.</p> <table border="1"> <thead> <tr> <th>Material Issue</th> <th>Risk Evaluation Items</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Environmental</td> <td>Waste Management</td> <td>The handling of waste is strictly controlled to ensure that it does not cause environmental pollution. Product scrapping and recycling are handled by qualified vendors. Recycling bins are set up in public areas, and daily waste is classified for recycling.</td> </tr> <tr> <td>GHG reduction and climate change actions</td> <td>Cooperating with partners, the Company provides relevant information on materials used in product production that complies with international environmental regulations, aiming to minimize the negative impact of products on the environment. The Company implements environmental policies to strengthen the partnership with supply chain partners, ensuring industry competitiveness, and will conduct training to raise employees' awareness of the impacts of climate change.</td> </tr> <tr> <td>Society</td> <td>Human Rights</td> <td>Relevant systems are established to protect employees, while planning advocacy related to human rights, ethical conduct, and social responsibility to enhance employees' awareness of human rights and ensure there are no human rights violations.</td> </tr> <tr> <td>Corporate</td> <td>Legal</td> <td>Through the establishment of a</td> </tr> </tbody> </table>	Material Issue	Risk Evaluation Items	Description	Environmental	Waste Management	The handling of waste is strictly controlled to ensure that it does not cause environmental pollution. Product scrapping and recycling are handled by qualified vendors. Recycling bins are set up in public areas, and daily waste is classified for recycling.	GHG reduction and climate change actions	Cooperating with partners, the Company provides relevant information on materials used in product production that complies with international environmental regulations, aiming to minimize the negative impact of products on the environment. The Company implements environmental policies to strengthen the partnership with supply chain partners, ensuring industry competitiveness, and will conduct training to raise employees' awareness of the impacts of climate change.	Society	Human Rights	Relevant systems are established to protect employees, while planning advocacy related to human rights, ethical conduct, and social responsibility to enhance employees' awareness of human rights and ensure there are no human rights violations.	Corporate	Legal	Through the establishment of a	No significant difference.
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Items	Implementation Status			The deviation compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor									
	Yes	None	Summary Description										
			<table border="1"> <tr> <td>Governance</td> <td>Compliance</td> <td>governance organization and the implementation of internal control systems, the Company ensures that its personnel and operations strictly comply with relevant laws and regulations.</td> </tr> <tr> <td></td> <td>Strengthen the functions of directors</td> <td>Appoint a Head of Corporate Governance and provide liability insurance for directors and managers.</td> </tr> <tr> <td></td> <td>Stakeholders</td> <td>Establish various communication channels and contact points to engage with stakeholders. A dedicated stakeholder section is set up on the Company's website to explain the issues identified by the Company concerning stakeholders and provide information on the dedicated contact points.</td> </tr> </table>	Governance	Compliance	governance organization and the implementation of internal control systems, the Company ensures that its personnel and operations strictly comply with relevant laws and regulations.		Strengthen the functions of directors	Appoint a Head of Corporate Governance and provide liability insurance for directors and managers.		Stakeholders	Establish various communication channels and contact points to engage with stakeholders. A dedicated stakeholder section is set up on the Company's website to explain the issues identified by the Company concerning stakeholders and provide information on the dedicated contact points.	
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<p>III. Environmental Issues</p> <p>(I) Has the Company established an appropriate environmental management system based on its industry characteristics?</p> <p>(II) Does the Company strive to improve the efficiency of energy use and use renewable materials with low impact on the environment?</p> <p>(III) Does the Company assess the potential risks and opportunities of climate change to the present and future of the Company, and take countermeasures for climate-related issues?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company is engaged in the IC design industry, and has no factory on its own. Therefore, the impact posed by it to the environment directly is limited. The Company's entire product line complies with the RoHS regulations, ensuring that the production process and products will not cause any harm to the environment. Meanwhile, the products developed and sold by it mostly meet international environmental standards and customer requirements.</p> <p>(II) The Company continues to promote electronic document approval processes to reduce paper usage in standardized documents, aiming to achieve energy conservation, carbon reduction, and GHG emission reduction. The Company's product scrapping and recycling are entrusted to qualified vendors for the recovery and reuse of related materials.</p> <p>(III) As an IC design industry, the Company has no factories and its business activities do not directly have an impact on the environment. However, there is a risk of environmental impact during the production process of the vendors. Therefore, the Company has always worked with its vendors to provide information on the materials used for product production that meet the requirements of international environmental protection regulations, in order to reduce the adverse impact of the product on the environment as much as possible, and to reduce the use of paper in its operating activities. In the Company's executable range, the Company has established and implemented various electronic systems to</p>	<p>In compliance with principles</p> <p>In compliance with principles</p> <p>In compliance with principles</p>									

Items	Implementation Status			The deviation compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
(IV) Does the Company compile statistics on GHG emissions, water usage, and total waste weight over the past two years, and establish policies for energy conservation, carbon reduction, GHG reduction, water usage reduction, or other waste management?	✓		<p>reduce the demand for paper use. In addition, the Company also tests and strengthens the reliability and temperature resistance of its products, which comply with the requirements of the JEDEC semiconductor reliability testing and specifications, in order to ensure that the products can maintain normal operation under the impact of climate change, and to aim to achieve the goal of low energy consumption in the product development process, in order to reduce energy consumption.</p> <p>(IV) The Company is in the IC design industry and does not have factories. The impact of its operating activities on GHG emissions is smaller than that of other industries. Still, the Company regularly conducts effective control and use of various resources in the workplace, and the dedicated unit conducts internal inspections to effectively prevent unnecessary waste of resources (including but not limited to oil, water, paper, electricity). The Company's energy conservation, carbon reduction, and GHG reduction strategies are as follows:</p> <ol style="list-style-type: none"> 1. Adopt electronic document approval processes to reduce paper usage in standardized documents. 2. Reuse recycled photocopies to reduce paper consumption. 3. Recycle bins are placed throughout the public area to collect daily waste such as paper, metal, glass, and plastic. 4. Use energy-saving lighting and turn off lights for half an hour during the lunch break each day to conserve electricity. 5. Turn off office and nearby area lights and air conditioning after work to conserve energy. 6. Conduct annual environmental inspections (illuminance/CO2 levels). 7. Product scrapping and recycling are entrusted to qualified vendors for processing. 8. Promote the importance of energy conservation and environmental protection to employees from time to time. 	In compliance with principles
IV. Social Issues (I) Does the Company establish relevant	✓		(I) The Company has referred to international human rights conventions and current	In compliance with principles

Items	Implementation Status			The deviation compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
<p>management policies and procedures in accordance with applicable laws and international human rights conventions?</p> <p>(II) Does the Company establish and implement reasonable employee welfare measures (including remuneration, leave, and other benefits), and appropriately reflect business performance or results in employee remuneration?</p>	✓		<p>national laws, including the Labor Standards Act and related labor laws, to establish work rules, workplace sexual harassment prevention measures, personal data protection management regulations, and grievance channels. The Company has also implemented specific management policies and procedures to protect human rights, such as not employing child labor, adhering to minimum wage standards, ensuring reasonable working hours, and maintaining a healthy and safe workplace, providing guidelines for employees and managers to follow in order to protect employees' legal rights.</p> <p>(II) The Company has established a reasonable remuneration policy and a clear reward and penalty system. Remuneration is determined based on the Company's operating conditions, individual and departmental performance, and other relevant factors to decide annual salary adjustments, bonuses, and the amount of bonuses. The Company has established work rules and relevant personnel management regulations, covering the basic wage, working hours, leave, pension benefits, labor and health insurance, occupational accident compensation, and other matters in accordance with the Labor Standards Act. The Company has established and implemented reasonable employee welfare measures and has set up an Employee Welfare Committee, which operates through elections by employees, to handle various welfare matters.</p>	In compliance with principles
<p>(III) Does the Company provide a safe and healthy working environment for employees and regularly implement safety and health education for them?</p>	✓		<p>(III) The Company strives to create a safe and healthy workplace environment. To help employees understand the potential hazards in the working environment and reduce the risk of occupational accidents and incidents, the Company arranges environmental safety training for new employees and conducts annual health checkups for employees. The Company also arranges for qualified safety and health technician firms to conduct workplace environment monitoring twice every year to ensure employees work in a safe environment. The Company has established an occupational safety and health management plan, issued written statements to prevent workplace</p>	In compliance with principles

Items	Implementation Status			The deviation compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
(IV) Does the Company establish an effective career development training plan for employees?	✓		<p>infringement, implemented guidelines to prevent unlawful workplace infringements, and provides consultation and grievance channels for workplace infringement. The Company promotes the responsibility of all employees to help ensure a workplace free from unlawful infringements. The Company had no employee occupational accidents or fire incidents in 2024.</p> <p>(IV) The Company has established an "Education and Training Management Procedure" and a yearly employee training plan to train employees. The training includes orientation for new hires, professional training, stress-relief courses, and other relevant programs. Based on different courses, the Company arranges and plans for relevant employees to undergo training to achieve the goal of development and training.</p>	No significant difference.
(V) Does the Company follow relevant laws and international standards regarding customer health and safety, customer privacy, marketing, labeling, and other related issues, and establish relevant policies to protect consumer or customer rights and grievance procedures?	✓		<p>(V) The products supplied by the Company all comply with international environmental regulations. Regarding marketing and labeling of products and services, the Company adheres to the ISO9001 international standards. The Company has established a "Customer Complaint Handling Procedure" to investigate and analyze the causes of defective products reported by customers. Technical support is provided, or, based on the analysis results, repair or exchange services are executed. Additionally, in accordance with the "Customer Satisfaction Procedure", the Company conducts annual surveys to assess customer satisfaction with its products and services, aiming to achieve the goal of sustainable business operations.</p>	In compliance with principles
(VI) Does the Company have a supplier management policy in place that requires suppliers to comply with relevant regulations on environmental protection, occupational health and safety, labor rights, and other related issues, and its implementation status?	✓		<p>(VI) The Company conducts written and on-site inspections of suppliers' reports for ISO14001 certification and related documents. In terms of occupational safety and health, suppliers are required to establish their own safety and health work rules. In terms of labor rights, suppliers are required to produce written statements of sexual harassment and workplace bullying in accordance with the Gender Equality Act in Employment and the Sexual Harassment Prevention Act.</p>	No significant difference.

Items	Implementation Status			The deviation compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
V. Does the Company refer to internationally recognized reporting standards or guidelines to prepare sustainability reports and other disclosures of non-financial information? Has the aforementioned report obtained assurance or verification from a third-party verification unit?		✓	The Company has not prepared a report that discloses the Company's non-financial information, such as a sustainability report. The Company has proceeded with the preparation of the 2024 Sustainability Report in accordance with the regulations. The Company will prepare and disclose the report based on the international standards or guidelines for preparation of the report.	The Company will prepare and disclose the information in accordance with the regulations and schedule.
VI. If the Company has its own Sustainable Development Best Practice Principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" please describe its operation and the differences from the established guidelines: None.				
VII. Other important information that helps to understand the implementation of sustainable development: The Company is committed to social welfare and promoting community engagement. In 2024, we invested in the following actions, aiming to foster positive social influence externally, while internally strengthening corporate culture, nurturing outstanding talent, and cultivating responsible social citizens.				
<ol style="list-style-type: none"> 1. Annual Blood Drive to Save Lives 2. Participated in the Hsinchu Bright Sound Association's storytelling event for children with hearing impairments, with employees enthusiastically sponsoring and purchasing event gifts. 3. Held a year-end charity sales event where employees donated items, and the proceeds and collected goods were donated to the Saint Joseph Welfare Foundation. 				

Climate-related information for TWSE/TPEX-listed companies

I. Implementation of climate-related information

Items	Implementation Status
<p>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.</p>	<p>With the conclusion of the COP 29 in 2024, the world's progress in reduction of the dependence on fossil fuels remains slow. The historical high temperature record was made in 2024 and the acceleration of global warming have led to an increase in the frequency of extreme climate events, such as heavy rainfall and drought. These risks pose major challenges to the operations of many enterprises. Climate governance has become an important issue that enterprises must face.</p> <p>As a global citizen, the Company will proactively face the potential risks arising from the climate change and also formulate management strategies and actions to deal with extreme climates to improve climate resilience. Meanwhile, in order to slow down the speed of climate change, the Company also plans to gradually transform its own operation and move towards low-carbon operation.</p> <p>■ Board of Directors</p> <p>The Board of Directors is the Company's supreme body in charge of climate governance. It is responsible for promoting and making decisions regarding the Company's climate-related strategies, and overseeing the promotion of the Company's overall climate actions at the same time. The Board of Directors also plays a key role in determining the Company's climate commitments and goals. It discusses the current climate risk opportunities and trends from time to time, and proposes the Group's overall specific strategies for key climate risks to stably maintain the Company's sustainable operation. The "Sustainable Development Promotion Team" has been established under the Board of Directors, and the President serves as the general convener of the Committee. It shall report to the Board of Directors on the effectiveness of sustainable strategies and project implementation at least once a year. The Board of Directors has the right to judge the effectiveness of the Company's implementation strategies and policies adopted by the relevant promotional units, and may frequently examine the results of strategies or policies based on the actual situation, and then urge the promotional units to make adjustments on a rolling basis in a timely manner.</p> <p>■ Sustainable Development Promotion Team</p> <p>In order to strengthen the management and identification of climate-related risk opportunities and issues, the Company has established the Sustainable Development Promotion Team in 2024, and the President serves as the convener. It is required to hold meetings on key climate opportunities and risk issues every year, and report the results to the Board of Directors.</p> <p>The Sustainable Development Promotion Team is responsible for assisting in the implementation of climate risk management policies and goals determined by the Board of Directors, regularly reviewing the climate risk response plans and implementation results submitted by the four major ESG working groups, and assisting in monitoring the Company's climate response goals and actions to assist in the communication and integration of the Company's climate governance status.</p>

<p>2. Describe how the identified climate and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).</p>	<p>In order to formulate the Company's key strategies for climate change, it is necessary to identify the key topics of climate risk and opportunity each year. In 2024, the Company had the Sustainable Development Promotion Team gather the four major ESG working group to collect a total of 11 climate issues exclusive for the Company based on the climate-related information of TWSE listed companies, peer reports, and international trends, including 4 transformation risks, 4 physical risks and 3 opportunities. The potential impact posed by each issue was addressed through discussions with the ESG team and various units. Then, the possibility of impact posed by each issue and level of the impact were evaluated. In the end, three key climate risks and opportunities were resolved, including one transformation risk and two physical risks. The three key issues are listed as following based on the climate risk and opportunity identification result, by the period of occurrence, status and future countermeasures.</p> <p>■ The Company's key climate risks and opportunities, and countermeasures</p>			
<p>Orientation</p>	<p>Issue</p>	<p>Affected period</p>	<p>Climate risk and opportunity profile</p>	<p>Countermeasures and management measures</p>
<p>Transformation risks</p>	<p>Enhanced obligation to report emissions</p>	<p>Short-term (less than 3 years)</p>	<p>According to the Sustainable Development Roadmap and Sustainable Development Action Plan of the Financial Supervisory Commission, the Company is required to disclose greenhouse gas inventory information and complete emission information certification in the years required by law. As a result, the Company will need to implement a greenhouse gas inventory system and conduct assurance, and will need to invest human resources in management to increase the operating costs and need to implement additional manpower to supplement the management.</p>	<ul style="list-style-type: none"> • Establish a greenhouse gas inventory team and arrange education and training to improve the professional expertise in the carbon inventory. • The Company pays attention to the latest information released by the competent authority, and discloses the items to be disclosed according to the laws and regulations. • Consider implementing the relevant systems to speed up the colleagues' work efficiency.
<p>Physical risk</p>	<p>Average temperature rising</p>	<p>Mid-term (3~5 years)</p>	<p>The climate change results in the intensification of global warming and rising of the average temperature. In order to avoid</p>	<ul style="list-style-type: none"> • The Company promotes energy-conservation projects and continues to implement energy-conservation measures to reduce the electricity demand from the source. The office premises

			overheating in the computer room and maintain the office's working environment, the Company will need to increase the air conditioning and, therefore, the operating costs will be increased.	<p>is equipped with LED lighting equipment with the energy-conservation mark instead, in order to reduce the energy consumption significantly.</p> <ul style="list-style-type: none"> • The Company promotes the energy-conservation action, "Shut Down PC after Work," and invite colleagues to join in the action to mitigate the global warming physically. • The Company purchases high-efficiency air-conditioning equipment to replace energy-intensive equipment to achieve the goal for reduction of carbon emissions and operating costs.
Physical risk	Unstable energy supply (power outages and water rationing)	Mid-term (3~5 years)	In case of power outages by TPC, the Company's equipment, including the IT data center, will be unable to operate, and the Company's operations will be interrupted.	The Company expands the UPS capacity to support all the power requirements of the IT data center. The UPS battery can last for more than 30 minutes. (It only takes 30 seconds to start the generator to ensure the continuous operation of the UPS.)

The Company's definition of affected period: short-term: within 3 years; mid-term: 3-5 years; long-term: over 5 years

Items	Implementation Status								
3. Describe the financial impact of extreme climate events and transformation actions.	Frequent occurrences of extreme climates, if any. Affect suppliers' ability to produce or deliver goods, and increase the possibility of the factory's business interruption, thereby resulting in the reduction of the Company's operating revenue. Therefore, the Sustainable Development Committee is identifying the financial impacts posed by extreme climate events and transformation action on the finance promptly.								
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall process	<p>In order to enable the Company to control the current key climate opportunities and risks, the Sustainable Development Promotion Team collects the risk and opportunity issues in the peers' sustainability reports regularly each year, and gather the four major ESG working groups regularly to have the working groups respond to the climate risks throughout the year, and interviews with each climate issue-related unit for their opinions on the level of the impact and the possibility of occurrence, in order to compile and identify the Company's key climate risks and opportunities of the year, and submit the results to the Board of Directors for resolution and formulation of the Group's strategy.</p> <table border="1" data-bbox="600 595 2020 970"> <thead> <tr> <th data-bbox="600 595 920 671">Collect the issues</th> <th data-bbox="920 595 1272 671">Identify risks and opportunities</th> <th data-bbox="1272 595 1624 671">Formulate countermeasures</th> <th data-bbox="1624 595 1975 671">Followup and management</th> </tr> </thead> <tbody> <tr> <td data-bbox="600 671 920 970"> <ul style="list-style-type: none"> • Issues in the peers' sustainability report • International trends </td> <td data-bbox="920 671 1272 970"> <ul style="list-style-type: none"> • Interviews with various departments • Points awarded by the colleagues of various departments to the risk and opportunity issues. </td> <td data-bbox="1272 671 1624 970"> <ul style="list-style-type: none"> • Review the status quo of each department, and formulate management measures based on risk opportunities at each location </td> <td data-bbox="1624 671 1975 970"> <ul style="list-style-type: none"> • Target achievement status submitted annually by each department • Monthly review of the achievement of goals by each department </td> </tr> </tbody> </table>	Collect the issues	Identify risks and opportunities	Formulate countermeasures	Followup and management	<ul style="list-style-type: none"> • Issues in the peers' sustainability report • International trends 	<ul style="list-style-type: none"> • Interviews with various departments • Points awarded by the colleagues of various departments to the risk and opportunity issues. 	<ul style="list-style-type: none"> • Review the status quo of each department, and formulate management measures based on risk opportunities at each location 	<ul style="list-style-type: none"> • Target achievement status submitted annually by each department • Monthly review of the achievement of goals by each department
Collect the issues	Identify risks and opportunities	Formulate countermeasures	Followup and management						
<ul style="list-style-type: none"> • Issues in the peers' sustainability report • International trends 	<ul style="list-style-type: none"> • Interviews with various departments • Points awarded by the colleagues of various departments to the risk and opportunity issues. 	<ul style="list-style-type: none"> • Review the status quo of each department, and formulate management measures based on risk opportunities at each location 	<ul style="list-style-type: none"> • Target achievement status submitted annually by each department • Monthly review of the achievement of goals by each department 						
5. When using scenario analysis to assess resilience in the face of climate change risks, it is necessary to describe the scenarios, parameters, assumptions, analytical factors, and the major financial impacts involved.	Currently, scenario analysis has not yet been used to assess resilience to climate change risks.								
6. If there is a transition plan in place to address and manage climate-related	There is currently no transition plan in place to address and manage climate-related risks.								

Items	Implementation Status
risks, please describe the content of the plan, along with the indicators and targets used to identify and manage physical and transition risks.	
7. If the Internal Carbon Pricing (ICP) is used as a planning tool, the basis for setting the price should be explained.	Currently, no carbon pricing planning tools are being used.
8. If climate-related targets have been set, the covered activities, greenhouse gas emission scopes, planning timeframe, and annual progress toward achieving the targets should be disclosed. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, the sources and quantities of the carbon offsets or RECs should also be specified.	No climate-related targets have been set at this time.
9. Greenhouse Gas Inventories, Assurance Status, Reduction Targets, Strategies, and Action Plans	Please refer to the “Greenhouse Gas Inventory and Assurance Status in the Most Recent Two Years.”

II. Greenhouse Gas Inventory and Assurance Status in the Most Recent Two Years

1. Greenhouse Gas Inventory Information

A description of the greenhouse gas emissions (in metric tons of CO₂e), intensity (metric tons CO₂e per million dollars), and data coverage for the most recent two years.

Greenhouse Gas Emissions Statistics for the Past Two Years Scope 2 Greenhouse Gas Emissions and Intensity

Year	2023		2024	
Unit	tonCO ₂ e	%	tonCO ₂ e	%
Scope 2	113	100 %	119.00	100 %
Total Emissions for Scope 1 & 2 Combined	113	100 %	119.00	100 %
Emission Intensity for Scope 1 + Scope 2 (CO ₂ e per million revenue)	0.52		0.34	
Increase/decrease % compared to the previous year	77%		(33)%	

Note 1. Greenhouse Gas Coverage: Syncomm Technology Corp. Headquarters.

Note 2. Greenhouse Gas Emission Factor Referenced from: Environmental Protection Administration's Greenhouse Gas Emission Factor Management Table, Version 6.0.4.

Note 3. Inventory methodology: GHG Protocol.

Note 4. Greenhouse Gas Inventory Scope: Includes seven types of greenhouse gases—Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur Hexafluoride (SF₆), and Nitrogen Trifluoride (NF₃).

Note 5. The greenhouse gas inventory is conducted using the operational control approach.

Note 6. Emission Intensity = (Total CO₂e emissions from Scope 1 + Scope 2) / Total Annual Revenue.

Note 7. Syncomm Technology Corp. has not yet conducted a full inventory in accordance with the GHG Protocol; therefore, a base year has not been established.

2. Greenhouse Gas Assurance Information

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

To proactively address the impacts of climate change and strengthen Syncomm Technology Corp.’s climate resilience, the company completed its climate-related financial disclosures in 2024. Moving forward, Syncomm Technology Corp. will carry out greenhouse gas inventory and assurance work in accordance with Taiwan’s “Sustainable Development Roadmap” and “ESG Sustainable Development Action Plan.” The related timeline is as follows:

Year Completed	Disclosure Year	Completed Items
2026	2025	Completed the company’s individual greenhouse gas inventory for 2025.
2027	-	Set 2026 as the baseline year at the latest, and disclose the 2027 reduction targets, strategies, and specific action plans.
2028	2027	Completed the assurance of the company’s individual greenhouse gas inventory for 2027.

(VI)The Company's adherence to ethical corporate management and the deviation between the Company's practices and the Ethical Corporate Management Best Practice Principles and the reasons therefor:

Items	Operational status			The deviation compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
I. Establishment of ethical corporate management policy and plan				
(I) Does the Company establish an ethical corporate management policy approved by the Board of Directors, and explicitly state the ethical corporate management policies and practices in its regulations and external documents, along with a commitment from the Board of Directors and senior management to actively implement the policy?	✓		(I) The Board of Directors of the Company approved the establishment of the "Ethical Corporate Management Best Practice Principles" on May 2, 2023, to implement the ethical corporate management policy, and publicly disclosed on the Company's website and the MOPS, and on the Company's internal documents. All directors, managers and employees must comply with these principles when performing any activities.	In compliance with principles
(II) Does the Company establish a mechanism for assessing the risk of unethical conduct, regularly analyze and assess business activities with a higher risk of unethical conduct within the scope of business, and establish a program to prevent unethical conduct accordingly, and at least cover the preventive measures for the behaviors described in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		(II) The Company has established an internal control system to ensure that all operations adhere to the principle of functional division, thereby enhancing supervisory and management effectiveness. For items with significant risks of unethical behavior, special attention is given, and regulations are implemented to prevent the occurrence of unethical conduct. The Company has established the "Code of Ethical Conduct for Directors, Functional Committee Members, and Managers" and the "Code of Ethical Conduct for Employees". On May 2, 2023, the Board of Directors approved the "Procedures for Ethical Management and Guidelines for Conduct", which regulate procedures for prohibiting	In compliance with principles

Items	Operational status			The deviation compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
(III) Does the Company specify operating procedures, code of conduct, disciplinary actions for violations, and a grievance system in its integrity risk prevention plan, and ensure that they are effectively implemented and regularly reviewed and revised?	✓		<p>unethical conduct and handling the receipt of improper benefits.</p> <p>(III) The Company has established procedures for preventing unethical conduct, whistleblowing systems, disciplinary actions, and grievance procedures in its "Code of Ethical Conduct for Directors, Functional Committee Members, and Managers", "Code of Ethical Conduct for Employees", and "Procedures for Ethical Management and Guidelines for Conduct", and these have been effectively implemented.</p>	In compliance with principles
<p>II. Implementation of Ethical Corporate Management</p> <p>(I) Does the Company assess the integrity records of its counterparts and include integrity-related clauses in the contracts signed with them?</p> <p>(II) Has the company established a dedicated unit under the Board of Directors to promote ethical corporate management and report to the board at least once a year on its ethical corporate management policies, anti-corruption measures, and the status of implementation and supervision?</p>	<p>✓</p> <p>✓</p>		<p>(I) The Company upholds the principle of integrity in its business activities and assesses the integrity status of its counterparts before transactions. The Company's commercial contracts are based on mutual trust and the principle of good faith, with evaluation of their past integrity records.</p> <p>(II) The Company reported to the Board of Directors on May 2, 2023, the establishment of an Ethical Corporate Management Promotion Team under the board, chaired by the President, with members including the heads of the administrative and human resource, audit, and various departments. This team is responsible for formulating and overseeing the implementation of ethical corporate management policies and anti-corruption measures, handling relevant matters in accordance with Article 16 of the "Ethical Corporate</p>	<p>In compliance with principles</p> <p>In compliance with principles</p>

Items	Operational status			The deviation compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
(III) Has the Company established a policy to prevent conflicts of interest, provided appropriate channels for disclosure, and effectively implemented it?	✓		<p>Management Best Practice Principles", and regularly reporting to the Board of Directors.</p> <p>The promotion of corporate integrity in 2024 was reported to the board of directors on December 11, 2024.</p> <p>In 2024, the company had no whistleblower cases and no incidents of dishonest conduct were found.</p>	In compliance with principles
(IV) In order to implement ethical corporate management, has the Company established an effective accounting system and internal control system, and the internal audit unit formulates relevant audit plans based on the assessment results of the risk of unethical conduct, and performs audits on the compliance with the prevention of unethical conduct programs, or entrusts a CPA to perform audits?	✓		(IV) The Company has established a comprehensive and effective accounting system and internal control system. An independent internal audit unit has also been set up to execute various audit tasks as part of the annual audit plan. The unit reports monthly to the Audit Committee members and also attends the Board of Directors meetings to provide updates. Additionally, the Company has engaged with PwC Taiwan to conduct regular financial statement audits.	In compliance with principles
(V) Does the Company regularly conduct internal and external training on ethical corporate management?	✓		(V) The company regularly organizes training on ethical corporate management and at least once every six months, sends out communications to directors, managers, and employees to	In compliance with principles

Items	Operational status			The deviation compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
			promote awareness of laws related to insider trading prevention.	
<p>III. Operational Status of the Company's Whistleblowing System</p> <p>(I) Has the Company established a specific reporting and reward system, created convenient reporting channels, and assigned appropriate responsible personnel to handle reported cases?</p> <p>(II) Has the Company established standard operating procedures for handling whistleblowing matters, the subsequent actions to be taken after the investigation is completed, and related confidentiality mechanisms?</p> <p>(III) Has the Company implemented measures to protect whistleblowers from retaliation due to their reports?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has set up a whistleblowing mailbox on its website and in the office for both internal and external personnel to report unethical or improper conduct. The Administrative and Human Resources Department serves as the point of contact for handling complaints and whistleblowing cases, directly reporting to the Company's management for further action.</p> <p>(II) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and expressly provided the confidentiality of the identity of the informants and the content of the report.</p> <p>(III) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and expressly stated that the Company has taken measures to protect the whistleblowers from improper treatment due to whistleblowing.</p>	<p>In compliance with principles</p> <p>In compliance with principles</p> <p>In compliance with principles</p>
<p>IV. Enhance Information Disclosure</p> <p>Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles and the effectiveness of its implementation on its website and the MOPS?</p>	<p>✓</p>		<p>The Company has disclosed the Ethical Corporate Management Best Practice Principles on its website and the MOPS.</p>	<p>In compliance with principles</p>
<p>V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the current practices and any deviations from the Principles: The Company's Board of Directors approved the establishment of the Company's Ethical Corporate Management Best Practice Principles on May 2, 2023. The Company will implement the principles in accordance with the</p>				

Items	Operational status			The deviation compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	None	Summary Description	
establishment.				
<p>VI. Other important information that helps to understand the Company's ethical corporate management practices (e.g. the Company's review and revision of the Ethical Corporate Management Best Practice Principles, etc.): The Company engages in business activities based on the principles of fairness, honesty, credibility, and transparency. In order to implement the Company's ethical corporate management policy and actively prevent unethical conduct, the Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" on May 2, 2023 to implement the Company's ethical corporate management operations.</p>				

(VII) Other important information that helps to understand the Company's corporate governance operations:

1. Liability insurance for directors: The Company purchases liability insurance for directors and key personnel every year. In 2024, the Company purchased liability insurance from ACE INA Overseas Insurance Company Ltd., with an insured amount of USD 3 million. The coverage period is from November 1, 2024, to November 1, 2025.

2. The Company has established the "Procedures for Handling Material Inside Information and Prevention of Insider Trading", which regulates the handling of internal material information by the Company's directors and all employees. This procedure has been approved by the Board of Directors and is available in the public area of the internal network as well as on the Company's website for all employees to comply with.

3. Status of Managers' Participation in Corporate Governance Training:

Title	Name	Training Date	Organizer	Course Title	Training Hours
President	Huang, Liang-Chun	August 29, 2024	Shih Chien University Continuing Education Center	ESG Evaluation and Practical Applications (Corporate Governance)	3 hours
Accounting Officer, Chief Corporate Governance Officer	Liao, Li-Wen	March 15, 2024	Taiwan Project Management Association	SDGs and ESG sustainability management	3 hours
	Liao, Li-Wen	March 22, 2024	Accounting Research and Development Foundation	Promoting Corporate Sustainability through "Risk Management"	6 hours
	Liao, Li-Wen	June 3, 2024	The Institute of Internal Auditors, R.O.C.	Latest Developments in Corporate Governance Based on Evaluation Indicators	6 hours
	Liao, Li-Wen	August 29, 2024	Shih Chien University Continuing Education Center	ESG Evaluation and Practical Applications (Corporate Governance)	3 hours
	Liao, Li-Wen	November 7, 2024	Accounting Research and Development	Compilation of Laws Related to	6 hours

			Foundation	Annual Reports / Sustainability Information / Financial Reports and Internal Control Practices	
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4.Board Members' Participation in Corporate Governance Training:

Title	Name	Training Date	Organizer	Course Title	Training Hours
Chairman	Alcor Micro Corporation Representative Lo, Sen-Chou	October 25, 2014	Taiwan Corporate Governance Association	Legal Due Diligence and Introduction to Commercial Contracts in Mergers and Acquisitions	3 hours
		November 11, 2024	Taiwan Corporate Governance Association	Practical Issues in Non-routine Transactions That Directors and Supervisors Should Note	3 hours
Vice Chairman	Alcor Micro Corporation Representative Tsai, Ling-Chun	March 28, 2024	Corporate Operating and Sustainable Development Association	Explanation of Directors' and Supervisors' Responsibilities under Corporate Governance with Case Studies	3 hours
		April 11, 2024	Corporate Operating and Sustainable Development Association	Analysis of Regulations and Practices Related to Shareholders' Meetings	3 hours
		April 26, 2024	Corporate Operating and Sustainable Development Association	Challenging Times Business Mindsets and Challenges for Taiwanese Enterprises	3 hours
		July 9, 2024	Taipei Exchange	AI Strategy and Governance	3 hours

Director	Alcor Micro Corporation Representative Peng, Chih-Chiang	February 22, 2024	Taiwan Corporate Governance Association	Tax Management of Intellectual Property Rights in the Context of Corporate Governance	3 hours
		March 1, 2024	Taiwan Corporate Governance Association	How Audit Committees Interpret and Use Audit Quality Indicators (AQI)	3 hours
		April 26, 2024	Corporate Operating and Sustainable Development Association	Challenging Times Business Mindsets and Challenges for Taiwanese Enterprises	3 hours
Director	Huang, Liang-Chun	August 29, 2024	Shih Chien University	ESG Evaluation and Practical Applications	3 hours
		September 20, 2024	Securities and Futures Institute	2024 Insider Trading Prevention Advocacy Seminar	3 hours
Director	Liao, Hui-Ling	April 26, 2024	Corporate Operating and Sustainable Development Association	Challenging Times Business Mindsets and Challenges for Taiwanese Enterprises	3 hours
		September 6, 2024	Securities and Futures Institute	2024 Insider Trading Prevention Advocacy Seminar	3 hours
Director	Hsu, Yu-Pin	April 26, 2024	Corporate Operating and Sustainable Development Association	Challenging Times Business Mindsets and Challenges for Taiwanese Enterprises	3 hours
		November 29, 2024	Taiwan Investor Relations Institute	A Casual Discussion on Blind Spots and	3 hours

				Countermeasures in Cybersecurity Governance	
Independent Director	Wu, Chi-Ming	March 22, 2024	Taiwan Stock Exchange, bcsd Taiwan, WBCSD Global Network	CDP Taiwan Launch Event Building a New Carbon Era with Sustainability Knowledge	3 hours
		April 26, 2024	Corporate Operating and Sustainable Development Association	Challenging Times Business Mindsets and Challenges for Taiwanese Enterprises	3 hours
Independent Director	Yu, Chi-Min	April 16, 2024	Accounting Research and Development Foundation	Effective Internal Control for Sustainability Reporting	3 hours
		April 20, 2024	Accounting Research and Development Foundation	“ESG Sustainable Development Action Plan” and “Sustainable Development Roadmap” for TWSE/TPEX-listed companies	3 hours
Independent Director	Cheng, Chun-Yuan	April 19, 2024	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3 hours
		September 6, 2024	Securities and Futures Institute	2024 Insider Trading Prevention Advocacy Seminar	3 hours

5. Supplier Management Policy and Implementation:

The company has established a comprehensive supplier management mechanism. For suppliers under development, they are required to conduct a self-assessment using the "Supplier Evaluation Form." The Quality Assurance department may conduct on-site audits based on actual conditions. After evaluation and auditing, if the supplier achieves the passing score, the new supplier must complete improvements according to the items listed in the "Supplier Audit Report (Subcontractor & Supplier Quality System Audit

Scoring Sheet)" before being classified as a qualified supplier. Suppliers must provide relevant documents such as a Certificate of Non-use for Environmental Restricted Substances, Controlled Substance Content and Composition Survey, Material Composition Declaration (MCD), Material Safety Data Sheet (MSDS/SDS), and Environmental Restricted Substance Control Reports (SGS/TUV/ETC). Suppliers must comply with the company's Green Environmental Protection Specification to meet relevant green regulations and customer requirements, reduce adverse impacts on the global ecosystem, and align with the company's environmental protection policy.

Once selected as a qualified supplier, they are included in the annual audit program. Suppliers undergo a semi-annual written assessment. Procurement, QA, and R&D departments evaluate based on indicators such as quality certification, quality, price, delivery schedule, cooperation, and technical capabilities. On-site audits are conducted annually by the Quality Assurance department.

The Company and its suppliers are jointly committed to sustainable development, continuously enhancing supply chain management and striving for excellence in environmental protection, safety and hygiene, quality, pricing, production efficiency, service, and process capabilities.

For contracted suppliers, the company continuously reviews product quality for potential improvements. Suppliers are evaluated in writing every six months semi-annually based on indicators including environmental quality certification, quality, pricing, delivery, cooperation, and technical capabilities. Suppliers who meet the criteria for improvement must submit and implement improvement plans to ensure compliance with the company's sustainability and partnership quality requirements.

Supplier evaluations are conducted semi-annually through the "Supplier Performance Evaluation Report" and annually through regular on-site audits by the Quality Engineering Department for qualified suppliers.

■ Description of the written evaluation:

Quality certification: Subject to the quality certification, if TS-16949 or ISO certification is obtained and the supplier also passes the "green environmental protection or ROHS certification," bonus points will be awarded.

1. Quality level: Assessed by the quality assurance unit based on the grade and number of defects found.
2. Price level: Subject to the statistics in the "supplier's price comparison table."
3. Delivery time level: The Production Operations Department follows the delivery

time agreed by both parties subject to the Order Fill Rate.

4. Evaluation on cooperation: The Production Operations Department grades suppliers based on their willingness to cooperate and interactions.
5. Evaluation on technical level: The R&D Department rates suppliers based on their process capabilities.

Grade	Score range	Description
Grade A	More than 90 points (inclusive)	Exemption from inspection/increase in the purchase volume may be adopted.
Grade B	80 points (inclusive)~89 points	The implementation of reduced inspection is allowed.
Grade C	70 points (inclusive)~79 points	According to the general inspection
Grade D	60 points (inclusive)~69 points	The implementation of tightened inspection/decrease in the purchase volume is allowed.
Grade E	Below 59 points	QVL delisting

Based on said evaluation aspects and procedures, the rating results are recorded in the "Semi-Annual Supplier Evaluation Form." The evaluation results of suppliers are divided into five grades subject to the points. The relevant descriptions are as follows:

In 2024, a total of 23 suppliers were evaluated during the Company's supplier evaluation. Among them, 20 were rated A, with an A-grade achievement rate, 87%. Suppliers that pass the evaluation will continue to be rated as qualified by the Company. If a supplier is rated E for twice consecutively, it shall be removed from the qualified suppliers and is not allowed to re-apply for the evaluation within two years. If the supplier still needs to apply for evaluation, it shall go through the evaluation procedures for new suppliers and the frequency of regular evaluation shall also be adjusted from the quarterly evaluation to the monthly evaluation. Meanwhile, the supplier's evaluation result shall attain Grade A for three consecutive months and then the supplier may be held qualified.

(VIII) Implementation Status of Internal Control System

1.Statement of Internal Control :

Please access the Market Observation Post System (MOPS) at:
<https://mops.twse.com.tw/mops/#/web/t06sg20>

2.The CPA entrusted with reviewing the internal control system of the project should disclose the CPA's review report:

Please access the Market Observation Post System (MOPS) at:
<https://mops.twse.com.tw/mops/#/web/t06hsg20>.

(IX) Major resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the publication date of the annual report:

1. Major resolutions of the shareholders' meeting and their implementation status

Date of meeting	Meeting	Motions and implementation status
2024.4.17	Shareholders' Meeting	<ol style="list-style-type: none"> <li data-bbox="523 432 1525 555">1. Ratification of the 2023 business report and financial statements Implementation status: Announced the resolution status in accordance with Article 230 of the Company Act <li data-bbox="523 562 1525 723">2. Ratification of the 2023 earnings distribution plan Implementation status: Set April 29, 2024, as the ex-dividend date, and the dividend was distributed on May 24, 2024. (Cash dividend of NTD 0.8 per share) <li data-bbox="523 730 1525 891">3. Resolved to approve the revision of the "Procedures for Acquisition or Disposal of Assets" Implementation status: Handled in accordance with relevant laws and regulations based on the resolution. <li data-bbox="523 898 1525 1234">4. Resolved to approve the issuance of common shares through private placement Implementation status: After the resolution passed at the shareholders' meeting on April 17, 2024, it has not been implemented as of March 6, 2025. Considering the current operational situation of the Company, the Board of Directors resolved on March 6, 2025, not to continue with the private placement within the remaining period, and to report this to the shareholders' meeting on May 23, 2025. <li data-bbox="523 1240 1525 1572">5. Resolved to proceed with a cash capital increase for the issuance of new shares in conjunction with the initial listing on the Innovation Board Implementation status: The Board of Directors resolved on April 23, 2024, to proceed with a cash capital increase for the issuance of 2,500 thousand common shares for public underwriting before the initial listing on the Innovation Board. The Company has completed the capital raising for the pre-listing cash capital increase and was listed on the Innovation Board of Taiwan Stock Exchange on June 27, 2024.

2. Major resolutions of the Board of Directors

Date of meeting	Meeting	Motions
2024.1.22	Board of Directors	<p>Approved the resolution to amend the Company's "Internal Control System and Implementation Rules" and renaming it as the "Internal Control System Principles" and establishment of the Company's "Implementation Rules for Internal Audit".</p> <p>Resolved to approve the establishment of audit procedures for the Company's internal control system, various cycles and management measures.</p> <p>Resolved to approve the matters related to the Company's 2024 annual general shareholders' meeting.</p> <p>Resolved to approve the matters related to the acceptance of shareholder motions at the Company's 2024 annual general shareholders' meeting.</p>
2024.3.5	Board of Directors	<p>Reported the appointment of the chairperson of the Audit Committee as the representative of the Company for matters under Articles 213, 214, and 223 of the Company Act.</p> <p>Reported the performance evaluation results of the Company's Board of Directors and functional committees for 2023.</p> <p>Resolved to approve the Company's application to the bank for a credit limit.</p> <p>Resolved to approve the "Internal Control System Effectiveness Assessment" and "Statement of Internal Control" of the Company in 2023.</p> <p>Resolved to approve the amendments to certain articles of the Company's "Rules of Procedure for Board of Directors Meetings".</p> <p>Resolved to approve the amendments to certain articles of the Company's "Audit Committee Organizational Charter".</p> <p>Resolved to approve the amendments to certain articles of the "Procedures for Acquisition or Disposal of Assets".</p> <p>Resolved to approve the Company's 2023 business report and financial statements.</p> <p>Resolved to approve the Company's 2023 earnings distribution plan.</p> <p>Resolved to approve the Company's distribution of cash from capital reserve.</p> <p>Resolved to approve the Company's evaluation of the independence and suitability of the CPAs.</p> <p>Resolved to approve the decision not to proceed with the private placement of common shares approved at the 2023 annual general shareholders' meeting.</p> <p>Resolved to approve the Company's issuance of common shares through private placement.</p>

Date of meeting	Meeting	Motions
		<p>Resolved to approve the addition of agenda items for the Company's 2024 annual general shareholders' meeting.</p> <p>Resolved to approve the regular review and establishment of the policy for the remuneration of directors, independent directors, members of various functional committees, and managers.</p> <p>The Company resolved to pay directors' remuneration.</p>
2024.4.23	Board of Directors	<p>Resolved to approve the remuneration for the Company's CPAs for 2024.</p> <p>Resolved to approve the Company's 2024 Q1 financial statements.</p> <p>Resolved to approve the Company's proposed acquisition of specialized technology from RivieraWaves SAS.</p> <p>Resolved to approve the Company's proposed acquisition of specialized technology from Gear Radio Electronics Corp.</p> <p>Resolved to approve the Company's proposed cash capital increase for the issuance of new shares for public underwriting before the initial listing on the Innovation Board.</p> <p>Resolved to approve the establishment of the Company's "Procedures for Employee Stock Subscription for Cash Capital Increase Issuance of New Shares Before Initial Listing on the Innovation Board".</p> <p>Resolved to approve the insider stock subscription for the cash capital increase issuance of new shares before the Company's initial listing on the Innovation Board.</p> <p>Resolved to approve the remuneration and bonus distribution for the Company's internal personnel.</p>
2024.8.1	Board of Directors	<p>Reported the Company's schedule planning and implementation status for GHG inventory, verification, and disclosure.</p> <p>Resolved to approve the Company's 2024 Q2 financial statements.</p> <p>Resolved to approve the amendments to the approval levels for the internal control management regulations, including "Work Rules", "Occupational Health and Safety Work Rules", "Retirement Procedures", "Labor Retirement Fund Supervision Committee Organizational Charter", "Contract Management Procedures", "Credit Management Procedures", "Patent Infringement Crisis Management Procedures", and "Business Confidentiality Protection Procedures"..</p> <p>Resolved to approve the adjustment of the document approval levels for the Company's "Management Procedures of Approval Authority".</p>
2024.11.4	Board of Directors	<p>Reported the status of the Company's directors' liability insurance coverage.</p> <p>Resolved to approve the Company's 2024 Q3 financial statements.</p> <p>Resolved to approve the amendments to certain articles of the Company's "Seal Management Procedures".</p>

Date of meeting	Meeting	Motions
		<p>Resolved to approve the establishment of the Company's "Sustainable Information Management Procedure".</p> <p>Approved the resolution to amend certain articles of the Company's "Internal Control System Principles" and "Implementation Rules for Internal Audit".</p>
2024.12.11	Board of Directors	<p>Reported the information security management operation report.</p> <p>Reported the implementation status of the schedule for controlling GHG inventory, verification, and disclosure.</p> <p>Reported the status of the implementation of sustainability initiatives.</p> <p>Reported the implementation status of ethical corporate management.</p> <p>Reported the communication status with various stakeholders.</p> <p>Resolved to approve the establishment of the Company's "Investment Procedures".</p> <p>Resolved to approve the amendment of the Company's "Internal Control System - Investment Cycles".</p> <p>Resolved to approve the amendment of the Company's "Investment Cycles Audit Procedure" and "Management Regulations Audit Procedure".</p> <p>Resolved to approve the Company's 2025 audit plan.</p> <p>Resolved to approve the Company's 2025 operational plan.</p>
March 6, 2025	Board of Directors	<p>Report of the performance evaluation on the Board of Directors and functional committees.</p> <p>Reported the implementation status of the schedule for controlling GHG inventory, verification, and disclosure.</p> <p>Report on the matters communicated by CPAs and the governance unit.</p> <p>Report on the long-term investment.</p> <p>Resolved to approve the Company's application to the bank for a credit limit.</p> <p>Resolution to pass the Company's 2024 "Evaluation on Effectiveness of Internal Control System" and "Statement of Internal Control System."</p> <p>Resolution to pass the record date for the recovery of issued RSAs, cancellation of shares and capital reduction.</p> <p>Resolution to pass the distribution of the Company's 2024 employee and director remuneration.</p> <p>Resolution to pass the Company's 2024 Business Report and Financial Statements.</p> <p>Resolution to approve the Company's 2024 earnings distribution.</p>

Date of meeting	Meeting	Motions
		<p>Resolution to distribute cash dividends out of capital surplus.</p> <p>Resolution to discontinue the private placement of common shares approved at the 2024 AGM.</p> <p>Resolved to approve the Company's issuance of common shares through private placement.</p> <p>Resolution to pass the addition of the reason for the convening of the 2025 AGM of the Company.</p> <p>Resolved to approve the regular review and establishment of the policy for the remuneration of directors, independent directors, members of various functional committees, and managers.</p> <p>Resolution to pass the payment of the Company's 2024 director remuneration.</p>

- (X) If the directors or supervisors have expressed dissenting opinions with respect to any major resolution approved by the Board of Directors in the most recent year up till the publication date of this annual report, and said dissenting opinions have been recorded or prepared in written statements, please disclose the principal content thereof: None.

IV. Information on CPA professional fees

Unit: NTD thousands

Name of CPA firm	Name of CPA	CPA's audit period	Audit fees	Non-audit fees (Note)	Total	Notes
PwC Taiwan	Huang, Pei-Chuan	January 1, 2024, to December 31, 2024	1,490	1,340	2,730	
	Chen, Chin-Chang					

Note: Non-audit services include internal control project review for NTD 880 thousand, tax certification for NTD 250 thousand, the translation of annual financial statements for NTD 70 thousand, cash capital increase filing for NTD 60 thousand, related party report review for NTD 50 thousand, and the review of full-time employee salaries not holding managerial positions for NTD 30 thousand.

- (I) If the audit fee for the year following the change of accounting firm is lower than the fee for the previous year, the amount of audit fees before and after the change and the reason for the change should be disclosed: Not applicable.
- (II) If the audit fee decreases by more than 10% compared to the previous year, the amount, proportion, and reason for the decrease should be disclosed: No such situation.

- V. Replacement of CPA : No change of accountants in the past two years; not applicable.
- VI. The Chairman, President, or managers responsible for financial or accounting matters of the Company who have worked at the accounting firm or its affiliates within the past year: No such situation.
- VII. For the most recent fiscal year and up to the publication date of this annual report, the share transfer and pledge changes of directors, supervisors, managers, and shareholders holding more than 10% of the shares.
- (I) The changes in shareholding and share pledge status of directors, supervisors, managers, and major shareholders

Unit: shares

Title	Name	2024		2025 until March 25	
		Increase (decrease) the shares held	Increase (decrease) the shares pledged	Increase (decrease) the shares held	Increase (decrease) the shares pledged
Major shareholder	Alcor Micro Corporation	-	-	-	-
Chairman	Alcor Micro Corporation	-	-	-	-
	Representative: Luo, Sen-Chou	-	-	-	-
Vice Chairman	Alcor Micro Corporation	-	-	-	-
	Representative: Tsai, Ling-Chun	42,000	-	-	-
Director	Alcor Micro Corporation	-	-	-	-
	Representative: Peng, Chih-Chiang	-	-	-	-
Director	Huang, Liang-Chun	42,000	-	-	-
Director	Liao, Hui-Ling	-	-	-	-
Major shareholder	Hsu, Yu-Pin	-	-	-	-
Director	Hsu, Yu-Pin	-	-	-	-
Independent Director	Wu, Chih-Ming	-	-	-	-
Independent Director	Yu, Chi-Min	-	-	-	-
Independent Director	Cheng, Chun-Yuan	-	-	-	-
President	Huang, Liang-Chun	42,000	-	-	-
Vice President, R&D	Jen, Tsung-Hui	38,500	-	-	-
President Special Assistant (Note)	Lin, Chien-Hung	(2,000)	-	-	-
Head of Finance	LIAO, LI WEN	21,000	-	-	-
Head of Accounting	LIAO, LI WEN	21,000	-	-	-

Note: The Special Assistant to President, Lin, Chien-Hung, resigned on December 31, 2024 due to personal career planning. Therefore, only the information available until December 31, 2024 is disclosed.

- (II) The counterparties of share transfers by directors, supervisors, managers, and major shareholders being related parties: No such situation.
- (III) The counterparties of share pledges by directors, supervisors, managers, and major shareholders being related parties: No share pledge situation.

VIII. Information on whether the top ten shareholders, based on shareholding ratio, are related parties or are spouses or relatives within second degree of kinship with each other

March 25, 2025. Unit: shares, %

Name	Shares held by the person		Shares held by spouse and minor children		Total shares held in the name of others		The names and relationships of the top ten shareholders who are related to each other or who are spouses or relatives within the second degree of kinship		Notes
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relations	
Alcor Micro Corporation Representative: Lo, Sen-Chou	10,887,288	24.52	-	-	2,117,159	4.77	Chun-Feng Investment Ltd. Lo, Sen-Chou	Affiliate	-
	501,692	1.13	-	-	-	-		Person in charge	
Chen, Li-Chen	2,661,164	5.99	-	-	-	-	Hsu, Yu-Pin Hsu, Yu-Wei	Mother and Son Mother and Son	-
Hsu, Yu-Pin	2,650,414	5.97	-	-	1,492,711	3.36	Chen, Li-Chen Hsu, Yu-Wei Jia Xi Investment Co., Ltd.	Mother and Son Brothers Person in charge	-
Chun-Feng Investment Ltd. Representative: Tsai Ling-Chun	2,117,159	4.77	-	-	-	-	Alcor Micro Corporation	Affiliate	-
	166,310	0.37	-	-	-	-			
Jia Xi Investment Co., Ltd. Representative: Hsu, Yu-Pin	1,492,711	3.36	-	-	-	-	Hsu, Yu-Pin	Person in charge	-
	2,650,414	5.97	-	-	1,492,711	3.36			
Hsu, Yu-Wei	1,169,872	2.64	-	-	386,794	0.87	Chen, Li-Chen Hsu, Yu-Pin Cheng Ho Investment Co., Ltd.	Mother and Son Brothers Person in charge	-
Lo, Sen-Chou	501,692	1.13	-	-	-	-	Alcor Micro Corporation	Person in charge	-
Sunplus Venture Capital Co., Ltd. Representative: Huang, Chou-Chieh	500,000	1.13	-	-	-	-	None	None	-
	-	-	-	-	-	-			
Liu, Kuan-Ting	479,996	1.08	-	-	-	-	None	None	-
Cheng Ho Investment Co., Ltd Representative: Hsu, Yu-Wei	386,794	0.87	-	-	-	-	None	None	-
	1,169,872	2.64	-	-	386,794	0.87	Hsu, Yu-Wei	Person in charge	-

IX. The number of shares held by the Company's directors, managers, and businesses directly or indirectly controlled by the Company in the same reinvested company, along with the consolidated holding ratio: None.

THREE. Financing Status

I. Capital and shares

(I) Source of share capital

1. The shares issued by the Company for the most recent fiscal year and up to the publication date of the annual report

Unit: Thousand shares; NTD thousand (except issuance price)

YY/MM	Issuance price (NTD)	Approved share capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Payment of share capital with property other than cash	Others
2005.3	12	45,000	450,000	28,500	285,000	Capital increase in cash by NTD 35,000 thousand	None	Note 1
2005.7	10	45,000	450,000	29,193	291,933	Employee stock options totaling NTD 6,933 thousand	None	Note 2
2006.1	10	45,000	450,000	30,095	300,953	Employee stock options totaling NTD 9,020 thousand	None	Note 3
2006.4	15	45,000	450,000	32,595	325,953	Capital increase in cash by NTD 25,000 thousand	None	Note 4
2006.12	10	45,000	450,000	34,629	346,290	Employee stock options totaling NTD 20,337 thousand	None	Note 5
2007.10	10	45,000	450,000	35,000	350,000	Employee stock options totaling NTD 3,710 thousand	None	Note 6
2008.5	15	45,000	450,000	38,000	380,000	Capital increase in cash by NTD 30,000 thousand	None	Note 7
2010.5	15	60,000	600,000	43,800	438,000	Capital increase in cash by NTD 58,000 thousand	None	Note 8
2010.8	10	60,000	600,000	45,503	455,030	Employee stock options of 17,030	None	Note 9
2011.3	40	60,000	600,000	50,000	500,000	Capital increase in cash by NTD 44,970 thousand	None	Note 10
2014.2	13.5	60,000	600,000	36,300	363,000	Capital reduction to offset losses of NTD 237,000 thousand, and cash capital increase of NTD 100,000 thousand.	None	Note 11
2015.8	0	60,000	600,000	38,115	381,150	Issuance of new restricted employee rights shares with no payment required, amounting to NTD 18,150 thousand.	None	Note 12
2016.5	—	60,000	600,000	37,720	377,200	Cancellation of new restricted employee shares	None	Note 13
2016.12	—	60,000	600,000	37,590	375,900	Cancellation of new restricted employee shares	None	Note 14
2017.4	—	60,000	600,000	37,582	375,820	Cancellation of new restricted employee shares	None	Note 15

YY/MM	Issuance price (NTD)	Approved share capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Payment of share capital with property other than cash	Others
2019.12	0	100,000	1,000,000	38,582	385,820	Issuance of new restricted employee rights shares with no payment required, amounting to NTD 10,000 thousand.	None	Note 16
2021.8	—	100,000	1,000,000	30,974	309,744	Capital reduction to offset losses of NTD 76,076 thousand	None	Note 17
2021.12	—	100,000	1,000,000	30,917	309,166	Cancellation of new restricted employee shares	None	Note 18
2022.3	0	100,000	1,000,000	31,617	316,166	Issuance of new restricted employee rights shares with no payment required, amounting to NTD 7,000 thousand.	None	Note 19
2022.7	—	100,000	1,000,000	31,607	316,070	Cancellation of new restricted employee shares	None	Note 20
2023.2	0	100,000	1,000,000	31,907	319,070	Issuance of new restricted employee rights shares with no payment required, amounting to NTD 3,000 thousand.	None	Note 21
2023.6	—	100,000	1,000,000	31,898	318,980	Cancellation of new restricted employee shares	None	Note 22
2023.11	26	100,000	1,000,000	41,898	418,980	Capital increase in cash by NTD 100,000 thousand	None	Note 23
2024.6	33.5	100,000	1,000,000	44,398	443,980	Capital increase in cash by NTD 2,500 thousand	None	Note 24
2025.3	—	100,000	1,000,000	44,377	443,770	Cancellation of new restricted employee shares	None	Note 25

Note 1: Approval date and document number: April 20, 2005, Jing-Shou-Zhong-Zi No. 09432002860

Note 2: Approval date and document number: August 30, 2005, Jing-Shou-Zhong-Zi No. 09432748540

Note 3: Approval date and document number: February 13, 2006, Jing-Shou-Zhong-Zi No. 09531675220

Note 4: Approval date and document number: May 8, 2006, Jing-Shou-Zhong-Zi No. 09532144930

Note 5: Approval date and document number: January 26, 2007, Jing-Shou-Zhong-Zi No. 09631619690

Note 6: Approval date and document number: November 9, 2007, Jing-Shou-Zhong-Zi No. 09633034970

Note 7: Approval date and document number: June 18, 2008, Jing-Shou-Zhong-Zi No. 09732456750

Note 8: Approval date and document number: June 8, 2010, Jing-Shou-Zhong-Zi No. 09932136130

Note 9: Approval date and document number: August 17, 2010, Jing-Shou-Zhong-Zi No. 09932466050

Note 10: Approval date and document number: April 18, 2011, Jing-Shou-Shang-Zi No. 10001071080

Note 11: Approval date and document number: February 13, 2014, Jing-Shou-Zhong-Zi No. 10333100160

Note 12: Approval date and document number: August 28, 2015, Jing-Shou-Zhong-Zi No. 10433678050

Note 13: Approval date and document number: May 25, 2016, Jing-Shou-Zhong-Zi No. 10533685320

Note 14: Approval date and document number: December 16, 2016, Jing-Shou-Zhong-Zi No. 10534512010

Note 15: Approval date and document number: April 5, 2017, Jing-Shou-Zhong-Zi No. 10633173010

Note 16: Approval date and document number: January 3, 2020, Jing-Shou-Zhong-Zi No. 10933002050

Note 17: Approval date and document number: August 9, 2021, Jing-Shou-Zhong-Zi No. 11033485920
 Note 18: Approval date and document number: December 21, 2021, Jing-Shou-Zhong-Zi No. 11033791220
 Note 19: Approval date and document number: March 24, 2022, Jing-Shou-Zhong-Zi No. 11133169240
 Note 20: Approval date and document number: July 8, 2022, Jing-Shou-Zhong-Zi No. 11133416640
 Note 21: Approval date and document number: February 6, 2023, Jing-Shou-Zhong-Zi No. 11233062690
 Note 22: Approval date and document number: June 30, 2023, Jing-Shou-Zhong-Zi No. 11233383520
 Note 23: Approval date and document number: December 1, 2023, Jing-Shou-Shang-Zi No. 11233730870
 Note 24: Approval date and document number: July 10, 2024, Jing-Shou-Shang-Zi No. 11330675160
 Note 25: Approval date and document number: March 24, 2025, Jing-Shou-Shang-Zi No. 11430399490

March 25, 2025. Unit: shares

Types of shares	Approved share capital			Notes
	Outstanding shares	Unissued shares	Total	
Common shares	44,377,001	55,622,999	100,000,000	Listed company

2. Information on the offering and issuance of securities by the Company under the aggregate reporting system: None.

(II) List of major shareholders

March 25, 2025. Unit: shares

Name of major shareholder	Shares	Number of shares held	Shareholding ratio (%)
Alcor Micro Corporation		10,887,288	24.52%
Chen, Li-Chen		2,661,164	5.99%
Hsu, Yu-Pin		2,650,414	5.97%
Chun-Feng Investment Ltd.		2,117,159	4.77%
Jia Xi Investment Co., Ltd.		1,492,711	3.36%
Hsu, Yu-Wei		1,169,872	2.64%
Lo, Sen-Chou		501,692	1.13%
Sunplus Venture Capital Co., Ltd.		500,000	1.13%
Liu, Kuan-Ting		479,996	1.08%
Cheng Ho Investment Co., Ltd.		386,794	0.87%

(III) The Company's Dividend Policy and Implementation Status

1. The Company's dividend policy

(1) Dividend policy defined in the Company's Articles of Incorporation

If the Company has earnings in a fiscal year, the Company shall first pay taxes and cover losses of previous years, followed by setting aside a legal reserve at 10% of the remaining profits. However, this is not applicable if the legal reserve has reached the same amount as the Company's paid-in capital. If a special reserve is set aside or reversed in accordance with the laws or regulations of the competent authority, the remaining amount, plus the undistributed earnings at the beginning of the period, shall be the basis for the distribution of dividends, which the Board of Directors shall propose and submit to the shareholders' meeting for resolution before distribution.

If the Company distributes dividends and bonuses or all or part of the legal reserves and capital reserves in the form of cash, the Board of Directors is authorized to do so with the attendance of more than two-thirds of the directors and the approval of the majority of the attending directors, and then report it to the shareholders' meeting.

Based on the current industry conditions and to address future capital needs and long-term operational planning, the distribution of shareholder dividends shall not exceed 90% of the total distributable earnings. The distribution of shareholder dividends shall prioritize cash dividends but may also be distributed in the form of stock dividends. However, the proportion of stock dividends shall, in principle, not exceed 50% of the total dividends.

(2) Dividend distribution status

Year	EPS for the year	Year of distribution of dividends	Cash dividends	Stock dividends		Total dividends
				Earnings distribution as stock	Stock dividends from additional paid-in capital	
2021	2.33	2022	1.5	-	-	1.5
2022	2.15	2023	1.5	-	-	1.5
2023	(0.70)	2024	0.8	-	-	0.8
2024	0.72	2025	1.0	-	-	1.0

The Company's specific earnings distribution ratio will depend on the actual profit, capital status and capital budget in the year ahead.

2.Dividend distribution status resolved by the Board of Directors

On March 6, 2025, the Company's Board of Directors resolved to distribute cash dividends from earnings amounting to NTD 17,750,801, with NTD 0.4 per share. Additionally, cash dividends from capital reserves amounting to NTD 26,626,201 will be distributed, with NTD 0.6 per share. The actual dividend amount per share will be calculated based on the number of shares outstanding as of the ex-dividend record date.

(IV)The effect of the bonus shares proposed in the shareholders' meeting on the Company's business performance and earnings per share: None.

(V) Remuneration to employees and directors

1.Percentage or range of remuneration to employees and directors as stated in the Articles of Incorporation

The Company, in the event of profit for the year (with profit referring to the profit before tax before the distribution of employee remuneration and director remuneration), shall allocate employee remuneration of no less than 5% and director remuneration of no more than 3%. However, if the Company has accumulated losses (including adjustment of the amount of undistributed earnings), a reserve for the amount to cover such losses should be set aside in advance.

The employee remuneration mentioned in the preceding paragraph may be granted in the form of stock or cash, and the recipients may include employees of controlling or subordinate companies who meet certain conditions. The remuneration to directors mentioned in the preceding paragraph shall be paid in cash only.

The preceding two paragraphs shall be implemented by resolution of the Board of Directors, and shall be reported to the shareholders' meeting.

2.The estimation basis for the employee and director remuneration amounts for the current period, the calculation basis for the number of shares for employee remuneration granted in stock, and the accounting treatment in case of differences between the actual distribution amount and the estimated figures:

(1) The amount of employee and director remuneration for the current period is estimated and recorded based on the annual profit status, according to a certain proportion and

the provisions of the Articles of Incorporation.

- (2) If there is a difference between the estimated number of shares for stock-based employee remuneration and the actual distribution amount, such difference shall be treated as a change in accounting estimates and recognized in the profit or loss of the actual distribution year.

3. Distribution of remuneration passed by the Board of Directors

- (1) Employee and director remuneration distributed in cash or in shares If there is any difference between the estimated amount and the recognized amount, the difference, reasons and treatment shall be disclosed: On March 6, 2025, the Board of Directors resolved to distribute the employee remuneration totaling NT\$1,621,537 and director remuneration totaling NT\$969,864 in cash for 2024, which accounted for 5% and 3% of the net income before tax before distribution of the employee remuneration and director remuneration. Both will be paid in cash. There is no difference between said amount and the amount of expenses recognized in 2024.
- (2) The amount of employee remuneration distributed in shares and such amount as a percentage of the net profit after tax in the parent company only or individual financial statements and the total employee remuneration: No employee remuneration was distributed in shares in 2024.

4. The actual distribution of employee, director, and supervisor remuneration for the previous year (including the number of shares, amounts, and share prices) and any differences between the recognized remuneration and actual distribution, along with explanations for the differences, reasons, and treatment: As the Company incurred a net loss before tax in 2023 and did not distribute employee or director remuneration, this is not applicable.

(VI) Repurchase of the Company's shares: No such situation.

- II. Issuance of corporate bonds: No such situation.
- III. Handling of preferred shares: No such situation.
- IV. Handling of overseas depository receipts: No such situation.
- V. Handling of employee stock options: No such situation.

VI. Handling of new restricted employee stock options

- (I) The Company has not yet fully met the conditions for the issuance of new restricted employee shares and its impact on shareholder equity

March 25, 2025

Types of new restricted employee shares	2022 New restricted employee shares (1st issuance)	2022 New restricted employee shares (2nd issuance)
Effective date of report and total number of shares	March 15, 2022/1,000,000 shares	
Date of issuance	March 17, 2022	February 1, 2023
Number of new restricted employee shares issued	700,000 shares	300,000 shares
Number of new restricted employee shares that can be issued	300,000 shares	0 shares
Issuance price	NTD 0	NTD 0
Percentage of new restricted employee shares issued to total shares issued (Note 1)	2.26%	0.95%
Vesting conditions for new restricted employee shares	<p>From the date of allocation of new restricted employee shares (i.e., the base date for the capital increase of new restricted employee shares), upon completing one year of service and achieving a performance score of 80 or above (inclusive) based on the Company's operational goals set for the employee's role, the employee may acquire 30%. After completing two years of service from the allocation date and achieving a performance score of 80 or above (inclusive) based on the Company's operational goals, the employee may acquire 35%. After completing three years of service from the allocation date and achieving a performance score of 80 or above (inclusive) based on the Company's operational goals, the employee may acquire 35%.</p>	
Restricted rights of employees for new restricted employee shares	<ol style="list-style-type: none"> 1. Before meeting the vesting conditions, employees who are allocated new shares may not sell, pledge, transfer, gift, assign, or otherwise dispose of the new restricted employee shares. They must comply with all required procedures and sign the relevant documents. 2. Attendance at shareholders' meetings, motions, speeches, voting rights, and other shareholder equity matters: Before meeting the vesting conditions, all such rights for the new restricted employee shares are exercised by the entrusted custodial institution or custodian bank. 3. Participation in dividend distribution rights: Before meeting the vesting conditions, the new restricted employee shares have the right to participate in cash dividend distributions, and the obtained cash dividends are not subject to the vesting period and do not require custodial trust. However, before meeting the vesting conditions, the new restricted employee shares do not have the right to participate in stock dividend distributions. 4. Rights to subscribe for shares in cash capital increase: Before meeting the vesting conditions, the new restricted employee shares do not have the right to participate in the Company's cash capital increase subscription. 5. Before meeting the vesting conditions, if the Company conducts a 	

Types of new restricted employee shares	2022 New restricted employee shares (1st issuance)	2022 New restricted employee shares (2nd issuance)
	<p>cash capital reduction and returns cash, the cash refund for the unvested new restricted employee shares must be entrusted. Upon meeting the vesting conditions and period, the cash refund will be delivered to the employees along with the vested shares without interest. However, if the vesting conditions are not met by the end of the period, the Company will reclaim the cash.</p> <p>6. After the issuance of new restricted employee shares, employees must immediately entrust or deposit them as agreed, and before the vesting conditions are fulfilled, they may not request the return of the new restricted employee shares from the trustee or custodian bank for any reason or in any manner.</p>	
Custody of new restricted employee shares	Entrusted to a trust custody institution	
Handling method for allocated or subscribed new shares by employees before meeting vesting conditions	The Company may repurchase and cancel the issued rights shares without compensation.	
Number of new restricted employee shares repurchased	9,000 shares	21,000shares
Number of new restricted shares that have already been lifted from restrictions	446,000 shares	184,500 shares
Number of new restricted shares that have not been lifted from the restrictions	245,000 shares	94,500 shares
Percentage of the number of shares with restricted rights that have not been lifted from the restriction to the total number of issued shares (Note 2)	0.55%	0.21%
Impact on shareholders' equity (Note 1)	<p>Based on the issued shares of 30,916,635 shares in the issuance year, the estimated ratio of the newly issued new restricted employee shares to the total issued shares is 2.26%. The estimated decrease in earnings per share after capitalization from 2022 to 2025 is NTD 0.26, NTD 0.19, NTD 0.08, and NTD 0.01, respectively, which will not have a significant impact on shareholder equity.</p> <p>Based on the issued shares of 31,607,001 shares in the issuance year, the estimated ratio of the issued new restricted employee shares to the total issued shares is 0.95%. The estimated decrease in earnings per share after capitalization from 2023 to 2026 is NTD 0.11, NTD 0.06, NTD 0.03, and NTD 0.002, respectively, which will not have a significant impact on shareholders' equity.</p>	
<p>Note 1: The ratio is calculated based on the total number of issued shares at the time of issuance.</p> <p>Note 2: The percentage is calculated based on the total number of shares issued on the book closure date, i.e. March 25, 2025, less the number of shares to be recovered for cancellation, i.e. 44,377,001 shares.</p>		

(II) Names of managers who have acquired new restricted employee shares and top ten employees with the largest number of new restricted employee shares as of the publication date of this annual report

	Title	Name	Number of new restricted employee shares acquired	Percentage of the number of new restricted employee shares acquired to the total number of issued shares	Lifted from restrictions				Not lifted from restrictions			
					Number of shares that have already been lifted from restrictions	Issuance price	Amount issued	Percentage of shares that have already been lifted from restrictions to total issued shares	Number of shares that have not been lifted from restrictions	Issuance price	Amount issued	Percentage of shares that have not been lifted from restrictions to total issued shares
Managers	Controlling company CEO, Alcor Micro	Tsai, Ling-Chun	419,000	0.94%	275,500	0	0	0.62%	143,500	0	0	0.32%
	President	Huang, Liang-Chun										
	Vice President, R&D	Jen, Tsung-Hui										
	Special Assistant of the President (Note 2)	Lin, Chien-Hung										
	Head of Finance and Accounting	Liao, Li-Wen										
Employee	Employee	Ting, Chi-Cheng	481,000	1.08%	309,500	0	0	0.70%	171,500	0	0	0.39%
	Employee	Wang, Chih-Wei										
	Employee	Li, Chuan-Tai										
	Employee	Li, Chung-Yu										
	Employee	Shen, Yi-Nung										
	Employee	Lin, Chien-Chung										
	Employee	Lin, Chi-Fan										
	Employee	Chiu, Chia-Sheng										
	Employee	Chang, Tzu-Sung										
	Employee	Tsai, Hao-Hsun										
	Employee	Lai, Chun-Chi										
	Employee	Lo, Shih-Chieh										

Note: As of the publication date of annual report, the total number of issued shares was 44,377,001 shares.

Note 2: The Special Assistant to President, Lin, Chien-Hung, resigned on December 31, 2024 due to personal career planning. Therefore, the shares unvested have been recovered for cancellation.

(The employees disclosed above are arranged in the order of the strokes in their surnames.)

VII. Mergers or acquisitions of other companies' shares and issuance of new shares: No such situation.

VIII. Implementation of capital utilization plans

(I) Plan content:

Before the publication date of the annual report, for any unscheduled or recently completed issuance or private placement of securities within the past three years, if the planned benefits have not yet materialized, a detailed explanation should be provided regarding the content of each issuance or private placement plan, including changes to the plan, sources and uses of funds, reasons for the changes, the benefits before and after the changes, and the date of the submission of the changed plan to the shareholders' meeting. The information should also be published on the designated information reporting website: No such situation.

(II) Implementation status: Not applicable.

FOUR. Operational Overview

I. Content of business

(I) Scope of business

1. The main business activities of the Company:

- CC01060 Wired Communication Mechanical Equipment Manufacturing.
- CC01070 Wireless Communication Mechanical Equipment Manufacturing.
- CC01080 Electronics Components Manufacturing.
- F213010 Retail Sale of Electric Appliance.
- F213060 Retail Sale of Telecommunication Apparatus.
- F113020 Wholesale of Electrical Appliances.
- F113070 Wholesale of Telecommunication Apparatus.
- I101990 Other Engineering Consulting (communication engineering consulting).
- I301010 Information Software Services.
- I301020 Data Processing Services.
- I301030 Electronic Information Supply Services.
- I501010 Product Designing.
- IE01010 Telecommunications Service Number Agencies.
- F401021 Restrained Telecom Radio Frequency Equipments and Materials Import.
- CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
- ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business proportion of main products

<u>Product items</u>	<u>Business proportion</u>
Module	57%
Chips	43%

3. The Company's current product items

Chip products

- (1) 24-bit high-performance long-distance wireless audio transmission chips/modules
- (2) Low energy-consumed long-distance wireless audio transmission chips/modules
- (3) Low energy-consumption smart remote controllers and control signal transmission chips/modules

Support Solutions

- (1) Home audio-visual entertainment systems
- (2) Computer multimedia applications
- (3) Portable multimedia applications
- (4) Other audio-visual entertainment systems

System Application Products

- (1) Smart TVs and their peripheral products: Wireless speakers, remote controls, 3D

glasses, wireless headphones, wireless headsets, wireless mouse, keyboard, and wireless microphones

- (2) Wireless digital home theater systems, multi-channel wireless Soundbar systems, high-fidelity wireless headphones, wireless speakers for projectors, and wireless audio transmission and reception boxes
- (3) Gaming peripherals: Wireless gaming headsets, wireless gaming mouse, and wireless gaming keyboards
- (4) Wireless electronic instruments

4. New products (services) planned to be developed

In response to the anticipated increase in market demand for high-quality and lossless wireless audio transmission, SYNIC has leveraged its years of proprietary wireless audio transmission technology to develop the next-generation IA25 series and IAW broadband series. These products feature low latency while maintaining high audio quality and are designed to adopt advanced modulation and frequency-hopping technologies to better suit complex wireless environments. Additionally, with multi-channel lossless compression technology, they will support 5.1/7.1 wireless multi-channel and Dolby Atmos 7.1.4 surround sound, delivering the ultimate experience of an all-wireless multi-channel home theater.

In addition, addressing the increasing demand for low-latency wireless audio transmission in gaming consoles, eSport gaming peripherals, and wireless music instrument applications, SYNIC has actively invested in related technology development. With the goal of delivering high-quality, high-performance comprehensive solutions, the Company aims to bring a new user experience to the eSport market and various consumers. Furthermore, plans are underway to develop new applications for both audio and non-audio transmission on the wireless transmission platform.

Developing next-generation high-data-rate 2.4GHz and 5GHz RF technology, SYNIC is also investing in the R&D of audio, non-audio, and AI algorithms. In addition to focusing on AIoT applications, the company is preparing for early advancements in Bluetooth 6 (BT6) deployment.

(II) Industry Overview

1. The current status and development of the industry

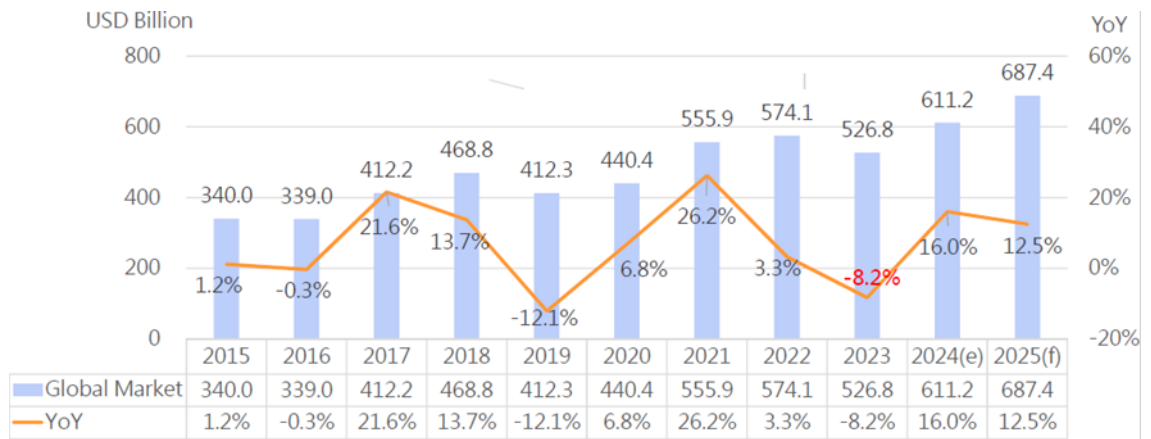
The Company is an IC design company specializing in wireless audio control chips and modules. It is a leading manufacturer of high-performance, low-power, and low-latency wireless audio transmission technology. End applications include home entertainment systems (such as Soundbars, Surround speakers, and subwoofers), one-to-many instrument wireless transmission speakers, wireless headphones and microphones, wireless microphones, and one-to-three gaming-grade wireless mouse, keyboards, headphones, and other electronic transmission products. The following is an overview of the industry to

which the Company belongs:

(1) Overview of the global semiconductor industry and IC design industry

Since the end of 2019, the COVID-19 epidemic has been raging. The epidemic prevention policies, such as lockdown, reshaped people's life. People worked from home and enjoyed entertainment at home for a long term. As a result, the popularity of remote work was accelerated and the stay-at-home economy emerged. Meanwhile, the demand for computers, communications, videos and network equipment was also boosted accordingly, in addition to the demand of data centers for servers. Further, the home entertainment hours increased and people were prompted to upgrade their home audio and video entertainment equipment, subscribe for online videos, games and streaming platforms, thereby bringing about a wave of strong growth momentum for the TV, speaker and streaming platform service providers. The effect produced by the series of demand triggered by the outbreak of COVID-19 has attracted the supply chain of the consumer electronics industry to expand production and confirm orders. In 2022, the global semiconductor output value reached US\$574.084 billion globally. Notwithstanding, since 2H of 2022, the world's major economies have been affected by the Russia-Ukraine War, inflation and continuous lift rates. As a result, the power of terminal consumption was weakened and customer orders were adjusted downward. Besides, during the post-pandemic period, manufacturers have successively placed the overbooking order, in order to possess and prepare materials. Therefore, it is still necessary to wait for the market to restore the balance between supply and demand gradually. Until 2023, the global semiconductor market was still suffering from a decline in revenue due to weak end demand and supply chain inventory adjustments. The global semiconductor sales were adjusted downward from US\$574.1 billion in 2022 to US\$526.8 billion. Notwithstanding, the emerging generative AI applications in 2H of 2023 has boosted the demand for AI computing chips. According to the forecast by the World Semiconductor Trade Statistics (WSTS), the global semiconductor market will gradually recover due to the slowdown of global inflation and gradual recovery of sales in the global semiconductor market in 2024. The semi-conductor output value will reach US\$611.2 billion, an annual growth rate by 16.0%. Looking forward to 2025, it is expected to reflect the strong market demand, and the overall output value will grow to US\$687.4 billion, an annual growth rate by 12.5%.

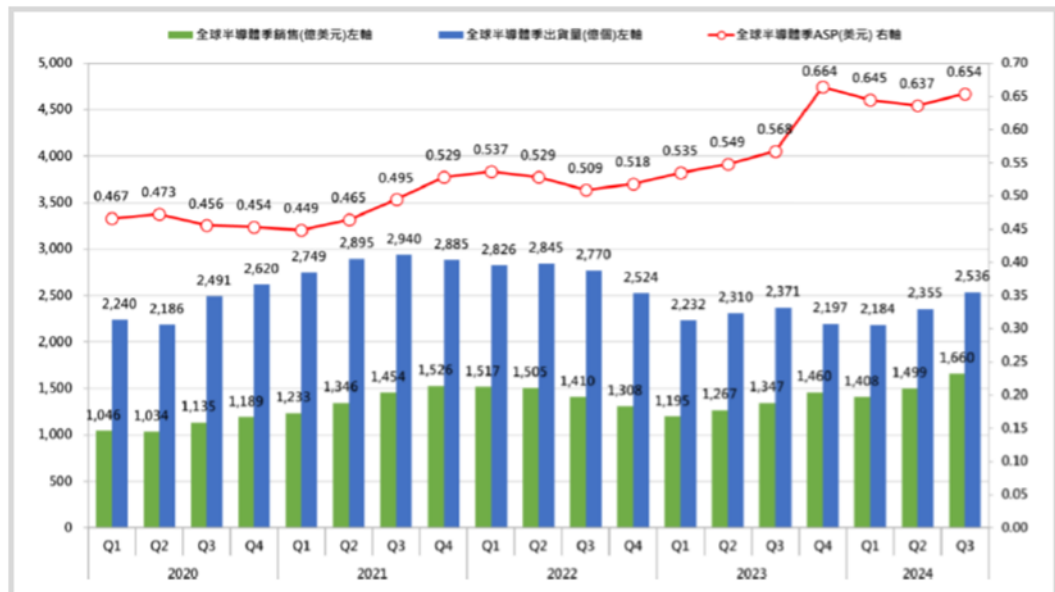
"Scale of the global semiconductor market"



Source of data: Forecast by the World Semiconductor Trade Statistics (WSTS); Compiled by MIC; December 2024

According to the World Semiconductor Trade Statistics (WSTS), the semiconductor market scale will reach US\$166 billion in Q3 of 2024, a 10.7% growth from Q2. Its growth was the strongest quarterly growth since the growth rate reached 11.6% in Q3 of 2016. In terms of annual growth, the annual market growth in Q3 of 2024 was 23.2%, also the highest level since the 28.3% in Q4 of 2021. Overall, the global semiconductor market in 2024 handed over a remarkable report card. Notwithstanding, according to the latest forecasts of the semiconductor market by various research and survey institutions in 2024 and 2025, the prospect of 2025 will be mixed, resulting in a large difference in the estimated annual growth rate, ranging from 6% to 16%. This is mainly due to the fact that different industries' performance varies depending on their market demand: For example, if the demand for AI computing grows significantly, but the operating revenue of the in-vehicle market is expected to be adjusted downward due to the reduction in inventory and weak market demand. Besides, various countries' policies, including the Chips and Science Act and European Chips Act, pose far-reaching impacts on the global semiconductor industry. It is expected that 2025 will be a year full of variables.

"Quarterly growth trend of the global semi-conductor market"

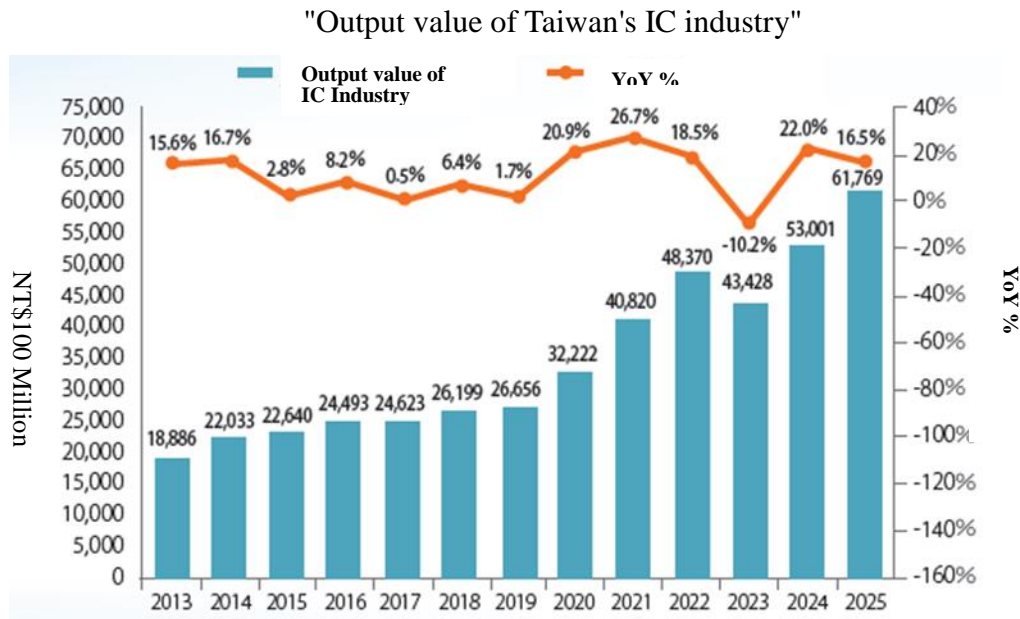


Source of data: WSTS; Compiled by IEK, December 2024

(2) Overview of Taiwan's semiconductor industry and IC design industry

According to the ITRI IEK report, the output value of Taiwan's IC industry was NT\$4.8 trillion in 2022, an annual growth rate by 18.5% and also a new record high. Notwithstanding, since 2H of 2022, due to the impact posed by the international turmoil, economic conditions, high inflation and interest rate rising cycle has greatly reduced people's willingness to shop. The economy in China failed to recover as expected after the end of the lockdown. Instead, problems, such as rising unemployment and declining imports and exports, have been emerging, resulting in insufficient consumers' purchasing power in the domestic demand market of China. Besides, the trade competition between the USA and China is continuing. Affected by the international situation, Chinese customers tend to increase the proportion of supply from China-based companies, thereby affecting the output value of Taiwan's IC design adversely. Although Taiwan's IC design companies engage in de-stocking proactively, most of the manufacturers' inventories have not yet returned to the normal level. Meanwhile, due to the factor, such as market uncertainties, the downstream customers' purchasing power is insufficient, thereby resulting in the vague order visibility for IC design companies. In order to prevent the inventory level from rising again, the companies turned to be conservative in the willingness to engage in mass production of new products, the output value of Taiwan's IC industry declined to NT\$4.3 trillion in 2023, a decrease rate by 10.2%. According to the IEK report, it is estimated that the output value of Taiwan's IC industry will reach NT\$5.3 trillion in 2024, annual growth rate by 22.0%, exceeding the average performance of the global market. Subsequently, driven by the demand for AI and high-performance computing applications, the output value of Taiwan's semiconductor industry will

exceed NT\$6 trillion in 2025, an estimated annual growth rate by 16.5%.



Source of data: ITRI IEK, October 2024

In terms of Taiwan's semiconductor IC design industry, in 2021, Taiwan's IC design companies benefited from the stay-at-home economy market driven by the COVID-19 pandemic. Besides, the effect of international order transfer resulting from the US-China technology war caused the short supply in the global IC market. Given the effect produced by the increase in price driven by the demand, the quarterly operating revenue of Taiwan's IC design industry has repeatedly hit record highs. As a result, the output value of Taiwan's IC design industry has exceeded NT\$1 trillion for the first time in 2021, reaching NT\$1,232 billion. The annual growth set a new high in two decades, and the annual growth rate is 42.4%. In 2022, the boom of purchases continued from the previous year. Taiwan's IC design industry continued to grow by 1.4% from the high comparative base in 2021, and the IC design output value reached NT\$1,232 billion. Notwithstanding, due to the impact posed by the global high inflation and the weak sales of the consumer market in 2023 and the declining demand for electronic products, the output value of Taiwan's IC design remained NT\$1096.5 billion only, showing a rare negative growth rate by -12.9%. In 2024, the inventory adjustment has come to an end, and the demand for end products has gradually recovered. With the support from the long-term demand for automotive, high-performance computing (HPC) and AIoT, the output value of Taiwan's IC design has grown significantly, estimated to reach NT\$1,276.9 billion, a growth rate by 16.5%. Looking forward to 2025, the technological innovation of advanced process and the demand in the high-performance computing application markets will continue to drive the output value of Taiwan's IC design to the new heights. It is estimated

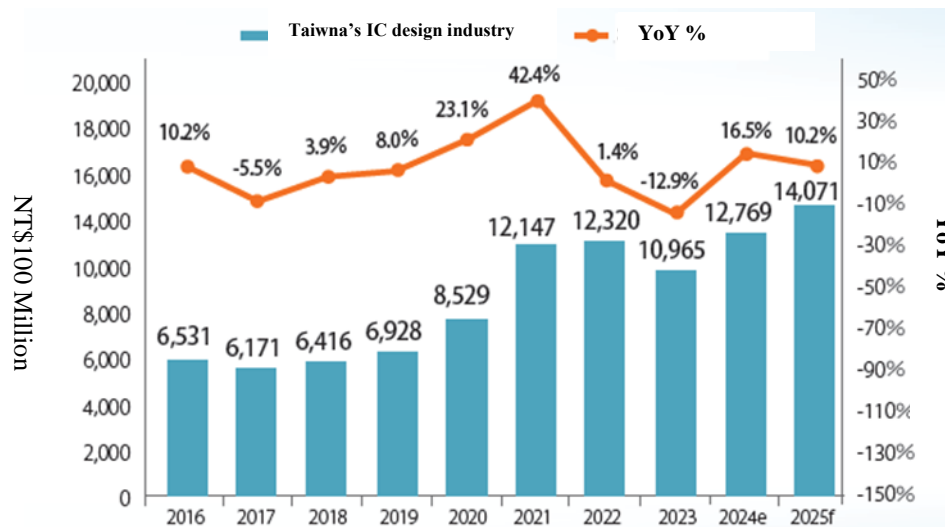
that the output value of Taiwan's IC design will reach NT\$1,407.1 billion, a growth rate by about 10.2%.

"Output value of Taiwan's IC industry from 2020 to 2024"

億新台幣	2020	2020 成長率	2021	2021 成長率	2022	2022 成長率	2023	2023 成長率	2024 (e)	2024 (e) 成長率
IC產業產值	32,222	20.9%	40,820	26.7%	48,370	18.5%	43,428	-10.2%	53,001	22.0%
IC設計業	8,529	23.1%	12,147	42.4%	12,320	1.4%	10,965	-11.0%	12,769	16.5%
IC製造業	18,203	23.7%	22,289	22.4%	29,203	31.0%	26,626	-8.8%	33,957	27.5%
晶圓代工	16,297	24.2%	19,410	24.2%	26,847	38.3%	24,925	-7.2%	32,137	28.9%
記憶體與其他製造	1,906	19.4%	2,879	51.0%	2,356	-18.2%	1,701	-27.8%	1,820	7.0%
IC封裝業	3,775	9.0%	4,354	15.3%	4,660	7.0%	3,931	-15.6%	4,270	8.6%
IC測試業	1,715	11.1%	2,030	18.4%	2,187	7.7%	1,906	-12.8%	2,005	5.2%
IC產品產值	10,435	22.4%	15,026	44.0%	14,676	-2.3%	12,666	-13.7%	14,589	15.2%
全球半導體市場(億美元) 及成長率(%)	4,404	6.8%	5,559	26.2%	5,741	3.3%	5,269	-8.2%	6,112	16.0%

Source of data: ITRI IEK, December 2024

"Output value scale of Taiwan's IC design industry"



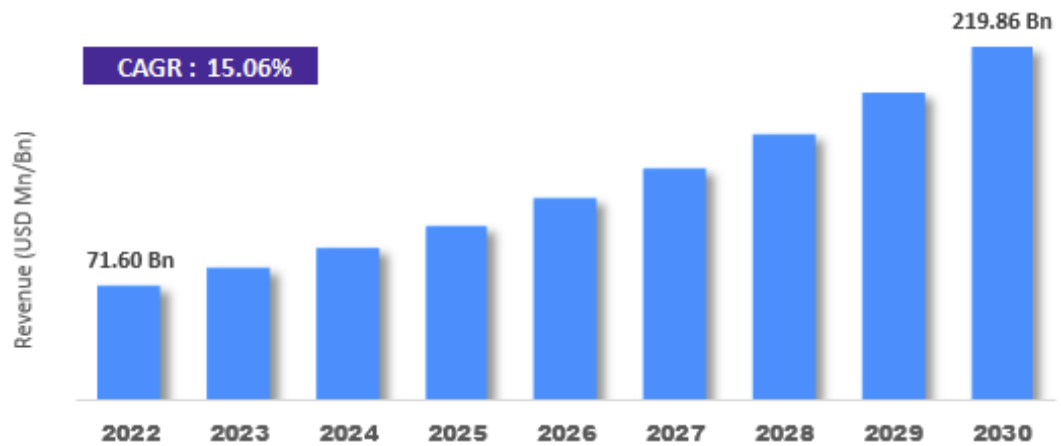
Source of data: ITRI IEK, October 2024

(3) Wireless connectivity market overview

According to a report from the market research firm Zion Market Research in September 2023, the global wireless connectivity market is expected to grow from USD 71.6 billion in 2022 to USD 219.86 billion by 2030, with a forecasted CAGR of 15.06%. The growth is mainly driven by electric vehicles, smart homes, home entertainment, streaming media, wearable devices, and various emerging AIoT applications. Among these, the IoT is considered the next potential star. According to the latest Mobility Report released by Ericsson in June 2023, the global cumulative AIoT connections reached 13.2 billion in 2022 and are projected to grow to 34.7 billion by 2028, with an

annual compound growth rate of 18%. In the coming years, the main growth driver for AIoT applications will come from the continuous increase in the number of IoT deployments across various sectors, including homes, cities, healthcare, manufacturing, and energy, as various communication service providers continue to expand in these areas, bringing more opportunities to the industry.

"Estimated Wireless Connectivity Market Size"



Source of data: Zion Market Research, September 2023

In terms of the wireless audio chips within the wireless connectivity market, the product line covers a wide range, including Bluetooth headphones, wireless speakers, and wireless earphones. According to data from market research firm IDC, the global wireless audio market reached USD 61 billion in 2022 and is expected to grow to USD 83 billion by 2026, with a CAGR of 7.8%. The main growth drivers come from the increasing consumer demand for portability and convenience. Wireless audio products allow users to break free from cable restrictions and enjoy music more freely. With the advancement of algorithm technologies, the audio quality of wireless audio is continuously improving. Features such as spatial audio and head tracking provide users with an enhanced auditory experience. The current mainstream technologies are Bluetooth, Wi-Fi, and proprietary protocols with special specifications. Among them, Bluetooth operating on the 2.4GHz band is more commonly used by devices, but it is relatively prone to interference. Additionally, due to its lower rated transmission capacity, it cannot transmit high-quality audio formats with larger data transmission requirements. Furthermore, when watching videos or playing games, there is a delay that causes audio and video synchronization issues. Wi-Fi, operating on the 5GHz band, also faces signal interference issues due to its use of a universal protocol. While its rated transmission capacity is higher than Bluetooth's, allowing for the transmission of High-Res audio, the delay is even more severe compared to Bluetooth. The proprietary protocol used by SYNIC, with both the transmitting and receiving ends controlled in-house, is not restricted by the limitations of universal protocols. This allows for more

flexibility in choosing frequency bands, supporting higher transmission volumes and better audio quality, with lower latency. Additionally, it can establish a star or mesh network structure for one-to-many communication. The Company is also moving towards multi-mode development, combining Bluetooth and Wi-Fi functionalities to offer consumers a more comprehensive solution.

(4) Overview of product application fields

The wireless audio control chips and modules designed by the Company are widely applied in products such as home theater soundbar systems, wireless surround and subwoofer speakers, gaming peripherals, and AIoT smart home appliances. The development status of each application field is assessed and analyzed as follows:

A. Home theater soundbar systems

According to a survey by Globe Newswire, the global home theater market reached a value of USD 15 billion in 2020. Over 40% of households in the United States own home theater systems, while Europe is the second-largest market for home theater sales. Asia is the region with the strongest growth potential. It is estimated that by 2027, the global home theater market will reach a value of USD 48.1 billion, with a CAGR of 18.1%. In the future, with the development trend of "wireless surround home theater" systems, the market size is expected to further expand.

According to a survey by Mordor Intelligence, the Soundbar market is expected to grow from USD 8.13 billion in 2023 to USD 12.11 billion by 2028, with a projected CAGR of 8.30%. In recent years, the demand for smart consumer products has grown significantly, including smart TVs and other home appliances. The rapid advancement of technology, the increasing Internet penetration, the digital transformation of the broadcasting industry, and the decreasing product prices are the main factors driving the growth of the smart home devices industry. The use of Soundbars alongside these devices enhances the audio experience, thereby increasing the demand in the market.

The main reason Soundbars are increasingly adopted is their ability to wirelessly transmit audio content and enhance the overall sound experience. In addition, the integration of voice assistants such as Google and Amazon is driving customer experience and promoting market growth. An increasing number of smart homes are equipped with connected communication devices, which has led to a higher demand for high-quality audio equipment such as home theater systems, thereby driving the growth of the Soundbar market.

Recent technological innovations in wireless connectivity and the availability of high-speed data services have increased the demand for wireless streaming media devices. For example, the arrival of 5GHz has revolutionized the telecommunications industry, as it offers higher speeds, lower latency, and greater

capacity compared to 4G LTE networks. In addition, the latest version of Bluetooth (BT5.2) focuses primarily on improvements for audio devices, representing another major technological innovation that facilitates smoother interconnection between devices.

Suppliers in the market are increasingly focusing on integrating various functions, such as voice assistance and artificial intelligence, to enhance the user experience and make wireless streaming media devices more user-friendly. For example, in August 2022, SONY launched the HT-S400, a 2.1-channel Soundbar with a wireless subwoofer. This Soundbar uses S-Force PRO Front Surround technology, delivering a powerful 330W total output and excellent sound clarity. With its integrated user interface, the HT-S400 seamlessly integrates with SONY BRAVIA TVs, minimizing cable clutter and promoting easy wireless connectivity.

"Global Soundbar Market Scale"



Source of data: Mordor Intelligence, August 2023

B. eSports peripheral products

Electronic sports (eSports) refers to competitive sports involving electronic games. With the continuous growth in demand for video games, the eSports industry is expanding rapidly. From a purely recreational activity to professional competitions attracting global attention, gaming has come a long way. The widespread adoption of new technologies is enhancing the potential of video products, content, and virtual reality, enhancing the excitement of gaming tournaments and attracting a steadily growing fan base. As video games have become deeply ingrained in the lives of contemporary individuals, the way people consume entertainment has changed.

With the increasing focus on fan engagement, the demand for live streaming of eSports events is expected to rise. Additionally, the use of smartphones is expected to increase people's interest in live eSports events. The growing popularity of eSports has led to a higher demand for live events, with more people willing to attend in-person to watch their favorite players and teams compete. Additionally, the

significant increase in investments in recent years, with major brands and organizations investing in live events to attract new audiences and build brand awareness, may further drive the growth of the eSports market during the forecast period. According to a research conducted by Precedence Research, the global eSports market size surpassed USD 4.4 billion in 2022 and is projected to reach approximately USD 33.38 billion by 2032, with a CAGR of 22.47% from 2023 to 2032.

"Global eSports Market Scale"



Source of data: Precedence Research, May 2023

In terms of eSports peripheral products, particularly wireless headphones, players demand an immersive, realistic experience in gaming, with high requirements for rapid audio signal response. It is not only important that the left and right earphones emit different sounds and volumes, but also the accuracy of time delay control between the two ears. For wireless keyboards and wireless mice, in addition to customizable modes, sensitivity control, and user feedback, the fundamental connection stability is a key factor that cannot be overlooked during competitions. To simultaneously meet the convenience brought by standard communication protocols and the high quality specified by the Company, we are also advancing towards a multi-mode development. In addition to the core communication quality of our original technology, we will support standard modes, combining Bluetooth and Wi-Fi functions to provide consumers with a more comprehensive solution. This will not only offer low-latency, high-fidelity wireless audio transmission but also meet the usage scenario needs of eSports players and various consumers. On this platform, we will realize new applications that simultaneously transmit audio and non-audio signals, such as the development of a three-in-one wireless eSports set (eSports headphones + eSports keyboard + eSports mouse). Overall, the end-sales market continues to develop towards Bluetooth, 2.4GHz, and proprietary protocol multi-mode connections, offering users the flexibility to switch between options.

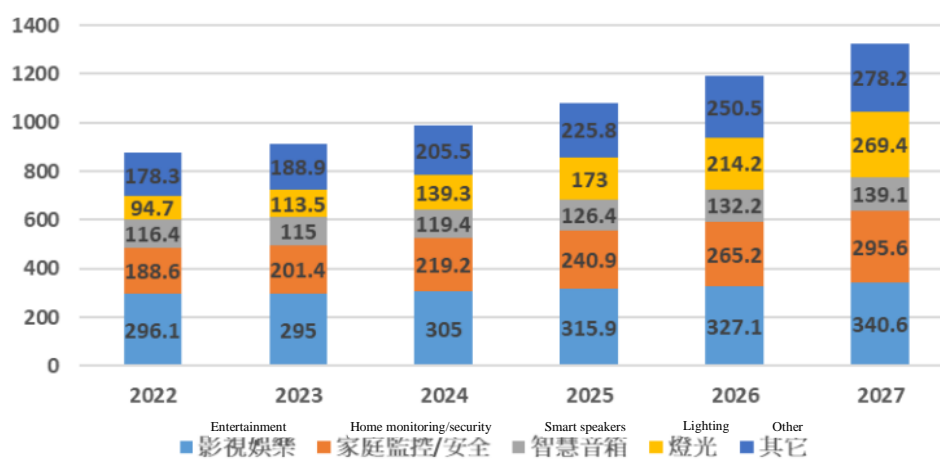
C. AIoT smart home application

Smart homes refer to a living space that integrates numerous sensors, smart

appliances, and home networks to provide services, interacting with users through various interfaces to create a more personalized living environment. The smart home market is highly fragmented, consisting of various types of products with different uses, including home entertainment, home monitoring/security, lighting, smart speakers, thermostats, and more. According to IDC's forecast, global smart home product shipments reached 874 million units in 2022 and are expected to grow to 913.8 million units in 2023, an increase of approximately 4.6%. By the end of 2027, the shipment volume of smart home products is projected to reach around 1.32 billion units, with a CAGR of approximately 8.64% from 2022 to 2027. Although factors such as supply chain disruptions, logistical challenges, and inflation have suppressed the growth of smart home products from 2021 to 2023, the launch of the Matter standard for smart homes has addressed the interoperability issues between devices from different brands. Additionally, as more consumers become aware of the convenience, cost savings, and energy efficiency that smart home products can bring, the shipment volume of smart home products is expected to experience steady growth over the next five years.

In terms of production value, the total shipment value of smart home products was USD 282.4 billion in 2022, reaching USD 299.4 billion in 2023, marking a growth of 6%. By 2027, it is projected to reach USD 366.2 billion, with a CAGR of approximately 5.3% from 2022 to 2027. Among them, smart TVs and digital media adapters, as entertainment products, will account for the largest proportion of both shipment volume and production value each year. Regionally, North America is the leading market for smart home products in terms of both shipment volume and value. However, by 2026, the Asia-Pacific region is expected to surpass North America in smart home product shipments, as broadband penetration continues to rise in the region and many smart home device manufacturers are entering the market, driving the adoption of more smart home products in the region.

"2022 to 2027 Smart Home Products"

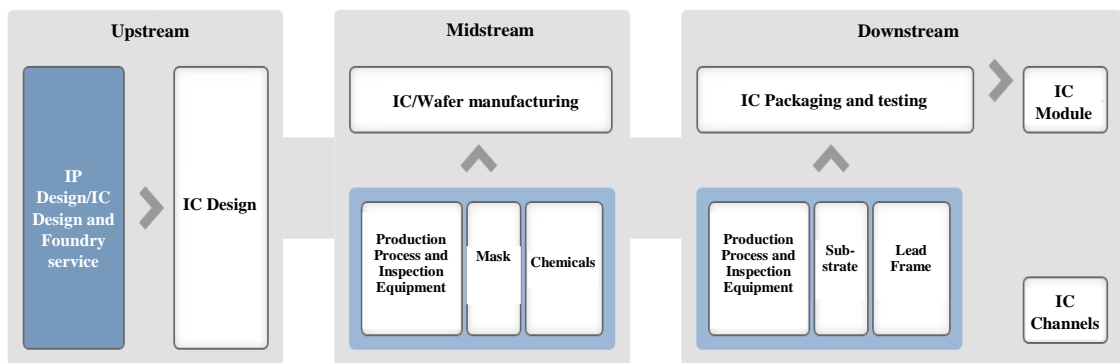


Source of data: IDC, March 2022

2. Relationships between the industry's upstream, midstream, and downstream

The Company is an IC design company, positioned at the forefront of the semiconductor industry, with no upstream relationships. The midstream and downstream industries consist of wafer foundry and manufacturing, packaging and testing, and modules. As the Company is an IC design company without its own wafer fabrication plant, it commissions other manufacturing plants to handle wafer foundry, packaging, and testing of the chips. After the final testing of the chips, the products are sold through agents or directly to professional OEMs, ODMs, and system design manufacturers who use the Company's chips in their systems.

According to the product manufacturing process, the IC industry chain can be divided into upstream IC design companies (Design Houses), midstream photomask manufacturers (Mask) and wafer foundries (Foundry/IDM), and downstream testing factories (Testing), packaging factories (Package), and module manufacturers. The Company is classified as an upstream IC design company. The relationships between the upstream, midstream, and downstream industries in the Company's sector are shown in the following diagram:



Source of data: Information Platform of the Industrial Value Chain of Taipei Exchange

3. Product development trends

(1) The Soundbar enhances the home audio-visual experience, driving sustained growth in demand.

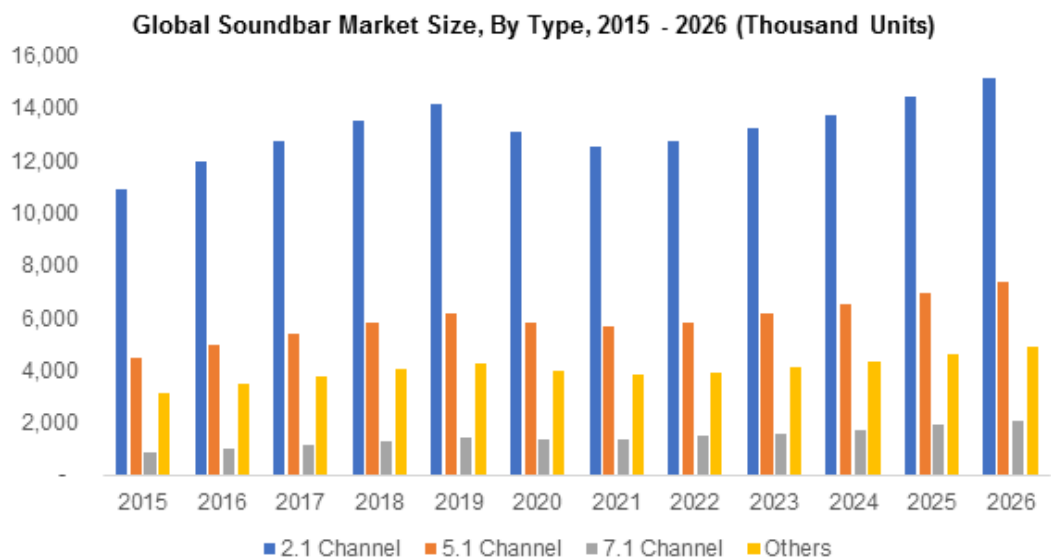
The flattening, frameless design, and slimming of TVs have minimized the physical space, sacrificing audio quality. However, with the widespread adoption of high-definition set-top boxes and the continuous introduction of high-quality video media, the demand for superior sound quality has risen, requiring an upgrade alongside high-definition video. This has driven the growth of the home audio-visual market, becoming a key factor in the continued expansion of global Soundbar demand in recent years. Therefore, the growth of global LCD TVs and set-top boxes, in addition to driving the demand for higher-quality video specifications, will continue to fuel the demand for living room audio products.

According to a 2020 research report by Modor Intelligence, the global Soundbar market

was valued at USD 5.0943 billion in 2020 and is projected to reach USD 8.3027 billion by 2026, with a CAGR of 8.6% from 2021 to 2026. According to the latest research report by Global Market Insights, Inc., by 2026, the Soundbar market size is expected to exceed USD 6.5 billion, with shipments reaching over 30 million units.

- A. One of the key factors driving the Soundbar market is the shift in media consumption, where audio-visual content has transitioned from offline to online. The increasing popularity of streaming platforms such as Netflix and Amazon Prime has driven the growth of Soundbars, as they provide viewers with an enhanced audio experience.
- B. Another key factor driving market development is the integration of voice assistants and auxiliary functions in Soundbars. For example, in May 2019, Bose launched a Soundbar that supports Google Voice Assistant. Google's Voice Assistant can be used through automatic software updates on the Bose Soundbar 500 and Bose Soundbar 700. Similarly, Sonos also introduced the Google Assistant feature on the Sonos Beam Soundbar.
- C. In addition, low-priced Soundbars with wireless subwoofers will also be an important factor in driving market growth.

“Market Scale of Soundbar (by type, 2.1, 5.1, and 7.1 channels)”

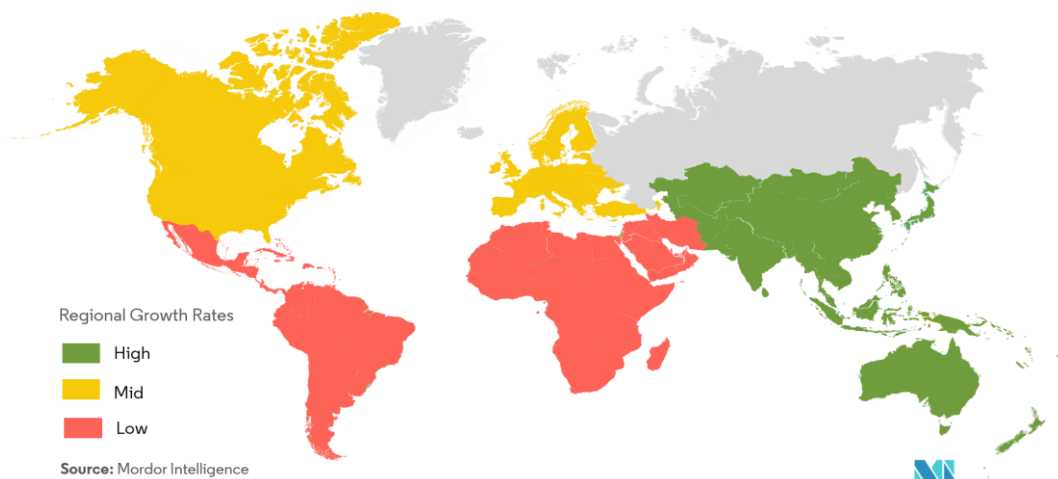


Source of data: Global Market Insight, April 2020

Soundbar is a sleek speaker form, visually striking and easy to set up. When combined with high-quality images on a TV, its powerful and beautiful sound provides consumers with an exceptional audiovisual experience. The portable speaker can be installed on computer display, TV, home theater, and other similar equipment. According to global sales data for Soundbars, the fastest-growing region

has shifted from the North American and European markets to the Asian market. The rapid growth of demand for high-definition, slim TVs in emerging countries, along with their tendency to adopt wireless home appliances for aesthetic considerations in interior space layout, will continue to drive the popularization and growth of Soundbars in the coming years.

Soundbar Market - Growth Rate by Region (2019 - 2024)



Source of data: Mordor Intelligence, 2023

Taking the Indian market as an example, the Soundbar market is expected to show remarkable growth in India. According to data from IBEF and the Indian Broadcast Audience Research Council, media consumption in India experienced a CAGR of 9% from 2012 to 2018, nearly nine times that of the United States and twice that of China. From 2019 to 2025, it is projected to grow at a CAGR of 11.6%. In addition, with TV penetration in India reaching 66% by 2018 and the average viewing time per viewer being 4 hours and 6 minutes, the TV industry in the region is poised for significant development, which will also drive the demand for Soundbars in the Indian market.

Therefore, the growth rate of this market is expected to be much faster than the global average. In addition, with the increase in the country's affluent population, the demand for luxury goods is also rising. Despite heightened geopolitical tensions and a slowdown in growth forecasts, 51% of ultra-wealthy individuals in India saw an increase in income in 2018, making the Indian market highly promising.

- (2) The commercialization of the eSports industry and the trend towards wireless audio products have driven the rapid growth in demand for wireless gaming headsets. eSports (Electronic Sports) refers to multiplayer online video games played professionally by gamers competing against each other. The initial development of eSports was mainly driven by amateur players. However, the popularity of eSports has grown significantly, with the rise of live streaming further fueling its expansion. As a result, participants have gradually evolved into professional players. With the

improvement in Internet speed and connectivity, eSports has evolved into a global online sport, developing into a complete industry ecosystem with a large base of supporters, professional players, and game developers. It has especially attracted the attention of the younger generation. Individual or team players with stronger abilities accumulate a large following online, which in turn attracts the attention of businesses. The early eSports environment was chaotic, but it has now evolved into a well-organized league and tournament system, similar to traditional sports competitions. The eSports market is expected to surpass traditional sports competitions in the coming years. According to a survey by gaming, eSports, and mobile gaming research company Newzoo, the global eSports market was valued at USD 1.1 billion in 2019 and grew to USD 1.38 billion by the end of 2022, with an annual growth rate of approximately 8.5%. 73% of eSports viewers are millennials or Gen Z (born in the mid-to-late 1990s), with an age range between 18 and 35. In the next 25 years, more than USD 68 trillion in assets will be transferred to the next generation, with expectations for significant growth in the purchasing power of millennials and Gen Z. The key trends in the development of gaming headset specifications:

A. Audio quality, noise cancellation and sound stage positioning technology

The audio quality of general headphones is primarily considered based on factors such as resolution, sound stage positioning, and the clarity of the three frequencies. For gaming headphones, many games focus on team communication and coordination, so the sound stage of gaming headphones tends to emphasize the mid-frequency range more, allowing the voices of team members to be clearer. For shooter games like PUBG, CS, Call of Duty, etc., it is important to hear sounds like footsteps, gunshots, and traffic. In this case, the sound stage of the headphones is designed to focus more on bass and midrange frequencies. However, the clarity of the midrange frequencies remains the most important, as good midrange enhances vocal performance, ensuring smoother communication among team members. Additionally, noise cancellation features prevent environmental noise from distracting players, enhancing the overall gaming experience. This has gradually become a key feature in mid- to high-end products. The current solutions include passive physical isolation and Active Noise Cancellation (ANC) technology. For gaming headphones, the threshold for using sound stage positioning technology is higher, as many games involve firearms. Players need to determine the enemy's location based on the sound of gunshots and bullet impacts, with these sounds having only a few milliseconds of difference. Therefore, in sound localization, many headphones emphasize multi-channel audio, such as virtual 7.1 surround sound. This design improves the headphone's ability to accurately position sounds.

B. Wireless specifications are gradually becoming a necessary option

The biggest difference between wired and wireless headphones is convenience. In terms of audio quality and microphone performance, wired headphones generally perform better. However, due to human laziness and the desire for convenience, people tend to choose wireless headphones, which is why AirPods have become so popular.

From the perspective of human sensory perception, network latency needs to be below 20 milliseconds for humans to be unable to discern the delay. Currently, wireless Bluetooth headphones on the market have a delay ranging from 100 to 200 milliseconds, which still falls within the range of delay that humans can perceive. In shooter games, the performance of delay will be an important specification requirement for headphones. Currently, even wireless Bluetooth headphones based on the latest specifications set by the Bluetooth Association have not met this demand.

4.Competition

(1) Competitive landscape in wireless audio applications within the industry

A. Microchip (originally SMSC)

Microchip adopts broadband technology to achieve application functions. However, due to the complexity of its product systems and multi-chip solutions, it results in higher costs and limited design flexibility. In recent years, the Company has shifted its R&D focus towards Bluetooth, Wi-Fi, and AIoT-related applications. As a result, the low-latency application market has not seen new products and services from them.

B. Skyworks (Avnera Corporation)

The chip design company headquartered in Beaverton, USA, uses QPSK digital modulation technology and is one of the main suppliers in this field. However, in recent years, the Company has shifted its focus to the development of DSP-related technologies, which has diminished its support and responsiveness to the wireless home audio market. Additionally, its existing products have failed to provide complete module services, and the overall cost lacks competitiveness, leading to a decline in market satisfaction.

(2) Wireless communication and multimedia entertainment applications

A. Wi-Fi and Bluetooth combo solution

The dual-integrated solution developed by Broadcom and CSR to address the coexistence issue between Wi-Fi and Bluetooth incorporates a Wi-Fi module with Bluetooth. This solution offers cost advantages and, since Wi-Fi has become a standard feature in platforms such as Smart TVs, smartphones, and tablets/PCs, it indirectly promotes Bluetooth peripheral devices, thereby encroaching on part of the wireless audio market. However, with the rise of voice control applications, there is an increasing demand for MIMO

specifications in Wi-Fi modules, which compresses the niche of this combo solution. The market's demand for wireless technology specifications is expected to diversify and become the mainstream trend.

Compared to SYNIC's proprietary wireless technology, the aforementioned companies primarily focus on Bluetooth or Wi-Fi technology solutions. Their development limitations are as follows:

(A) Latency limitations

Generally, people can perceive image and sound delays exceeding 25 to 30 milliseconds, and can detect body movement and auditory delays beyond 7 to 10 milliseconds. The greater the latency, the worse the body perception and 3D surround sound experience.

Currently, standard Bluetooth transmission latency is between 150 milliseconds and 250 milliseconds, while Wi-Fi latency is greater than 200 milliseconds. Even non-standard Bluetooth latencies, such as Qualcomm's aptX LL, exceed 50 milliseconds, and the latest Bluetooth LE Audio latency is estimated to be around 50 milliseconds.

Additionally, due to the limitations of existing Bluetooth and Wi-Fi standards, latencies cannot be minimized too much and will vary depending on the environment at the time.

This poses a challenge for applications that demand high-quality audio and video, such as Dolby home theater sound systems (which require a fixed delay of less than 25 milliseconds), wireless audio for gaming and wireless headphones (which require a fixed latency of less than 20 milliseconds), and AR/VR wireless motion controllers (which require a fixed latency of less than 10 milliseconds). According to the latest specifications defined by Bluetooth and Wi-Fi associations, these requirements cannot be met.

(B) Audio quality limitation

Standard Bluetooth audio quality is far below CD audio quality. To demonstrate audio quality higher than that of CDs, non-standard audio compression is required. These non-standard compressions usually incur additional costs and come with the drawback of higher latency.

Additionally, the Bluetooth standard supports a maximum of only two channels. For applications such as headsets, only mono two-way transmission can be selected, and the microphone audio sampling rate is limited.

For scenarios that desire the simultaneous use of a mono microphone and stereo sound stage (such as gaming headsets), neither traditional Bluetooth nor TWS solutions currently provide support.

- (C) Number of subordinate devices and specification performance limitations
When transmitting data, it can connect with a maximum of seven subordinate devices. However, if transmitting both data and audio simultaneously, it can only connect with two subordinate devices, leading to significant application limitations.

Bluetooth employs a Topology-based approach to connect more devices, enabling data transmission among multiple devices. Through many-to-many Mesh Topology and one-to-many Star Topology, data can be transmitted effectively between devices. When applied to scenarios requiring data accuracy and high synchronization standards, whether low energy-consumed Bluetooth Topology can deliver data with the same stability, efficiency, and immediacy remains a key challenge in practical applications.

(III) Overview of technology and R&D

1. Technology and research and development of business operations

The Company, leveraging years of accumulated wireless application technology, has continuously introduced highly competitive products. From the early IA6 and IA8 series chips to the development of IA4, IA5, IA10, IA12, IA2, IA3, IA9, and the latest IA25 and IAW series chips, the Company has earned recognition from international enterprises for its expertise in Baseband, RF, and communication software development. Transitioning from a primary focus on chip design and development, the Company now offers various module supplies and is further advancing toward providing system design services, aiming to become a true total solution provider. Through collaborations with internationally renowned brand customers, the Company continues to accumulate extensive experience in module and system design, as well as mass production testing, establishing itself as a reliable partner to customers and jointly creating market value.

The Company's future technological development will continue to focus on wireless audio-visual transmission while expanding product development from wireless home theater applications to various multimedia application developments. This approach aims to continuously create technological and market value. The targeted application areas include home entertainment audio-visual applications, portable multimedia applications, computer multimedia applications, automotive multimedia applications, and other gaming multimedia applications. Also expanding applications to low-latency audio transmission, such as in gaming mouse, keyboards, and joysticks. While maintaining proprietary standards for low-latency, high-quality performance, it will integrate standard Bluetooth

and Wi-Fi to balance both quality and convenience in applications. Currently designing the next generation of high-data-rate 2.4GHz and 5GHz RF, aiming to expand applications and prepare for AIoT、BT6 and BT7.

The Company will continue to develop related products and applications based on core technology, and create value niches through strategic cooperation:

- (1) Wireless audio transmission: Various wireless products will expand to frequency bands with better anti-interference capabilities or frequency-hopping technologies, and products with lower costs and higher cost-performance will be launched. In addition, ongoing development is focused on applying wireless products to various consumer electronics, automotive, and gaming products.
- (2) Wireless platform ezWa: ezWa can be applied to smart TVs, computers, mobile devices, AR/VR, or gaming equipment. The peripherals of these devices also include wireless control devices (e.g., 3D glasses, smart TV remote controls, health monitoring systems, mice, and keyboards) and wireless audio devices (e.g., Soundbars, subwoofers, headphones, headsets, and microphones).
- (3) Enhanced algorithm development: In addition to continuing the development of audio-related application algorithms, spatial audio and noise reduction functions required by the audio market are also being developed by SYNIC in response to the needs of professional users in high-quality and professional usage scenarios. This is aimed at adding value-added features to chip products and enhancing product competitiveness.

2.R&D expenses in the most recent year and up to the publication date of the annual report

Unit: NTD thousands; %

Year	2024	January 1 to February 28, 2025
R&D expenses (A)	79,993	14,119
Net operating revenue (B)	345,263	55,998
(A)/(B)	23.17	25.21

3.Technologies or products developed successfully in the most recent year and up to the publication date of the annual report

Year	Items
2024	<ol style="list-style-type: none"> 1. The IA9 series has successfully passed the rigorous verification for Soundbars by Korean customers and has been further integrated into project designs. 2. High-end gaming headphones equipped with the Company's SHDC (SYNIC High Definition CODEC) low-latency technology and SSA (SYNIC Spatial Audio) spatial audio solution have now entered the mass production stage, providing players with an immersive audio experience. They are expected to be officially launched in Q1 of 2025. 3. Breakthrough AI ENC technology revolutionizes the traditional multi-microphone

Year	Items
	<p>approach that focuses solely on stable noise processing. With a single microphone, it efficiently eliminates both stable noise (e.g., fan noise, rain sounds) and sudden noise (e.g., keyboard sounds, dog barking). This technology has now been successfully applied to multiple customer products. This technology can be applied to LLM voice input, improving prompt accuracy and providing clear, pure sound quality for content creators and influencers.</p> <p>4. A new entry-level Soundbar chip has been launched, utilizing processes from Taiwan's leading wafer manufacturers to enhance performance and reduce power consumption. The chip is expected to enter mass production in Q1 of 2025.</p>
2025	<p>1. The Company's brand new solution which integrates the proprietary low-latency 1CH~2CH protocol and BT Audio function successfully simplifies the dual-module design currently required by the soundbar into a single module. This solution not only greatly reduces the hardware complexity but also improves the overall performance and cost-effectiveness of the product. It is expected that the sample presentation will begin in March 2025.</p> <p>2. The Company's brand new IA11 2.4GHz audio solution supports the multi-channel configuration up to 6CH, in order to provide the immersive experience of higher sound quality and rich channels for home theater applications. Meanwhile, this solution is applicable to the scenarios that require low latency and high sound quality, such as electronic musical instruments, to meet diversified audio needs. The first samples are expected to be launched in March 2025.</p> <p>3. The brand new solution which integrates the proprietary low-latency 1CH~2.1CH protocol and BLE Audio function launched by the Company simplifies the traditional dual-module design in the soundbar into a single module. The Company also provides customers with more diversified choices. The sample presentation is expected to begin in March 2025.</p> <p>4. The eSports headset has successfully entered the mass production stage. The solution is equipped with the spatial sound effect algorithm independently developed by the Company to improve the gaming and audio-visual experience.</p>

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

The Company, in response to future industry developments and overall economic trends, has formulated various plans to outline its future business direction and enhance competitiveness. The Company's short-term and long-term business development plans are summarized as follows:

1. Short-term business development plans

(1) Development of new markets

In the past, marketing strategies were primarily focused on advanced markets such as Japan and South Korea. In recent years, the Company has successfully expanded into the Chinese and American markets, and has partnered with upstream and downstream manufacturers of professional brands in China, the United States, and other regions to

provide local technical support. The goal is to penetrate local markets, quickly respond to market demands, and increase market share.

(2) Development of new application products

The newly developed product applications not only realize the application of one-to-many control and low-latency wireless audio technology but also continue to develop a range of wireless communication products that demand ultra-low latency and low power consumption. These include applications in Soundbar audio systems with Dolby Atmos sound effects, various multi-channel speakers, wireless headphones and microphones for gaming or TV systems, and wireless transceivers for electronic instruments, among other application areas.

2.Long-term plan

(1) Development of new markets

To more effectively manage regional agents and direct customers and provide the fastest service, the Company plans to establish branch offices or joint ventures overseas. Additionally, it will strengthen the international marketing capabilities of its sales personnel and even recruit local staff to offer more comprehensive services to customers.

(2) Development of new application products

In addition to wireless audio and control signal transmission technologies, SYNCIC, based on its experience in wireless RF technology, will actively develop wireless technologies that coexist and are compatible with Bluetooth/Wi-Fi in the future. These technologies will support standard transmission specifications and high-quality, low-latency technologies. The Company will also utilize broadband 2.4GHz/5GHz dual-band or multi-frequency technologies and add value-added features to products to expand the application market of various products. In addition, the Company will leverage its technology to develop AIoT technologies, allowing wireless applications to be elevated and enabling smart connectivity for consumer products such as home appliances, audio systems, and peripherals.

II. Market and production and sales overview

(I) Market analysis

1. Sales area of major products

Unit: NTD thousands; %

Year		2023		2024	
		Amount	%	Amount	%
Domestic sales		170,161	77.56	169,174	49.00
Export sales	Asia	49,232	22.44	176,089	51.00
Total		219,393	100.00	345,263	100.00

2. Market share

Since its establishment in 1998, the Company has been deeply engaged in wireless audio and control ICs for over 20 years, becoming one of the leading suppliers of low-power, low-latency wireless technologies in the market. End consumer products include Soundbar systems, wireless surround and subwoofer speakers, wireless headphones, instrument transmission, and wireless microphones, all of which are adopted by major international brands. According to the ITRI IEK report, the output value of Taiwan's IC industry was NT\$5,300.1 billion in 2024. The Company's operating revenue, NT\$345 million, accounts for about 0.02% of the output value of Taiwan's IC design industry, NT\$1,276.9 billion, in 2024. Therefore, the Company still has large room for growth in the future.

3. Future market supply and demand conditions and growth potential

(1) Wireless audio control chips

In the trend of combining technology and culture, digital homes have become an important future mainstream, with "wireless living" being a key realization of the digital home concept. In the technology and market trend analyses by major well-known market research consulting firms, wireless applications are identified as one of the most noteworthy market trends for the future, with product wirelessization becoming a primary direction for technological development. Among these, sound and music are indispensable elements in daily human life. With the advent of the digital home era, high-quality, low-latency wireless audio transmission has become an important aspect of people's leisure activities. Additionally, with the significant improvement in Internet communication bandwidth and speed, online gaming, console gaming, and real-time Internet communication software have become the new mainstream of modern entertainment and information exchange. Due to the exponential increase in demand for wireless audio in consumer electronics, the wireless audio market has expanded from original applications in home appliances and PCs to diverse consumer product applications such as eSports and AR/VR. The innovation of various applications and platform services has driven a continuous increase in market demand. According to forecasts from market research firm Markets and Markets, the global wireless audio product market is expected to grow at a CAGR of 18.6% over the next five years, expanding from USD 57.3 billion in 2020 to USD 134.2 billion by 2025.

(2) Soundbar consumer market

According to a research report by Mordor Intelligence in August 2023, major global manufacturers such as Samsung, Bose, LG, Onkyo, Polk Audio, and Sony indicate that Soundbars are still primarily marketed in the North American region. The global Soundbar market is expected to grow from USD 8.13 billion in 2023 to USD 12.11 billion by 2028, with a CAGR of 8.30% from 2023 to 2028. The key growth drivers

include the ongoing trend of thinner and lighter TVs, innovations in wireless transmission technology, the widespread adoption of smart homes, the entry of TV brands, integration of various functions, and the proliferation of streaming media services, all of which contribute to the steady growth of Soundbar products.

According to statistics from Runto Technology, compared to the average household penetration rate of 20% to 30% in North America and Western Europe, the current household penetration rate in China is still less than 1%, far behind the more economically developed countries. From a global market perspective, the China region holds immense development potential.

4. Competitive niche

(1) A solid management team and R&D capabilities

SYNIC continues to focus on low-latency wireless audio control chips and module-related R&D and applications with a "high-quality sound, low-latency, and one-to-many wireless network architecture". Both the management and R&D teams have extensive experience in the semiconductor industry. Approximately 50% of the R&D personnel hold a master's degree or higher, with an average age of around 41. In addition to possessing a strong academic foundation, they have accumulated 20 years of experience in related industries. Therefore, when it comes to customer product specification requirements, the team is able to deliver rapid R&D timelines, aligning with the customer's product launch plans, and their R&D design capabilities are unquestionable.

(2) Focusing on end-brand manufacturers to establish higher competitive barriers

SYNIC has become a pioneer in the field with its exceptional audio transmission technology and unique communication protocols. Its fully self-developed, in-depth technologies not only eliminate the need to pay substantial royalty fees but also, due to the high level of control over the technology, allow for effective shortening of development timelines to meet customer demands. The Company's self-developed wireless audio control chips and modules are highly customized products. The chip development process involves collaboration with top international brand manufacturers to jointly discuss and define specifications, ensuring that the product meets the expected performance of the brand. Through long-term cooperation, strategic partnerships have been established, setting a higher competitive barrier.

(3) Product quality and continued innovation and renewal recognized by customers

Based on its familiarity with the industry, SYNIC is not only able to flexibly find more efficient and competitively priced manufacturers but also, due to its understanding of the processes, is able to design products from the outset with a "Design for Manufacturing" (DFM) approach. This helps to reduce production costs and make the product quality more competitive in the market. Since its

establishment, SYNIC has accumulated solid technological expertise, complemented by the ability to predict future product trends. The Company is committed to meeting the performance requirements of end-brand manufacturers, providing optimized services, and establishing stable partnership relationships. SYNIC has been collaborating with top international brands for over ten years. As end customers continue to innovate their products, SYNIC consistently delivers wireless audio control chips and modules with added value, earning strong recognition from customers.

5. Favorable and unfavorable factors for development outlook and corresponding strategies

(1) Favorable factors

A. The demand for the wireless market continues to increase

In the trend of humanizing technology applications and emphasizing user experience, the digital home has become an important future mainstream, with "wireless living" being a key realization of the digital home. Therefore, product wirelessization is a major trend. As the demand for wireless audio and video in consumer electronics grows exponentially, it has expanded from traditional home appliance applications and computer multimedia applications to a wide range of consumer electronic products, driving continuous market demand.

B. Long-term R&D and technical capabilities

The IC industry specifications vary, with no fixed standards, and R&D technologies cover both hardware and software fields. Product development often requires the accumulation of experience and debugging skills. The Company's R&D team has accumulated substantial experience in the industry, mastering semiconductor processes, semiconductor device physics, and circuit characteristics. Faced with increasing demands and competition from peers, the R&D team continuously optimizes products, expands new application solutions, and strengthens its R&D capabilities through patent applications. In addition to providing customers with comprehensive solutions, the team has consistently improved R&D technical capabilities and optimized circuit design over the years, enhancing product quality, yield, delivery times, and technical services. This has enabled the Company to provide customers with the best and most stable product quality, offer product design references, and help customers shorten product development timelines. As a result, the product quality has successfully earned the trust and recognition of customers.

C. The domestic semiconductor foundry system is complete, providing excellent logistical support to IC design companies

The professional and vertically integrated industry structure is a distinctive feature of Taiwan's semiconductor industry. With the ample capacity and

technical support from the midstream and downstream wafer manufacturing, packaging, and testing sectors, IC design companies can focus on their areas of expertise. They can quickly coordinate and collaborate with downstream players, ensuring better control over cost, quality, and timelines. This greatly enhances the market competitiveness of domestic IC design companies.

(2) Unfavorable factors and corresponding strategies

A. Long training period of R&D talent and associated risk personnel turnover

The development and training of R&D design personnel in the IC design industry require long-term cultivation. Securing highly skilled R&D talent will be the core competitiveness of an IC design company. However, due to the increasing number of competitors in the IC industry, attracting top talent has become progressively more difficult, often requiring high costs to recruit exceptional professionals. Additionally, without strengthening their loyalty to the Company, the Company may face higher labor costs.

Corresponding strategies

The Company fosters employee loyalty and enhances stability by establishing a sound benefits and rewards system, thereby reducing turnover rates. Additionally, by applying for listing as a publicly traded company, the Company effectively increases its visibility to attract outstanding talent. The Company actively strengthens industry-academia collaboration and establishes a product R&D technical database, which helps accumulate and pass on the Company's R&D technology and experience, thereby reducing the risk of personnel turnover in R&D.

B. The market product changes rapidly, and the product life cycles are short

Semiconductor technology is advancing rapidly, with product features and specifications constantly evolving. Additionally, the technological competition among industry peers to meet consumer demands accelerates the pace of replacing outdated products with new ones.

Corresponding strategies

To respond to the rapid changes in market products and gain a competitive edge, the Company maintains strong partnerships with wafer foundries and packaging and testing plants. This helps shorten IC manufacturing timelines and accelerate product launches, allowing the Company to seize market opportunities and increase market share. In response to the highly customized nature of wireless audio and control ICs, R&D personnel continues to collaborate with major brands to develop specifications and focus on niche products with longer lifecycles, thereby reducing inventory risks.

C. The competition for wireless specifications is becoming increasingly intense

As the demand for wireless connectivity in the consumer market continues to grow, there is an increasing number of competing specifications and players vying for a share of the market. For example, the new Bluetooth LE Audio specification introduces new features and reduces power consumption, while adopting the LC3 audio compression technology to address the issues of Bluetooth latency and poor sound quality in SBC compression. With more smartphones supporting LE Audio, its rapid growth is inevitable, posing a potential threat to the areas previously focused on by the Company.

Corresponding strategies

From the perspective of the LE Audio specification, its theoretical latency is still greater than 50ms, and the improvement in sound quality focuses primarily on subjective listening experience. As a result, many audio details are sacrificed. While it represents a significant improvement over traditional Bluetooth, it still cannot meet the rigid requirements for both audio quality and low latency demanded by certain users. As an early market entrant, SYNIC has already developed key technologies in low latency and accumulated years of sales performance and a strong quality record. In addition to continuing to deepen its core technologies of low latency and high sound quality, the company will continue to invest more in research and development talent and flexible business models. SYNIC will also focus on combining these core technologies with Bluetooth specifications and additional applications, collaborating with customers to co-create the market, continuously generating value, and maintaining its competitive edge.

(II) Important uses and production processes of major products

1. Important uses of major products

Major products	Important uses
Wireless audio control chips	Home audio-visual and entertainment applications: Including headphones, headsets, microphones, home theater, TV Soundbars, and subwoofers.
	Portable multimedia applications: Including portable speakers, outdoor speakers, and headsets.
	Computer multimedia applications: Including headphones, headsets, and USB-speakers.
	Other audio-visual entertainment system applications: Including wireless audio transmission and reception boxes, gaming headphones, and neck-mounted wireless speakers.
Wireless communication control chips	Smart TV applications: Including voice input control devices, smart TV remote controls, 3D glasses, wireless communication transmission, mouse, keyboards, and more.
	VR and gaming console-related applications: Wireless signal synchronization, air mouse, game controllers.

2. Production process of major products



The Company is an IC design firm primarily responsible for the R&D, design, and sales of wireless audio control chips and modules. The remaining production processes are outsourced to manufacturing partners such as wafer foundries, packaging and testing factories, and external assembly factories for completion.

(III) Supply of main raw materials

The main raw material for the Company's IC products is wafer, supplied by renowned wafer foundries both domestically and internationally. These are professional wafer foundries, ensuring stable quality and good capacity supply, with the supply of key raw materials remaining normal.

(IV) List of major suppliers and customers

1. Name of supplier representing more than 10% of total purchases in any of the two most recent years, and the amount and percentage of purchases made to each

Unit: NTD thousands

Items	2023				2024			
	Name	Amount	As a percentage of net purchase of the year (%)	Relations with the issuer	Name	Amount	As a percentage of net purchase of the year (%)	Relations with the issuer
1	Supplier A	17,411	16.42	None	Supplier A	59,111	37.30	None
2	Supplier B	30,351	28.63	Parent company	Supplier B	-	-	Parent company
	Others	58,245	54.95	None	Others	99,349	62.70	None
	Net purchase	106,007	100.00		Net purchase	158,460	100.00	

Reasons for changes:

The Company is engaged in the IC design and primarily purchases the items including wafers, packaging and testing processing, and SMT (surface mount soldering) processing. Due to the recovery of the consumer electronics market and the slowdown of inventory adjustment pressure from end brand customers, the sales momentum has been restored. Therefore, the purchase amount increases from the previous year.

2. Name of supplier representing more than 10% of total sales in any of the two most recent years, and the amount and percentage of sales made to each

Unit: NTD thousands

Items	2023				2024			
	Name	Amount	As a percentage of net sales (%)	Relations with the issuer	Name	Amount	As a percentage of net sales (%)	Relations with the issuer
1	Customer A	-	-	-	Customer A	112,794	32.67	None
2	Customer B	78,619	35.83	None	Customer B	97,210	28.16	None
3	Customer C	48,178	21.96	None	Customer C	71,515	20.71	None
4	Customer D	34,869	15.89	None	Customer D	52,069	15.08	None
5	Customer E	38,106	17.37	None	Customer E	-	-	None
	Others	19,621	8.95	None	Others	11,675	3.38	None
	Net sales	219,393	100.00		Net sales	345,263	100.00	

Reasons for changes:

The operating revenue in 2024 increased by 57.37% from the previous year, primarily due to the recovery of the consumer electronics market and the slowdown of inventory adjustment pressure from end brand customers, causing the sales momentum to be restored.

III. Employee information in the most recent two years and up to the publication date of the annual report

Unit: Persons; %; Year

Year		2023	2024	March 25, 2025
Number of employees	Managers (Note)	11	11	10
	Technical and R&D personnel	23	24	24
	Other employees	19	21	21
	Total	53	56	55
Average age		42.75	42.72	42.68
Average years of service		6.33	6.71	6.95
Educational background distribution (%)	Ph.D.	0%	0%	0%
	Master's degree	39.62%	35.71%	34.55%
	Bachelor's degree/junior college degree	60.38%	64.29%	65.45%
	High school level or below	0%	0%	0%

Note: Including heads of department units

IV. Information on environmental protection expenditure

- (I) For the most recent year and as of the publication date of the annual report, the Company's efforts to improve environmental pollution, and if there were any pollution disputes, an explanation of how they were handled: None.
- (II) For the most recent year and as of the publication date of the annual report, the losses the Company has incurred due to environmental pollution (including compensation and violations of environmental protection regulations as revealed by environmental inspection results, and should specify the disposition date, disposition case number, violated regulatory

articles, content of the violation, and content of the disposition), and disclose the estimated amounts and response measures for potential future occurrences. If it is not reasonably estimable, the Company should explain the facts preventing such estimation: None.

V. Labor-management relations

(I) Various employee welfare measures, further education, training, retirement systems, and their implementation status, as well as agreements between labor and management and measures to protect employees' rights and interests

1. Employee welfare measures

Since its establishment, the Company has actively promoted labor-management harmony based on the understanding of mutual prosperity, emphasizing employee welfare and health, and assisting employees in personal growth alongside the Company in both work and life. The following are the welfare measures that the Company has implemented:

- (1) Labor insurance, health insurance, group insurance, and travel insurance for business trips.
- (2) Employee bonus distribution.
- (3) Cash capital increase for employee stock options.
- (4) Year-end bonus and various performance bonuses.
- (5) Festival bonuses: Dragon Boat Festival and Mid-Autumn Festival.
- (6) Employee health checkups.
- (7) Employee travel.
- (8) Welfare subsidies: Marriage, childbirth, funeral, serious illness, disasters, major accidents, etc.
- (9) The Welfare Committee provides: Employee travel, club activities, birthday bonus or vouchers, and Labor Day vouchers.
- (10) Education and training.

2. Continuing education and training for employees

The Company has established the "Education and Training Management Procedure" to encourage employees to participate in various educational training and further studies.

Education and training in 2024 and the implementation status thereof

Items	Total number of trainees	Total training hours	Expenditures (NT\$ in Thousands)
Total	193	695.5	177

A. The actual number of trainees was 193 in 2024. The training program included training courses organized by the competent authority and the industry, and internal training courses organized by the Company. The total training expenditure amounted to NT\$177 thousand.

B. The Company's employees shall undergo the orientation training and occupational safety and health education courses after reporting on for their duty. Meanwhile, subject to the adjustment on the annual training needs, an annual training plan shall be drawn up and then implemented, in order to strengthen

the employees' functions and improve the Company's business performance and competitiveness.

- C. In response to the Company's long-term development and improve the employees' literacy, the Company plans professional competency training and general educational training, and invites senior personnel to share their professional skills within the Company. The senior personnel will pass on experience and share actual cases to carry out the On-the-Job Training (OJT). Through talent training and practical work counseling, each employee can exert his potential to the utmost.
- D. Professional competency training: Based on the knowledge and skills required for the job duty, each department sends personnel to participate in courses organized by various training institutions, such as audit training, accounting training, bargaining training, business negotiation training, professional technology training, and legal professional knowledge training, which cover a wide range of training aspects.
- E. Supervisor leadership training: The department heads participate in the continuing education programs organized by the government agencies or professional associations/institutions on business management, corporate governance, occupational safety and health officers, accounting officers and chief corporate governance officers.
- F. General educational training: In response to the fire safety training and labor safety education and training at the office premises within the relevant jurisdiction, the Company organizes legal awareness courses and friendly workplace DIY courses or health seminars every year.

3. Employee retirement system and implementation status

The Company has established a Regulations Governing the Retirement of Employees in accordance with the Labor Standards Act. Monthly, a certain percentage of the total salary is allocated as retirement reserves, based on the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds" issued by the Ministry of the Interior. These funds are deposited in Bank of Taiwan for safekeeping and management. If the retirement reserve account is insufficient to cover the actual pension payments, the shortfall is recorded as an expense for the current period. The Company entrusts an actuarial company to carry out the actuarial calculation of the pension fund every year, and reasonably evaluates the pension balance based on the actuarial report. Upon assessment, the pension reserve has reached a sufficient level since 2015. Therefore, the Company discontinues to contribute the reserve.

Since July 1, 2005, in accordance with the implementation of the Labor Pension Act, the Company has adopted the defined contribution retirement system. The Company contributes 6% of each employee's monthly wage to the Bureau of Labor Insurance, with the contribution recorded as an expense for the current period.

4. Agreement status between labor and management

The Company fully complies with labor laws and relevant regulations to protect the rights of employees. With integrity and the spirit of pragmatism, the Company implements humane management. Guided by the concept of mutual trust and respect between the Company and employees, it maintains good labor-management relations. As a result, no significant labor disputes have occurred. Additionally, the Company has established an Employee Welfare Committee responsible for managing various employee welfare matters and regularly organizes activities to foster a harmonious work atmosphere and strengthen cohesion.

5. Status of the protection of employees' rights and interests

The Company has established comprehensive regulations to protect the rights of employees and regularly reviews and enhances various welfare measures to ensure the highest level of protection for employee rights.

- (II) For the most recent year and as of the publication date of the annual report, the losses the Company has incurred due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition date, disposition case number, violated regulatory articles, content of the violation, and content of the disposition), and disclose the estimated amounts and response measures for potential future occurrences. If it is not reasonably estimable, the Company should explain the facts preventing such estimation: None.

VI. Cybersecurity Management

- (I) Describe the cybersecurity risk management framework, cybersecurity policy, specific management plans, and resources invested in cybersecurity management

1. Cybersecurity risk management framework

The Company is responsible for formulating cybersecurity-related policies and implementing cybersecurity measures through the President's Office. It has designated an information security manager and information personnel. In the event of any information security incident, the Company coordinates with responsible personnel from various related departments and business processes to manage the crisis.

The audit unit serves as the supervisory body for information security oversight, incorporating cybersecurity inspections into the annual audit plan. Regular reports on cybersecurity audits are submitted to the Board of Directors.

2. Cybersecurity Policy

The Company's cybersecurity policy specifies the regulations, standards, and guidelines for cybersecurity management operations, including but not limited to electronic hardware security management, installation of operating systems and application software, email management controls, firewall configuration, authorization settings for Internet usage, wireless network usage protocols, antivirus software installation, system program data

access control, internal server updates and maintenance, and system development security monitoring.

3. Specific management plans

(1) Electronic hardware security management

- A. Servers and other key equipment are placed in a dedicated server room equipped with access control systems. Only authorized personnel can access the room using card readers, and video surveillance equipment is in place to provide dual-layer protection, ensuring the security of servers and the server room.
- B. Database data is regularly backed up through physical backups as well as off-site backups and redundancy measures to align with continuous operation objectives.
- C. The Company's computer equipment is equipped with antivirus software that automatically updates virus definitions to ensure effective detection of viruses and malicious software behavior.

(2) Installation, management and control of operating system and application software:

- A. Access permissions are assigned based on employee roles, and information security awareness is regularly promoted to enhance employees' information security awareness.
- B. The user unit submits a permission request based on the required information functions, application systems, and programs. After approval by the unit manager and the IT unit manager, based on job responsibilities and the application form, the IT personnel set the access permissions.
- C. When personnel changes or resigns, the IT unit promptly modifies their account and access permissions based on the change information to ensure information security.

(3) Authorization settings for Internet usage

Network firewall configuration, antivirus software setup, and monitoring of abnormal behavior on internal network computers.

(4) System security monitoring

- A. The data center's main servers are equipped with UPS and voltage stabilizers to prevent system damage caused by power outages or electrical abnormalities.
- B. Strengthen data backup and recovery mechanisms by scheduling regular backups to enhance system recovery integrity and efficiency.

4. Resources for cybersecurity management

- (1) Information personnel will regularly check the Company's internal information security management operations and provide reports and recommendations to the management and corporate governance units.
- (2) The audit unit also regularly reports the information security audit report to the Board of Directors.

(3) The priority execution order is set based on the size of the risk impact and improvement costs, continuously enhancing information security capabilities and protecting the Company's critical information assets.

(II) For the most recent year and up to the publication date of the annual report, the losses, potential impacts, and countermeasures arising from significant information security incidents have been disclosed. If these cannot be reasonably estimated, the facts explaining why they cannot be reasonably estimated are provided: None.

VII. Major contracts

Contract Nature	Counterparty	Contract start and end date	Main content	Restrictions
Sales representative contract	Chin-Ban Electronics (HK) Co., Ltd.	2019.3.18~2025.3.18	Sales distributor	Regional restrictions: North, Central, and South China (including Hong Kong) regions
	World Top International Co., Ltd.	2019.3.19~2025.3.19	Sales distributor	Regional restrictions: North, Central, and South China (including Hong Kong) regions
	Shenzhen Onway Technology Development Co., Ltd.	2020.6.1~2025.6.1	Sales distributor	Regional restrictions: North, Central, and South China (including Hong Kong) regions
	Supertrade Electronic Corporation	2022.8.1~2027.7.31	Sales distributor	Regional restrictions: North, Central, and South China (including Hong Kong) regions
	JXF Electronic Limited	2023.12.11~2028.12.10	Sales distributor	Regional restrictions: North, Central, and South China (including Hong Kong) regions
	SUNGHO ELECTRONICS CORP	2024.1.18~2026.1.17	Sales distributor	Regional restrictions: South Korea and China
	Qumax Technology Inc.	2024.6.5~2029.6.4	Sales distributor	None
Technology licensing contract	Gear Radio Electronics Corp.	2023.10.2~2025.10.1	Technology licensing	None
	RivieraWaves SAS (CEVA)	2024.3.31~2025.9.30	Technology licensing	None
	Gear Radio Electronics Corp.	2024.5.1~2027.4.30	Technology licensing	None
	RivieraWaves SAS (CEVA)	2024.5.10~2029.5.10	Technology licensing	None
Outsourcing processing contract	Microelectronics Technology, Inc.	2021.8.20~2025.8.20	Module assembly and testing	None
	Taiwan IC Packaging Corporation	2018.1.2~present	Packaging and testing	None

Contract Nature	Counterparty	Contract start and end date	Main content	Restrictions
Outsourcing processing contract	Jin Yeong Hann Technology Co., Ltd.	2021.4.23~2024.4.23 2024.4.24~2027.4.24	Module assembly and testing	None
	Luen Huei Electronics Co., Ltd.	2021.12.1~2024.11.30 2024.12.1~2027.11.30	Module assembly and testing	None
	Testar Electronics Corporation	2023.11.25~2025.11.24	Packaging and testing	None
	Orient Semiconductor Electronics Ltd.	2021.7.31~2024.7.30	Packaging and testing	None
Outsourcing processing contract	Orient Semiconductor Electronics Ltd.	2022.11.23~2025.11.23	Packaging and testing	None
	Echo Technology Corporation	2022.7.1~2025.6.30	Module assembly and testing	None
	Chuan Wang Technology Co., Ltd.	2021.11.30~2024.11.29	Module assembly and testing	None
	True Test Technology Inc.	2022.11.1~2024.10.31 2024.11.1~2026.10.31	Packaging and testing	None
Outsourcing design and technical support	Silicon Xpandas Electronics Co., Ltd.	2024.5.1~2024.12.31 2025.1.1~2025.6.30	Outsourcing design and technical support	None
Lease contract	Alcor Micro, Corporation	2024.7.1~2025.6.30	Lease of offices	None
	Industrial Technology Research Institute	2023.4.1~2024.7.16	Lease of offices	None
	Shin Kong Life Insurance Co., Ltd.	2023.1.1~2025.12.31	Lease of offices	None
	Shin Kong Life Insurance Co., Ltd.	2023.1.1~2025.12.31	Lease of parking spaces	None
	Shin Fang Lin Co., Ltd.	2024.1.1~2024.12.31 2025.1.1~2025.12.31	Lease of parking spaces	None
General Credit Facility Agreement	E.Sun Commercial Bank, Ltd.	2023.4.11~2024.4.11 2024.4.17~2025.4.17	Credit limit	None
Purchase contract	Shanghai Huahong Grace Semiconductor Manufacturing Corporation	2024.12.10~2027.12.9	Wafer purchase	None
	Alcor Micro, Corporation	2022.11.1~2025.10.31	Wafer purchase	None
	Egis Technology Inc.	2024.10.7~2025.10.6	Wafer purchase	None
Expense-sharing agreement	Alcor Micro, Corporation	2022.12.5~2025.12.4	EDA TOOL Expense-sharing agreement	None
Investment agreement	Transducer Star Technology Inc.	2025.1.2~present	Investment agreement	None

FIVE. Review and analysis of financial status and performance, and evaluation of risk factors

I. Financial position

Unit: NTD thousands

Items	Year	2023	2024	Difference	
				Amount	%
Current assets		627,440	581,292	(46,148)	(7.35)
Property, plant and equipment		3,177	24,702	21,525	677.53
Right-of-use assets		12,062	5,878	(6,184)	(51.27)
Intangible assets		5,464	90,441	84,977	1,555.22
Other assets		30,436	53,800	23,364	76.76
Total assets		678,579	756,113	77,534	11.43
Current liabilities		63,124	53,581	(9,543)	(15.12)
Non-current liabilities		7,755	160	(7,595)	(97.94)
Total liabilities		70,879	53,741	(17,138)	(24.18)
Share capital		418,980	443,980	25,000	5.97
Capital reserve		174,146	212,149	38,003	21.82
Retained earnings		6,548	33,692	27,144	414.54
Legal reserve		13,819	13,819	0	0.00
Other equity		(5,793)	(1,268)	(4,525)	(78.11)
Total shareholders' equity		607,700	702,372	94,672	15.58
<p>For the last two years, any changes exceeding 20% and with an amount of over NTD 10 million:</p> <p>Property, plant and equipment, and intangible assets: Mainly due to the purchase of other equipment and know-how by the Company in 2024.</p> <p>Other assets: Mainly due to the increase in prepaid intangible assets and prepayment for equipment.</p> <p>Decrease in total liabilities: Mainly due to the payment deferred until the beginning of 2024 as the payment date fell on a holiday at the end of 2023.</p> <p>Increase in share capital, capital surplus and total shareholders' equity: Mainly due to the capital increase in cash in 2024.</p> <p>Increase in retained earnings: Mainly due to profit earned in 2024.</p>					

II. Financial performance

(I) Comparative analysis of operating results

Unit: NTD thousands

Items \ Year	2023	2024	Amount of increase (decrease)	Change ratio (%)
Operating revenue	219,393	345,263	125,870	57.37
Operating cost	(116,316)	(180,878)	64,562	55.51
Operating gross profit	103,077	164,385	61,308	59.48
Operating expenses	(130,431)	(145,168)	14,737	11.3
Operating net profit (loss)	(27,354)	19,217	46,571	170.25
Non-operating income and expenses	3,913	10,593	6,680	170.71
Net profit (loss) before tax	(23,441)	29,810	53,251	227.17
Income tax (expense) benefit	934	961	27	2.89
Net profit (loss) of the current period	(22,507)	30,771	53,278	236.72
<p>For the last two years, any changes exceeding 20% and with an amount of over NTD 10 million:</p> <p>Increase in operating revenues, operating costs, gross profit, net operating income, net income before tax and net income for the period: Mainly due to the recovery of the consumer electronics market and the slowdown of inventory adjustment pressure from end brand customers, which caused the sales momentum to be restored, thereby resulting in the increase in operating revenues, operating costs, gross profit, net operating income, net income before tax and net income for the current period from 2023.</p> <p>Increase in operating expenses: Mainly due to the increase in the provision of reward from earnings and increase in operating expenses in 2024.</p> <p>Increase in non-operating revenue: Mainly due to the increase in interest revenue and gains on financial assets, and the increase in foreign currency exchange gains.</p>				

(II) Analysis table of changes in gross profit

Unit: NTD thousands

	Net operating revenue	Operating cost	Operating gross profit	Gross margin (%)
2023	219,393	(116,316)	103,077	47
2024	345,263	(180,878)	164,385	48
<p>Analysis of changes in gross profit for the year:</p> <p>The increase in gross profit margin this year is mainly due to changes in the sales portfolio that resulted in the increase in gross profit margin from the previous year.</p>				

(III) Expected sales volume and the basis for it, the potential impact on the Company's future financial and business operations, and the corresponding plans

Please refer to the shareholder report on pages 1 to 3 of this year's annual report for further details.

III. Cash flow

(I) Analysis of changes in cash flow in 2024

Unit: NTD thousands

Beginning balance of cash (Note)	Net cash inflow (outflow) from operating activities for the year	Cash inflow (outflow) for the year	Amount of cash surplus (deficit)	Remedies for insufficient cash	
				Investment and wealth management	Wealth management plan
224,433	87,554	(244,442)	67,545	—	—
Analysis of changes in cash flow in the current year: <ol style="list-style-type: none"> The net cash inflow from operating activities, \$87,554 thousand: Mainly due to net income before tax and monetary market fund investment. The net cash outflow from investing activities, NT\$ 296,353 thousand: Mainly due to the underwriting of time deposits, purchase of equipment and R&D related assets. Net cash inflow from financing activities, NT\$51,911 thousand: Mainly due to cash capital increase and payment of cash dividends. 					

(II) Improvement plan for insufficient liquidity: Not applicable.

(III) Analysis of cash flow for the next year

Unit: NTD thousands

Beginning balance of cash (Note)	Estimated net cash inflow (outflow) from operating activities for the year	Estimated cash inflow (outflow) for the year	Amount of cash surplus (deficit)	Remedies for insufficient cash	
				Investment plan	Wealth management plan
67,545	180,458	(178,667)	69,336	—	—
Analysis of changes in cash flow in the current year: In 2025, it is expected that the Company will make profit from operations, continue to control costs and expenses, purchase additional R&D equipment, computer equipment, IP and software based on operating needs, and schedule to distribute cash dividends.					

IV. Significant capital expenditures in the most recent year and their impact on financial and business operations: None.

V. Investment policy in the most recent year, the main reasons for profit or loss, improvement plans, and investment plans for the next year: None.

VI. Analysis and assessment of risk matters

(I) Impact of interest rate, exchange rate fluctuations, and inflation on the Company's profit and loss in the most recent year, and future countermeasures.

1. Impact of changes in interest rates

The Company's funds are all self-owned, and it does not have any bank revolving loans. Therefore, interest rate fluctuations have no significant adverse impact on the Company.

The Company will closely monitor interest rate fluctuations and adjust its capital utilization and other methods to reduce the impact of interest rate changes on the Company's profit and loss.

2. Impact of exchange rate fluctuations

The Company currently exports products priced in USD and imports materials priced in USD, so accounts receivable and payable can offset each other, generating a certain degree of natural hedging effect. However, there remains a foreign exchange risk due to the remaining balance, and thus, fluctuations in the USD exchange rate have a certain impact on the Company's revenue and profitability. In addition to using natural hedging methods to address exchange rate risks, the finance unit maintains close communication with frequently used banks and gathers international financial information related to exchange rates. This allows the Company to stay informed of exchange rate trends and, based on actual funding needs and exchange rate levels, adjust foreign currency positions in a timely manner to mitigate relevant exchange rate risks and reduce the negative impact of exchange rate fluctuations on the Company's financial performance.

3. Impact of inflation

The Company has not yet experienced significant impacts from inflation. Moving forward, the Company will continue to closely monitor changes in the price index and minimize the effects of inflation.

(II) Main reasons for profits or losses on high-risk, highly leveraged investments, lending funds to others, endorsements/guarantees, and derivatives transactions in the most recent year, and future countermeasures

The Company's financial operations are based on the principle of conservative stability and have not engaged in high-risk, high-leverage investments. The Company has established relevant operating procedures for lending of funds to others, endorsements and guarantees, and derivatives transactions. As of now, the Company has not lend funds to others, made endorsements and guarantees for others, and engaged in derivatives transactions.

(III) Future R&D plans and expected expenses to be invested

The Company's future technology development direction focuses on developing wireless solutions that integrate control and high-quality, non-compressed/multi-channel audio performance. The Company plans to R&D system-on-chip solutions with audio functionality and intelligent voice control. With its core capabilities in low-latency IP, RF, and antenna design, combined with core algorithms for low-latency, high-quality, multi-device, and mixed data processing, the Company is investing in AI and IoT algorithms. The goal is to develop intelligent application products with advanced Bluetooth, broadband, and artificial intelligence wireless transmission. The expected R&D expenses for the upcoming year are NTD 113,220 thousand.

(IV) Impacts of changes in important domestic and foreign policies and laws on the Company's financial operations, and countermeasures

The Company not only conducts its daily operations in compliance with relevant domestic and international laws and regulations but also closely monitors domestic and international policy trends and regulatory changes to fully understand and respond to market environment shifts. As of now, the Company's financial and business operations have not been significantly impacted by any changes in domestic or international policies or laws.

(V) Impact of technological changes (including cybersecurity risks) and industrial changes on the Company's financial operations, and countermeasures.

The Company not only stays attentive to technological changes and developments in its industry but also keeps track of the latest industry trends through close cooperation with customers. Additionally, by continuously strengthening its R&D capabilities, the Company protects various innovative concepts and designs by applying for patents and actively expands into future market application areas. Therefore, technological changes and industry shifts have not had a negative impact on the Company.

The Company has established information security control procedures to be followed by all employees and has developed an information security management plan. This plan includes email management control, network firewall setup, antivirus software installation, and system program data access control. The Company regularly conducts system vulnerability scans, performs social engineering exercises, regularly reviews access permissions, and implements protective measures for sensitive data. Additionally, employee training is strengthened to raise awareness of information security risks, in compliance with the "Cybersecurity Control Guide for TWSE/TPEX Listed Companies" and related regulations. The Company's management is responsible for internal controls and risk oversight within their respective business areas. Based on the evaluation of the aforementioned information security management mechanisms, there are no significant operational risks.

In the most recent year and up to the publication date of the annual report, the Company has not encountered any significant cyberattacks or incidents that have or may have a major adverse impact on its financial business or operations. Additionally, the Company has not been involved in any legal cases or regulatory investigations related to such matters.

(VI) Impact of corporate image changes on corporate crisis management and countermeasures

Since its establishment, the Company has focused on its core business operations, product R&D, and emphasized internal management while complying with relevant laws and regulations. To date, no events have occurred that have affected the Company's corporate image. In the future, the Company will continue to fully comply with relevant laws and regulations, with a strong focus on maintaining its corporate image.

(VII) Expected benefits, potential risks and countermeasures for mergers and acquisitions

In the most recent year and up to the publication date of the annual report, the Company has not engaged in any mergers or acquisitions. However, should any acquisition plans arise in the future, they will be carefully evaluated to assess the tangible benefits for the Company and ensure the protection of shareholders' interests.

(VIII) Expected benefits, potential risks and countermeasures for the expansion of plants:

The Company is engaged in research, development, and sales, and does not engage in the physical production of goods. Therefore, it does not have any plants used for production purposes.

(IX) Risks associated with concentrated purchases or sales and countermeasures

1. Purchase

The Company is a professional IC design company primarily engaged in wireless audio and control chip design, module development, etc. The main raw material is semiconductor wafers, so factors such as capacity acquisition, yield quality, delivery stability, process compatibility, and cost must be considered. The Company adheres to the principle of selecting excellent suppliers to maintain long-term cooperative relationships. Therefore, the concentration of purchases is a characteristic of the industry. The current suppliers of purchased goods are well-known wafer manufacturers both domestically and internationally. To reduce the potential risks associated with concentrated purchasing, the Company continues to collaborate with reputable suppliers to secure long-term and stable supply. Additionally, the Company works on new product development and seeks new, high-quality suppliers to diversify the risk.

2. Sales

The Company has been deeply involved in the wireless audio control chip and module market for many years. As most of the products are customized, in order to mitigate the risk of concentrated sales, the Company actively expands into new product application areas, including eSports peripherals, wireless transmission for music instruments, and smart home sectors. It is expected that with the commencement of mass production and sales of new projects, the Company will be able to appropriately diversify the sales concentration risks associated with a single customer and maintain balanced and stable operational results.

(X) The impact and risks of large-scale equity transfers or changes in equity by directors, supervisors, or major shareholders holding more than 10% of shares, and countermeasures:

No such situation.

(XI) The change in management rights during the most recent year and up to the publication date of the annual report, and its impact, risks, and countermeasures on the Company: No such situation.

(XII) The Company, its directors, supervisors, President, de facto persons in charge, major shareholders holding more than 10% of shares, and subsidiaries do not have any major

litigation, non-litigation, or administrative disputes that have been definitively judged or are still pending, which may significantly affect shareholder rights or securities prices. The disputed facts, the amount in controversy, the date of the lawsuit initiation, the main parties involved, and the status of the case as of the publication date of the annual report: No such situation.

(XIII) Other major risks and countermeasures:

In recent years, factors such as political and economic situations, international wars, inflation and tariff trade war may cause fluctuations in customer demand for products due to changes in the overall environment. In response to changes in the industry ecosystem, the Company maintains close two-way communication with customers and suppliers and explores cooperative supply models. By adjusting the ability to manage operational resources, the Company can regulate the supply capacity required by customers and stay attuned to market demand trends to assist customers in mass production of new products. At the same time, the Company continues to enhance the ability to deploy resources flexibly, ensuring that all operational aspects have the flexibility to face challenges. As of the publication date of the annual report, the Company is not aware of any other significant risks that may potentially have a material impact on the Company's financial condition.

VII. Other important matters: None.

SIX. Special Matters to be recorded

- I. Information on affiliates in the most recent year: Please access the Market Observation Post System (MOPS) at: https://mopsov.twse.com.tw/mops/web/t57sb01_q10.
- II. Private placement of securities in the most recent year up to the publication date of the annual report: None.
- III. Other necessary supplementary information: None.
- IV. Any of the situations listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the most recent year or during the current year up to the publication date of the annual report: None.

Syncomm Technology Corp.

Chairman: Lo, Sen-Chou