



IntelliEPI Inc. (Cayman)
2024 ANNUAL REPORT

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IET annual report is available on :

[http : //mops.twse.com.tw](http://mops.twse.com.tw)

and [http : //www.intelliepi.com](http://www.intelliepi.com)

1. The name, title, telephone number, and e-mail address of the spokesperson or deputy spokesperson :

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Email : gcwang@intelliepi.com

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Title : Specialist

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2. The address and telephone number of the company's headquarters, subsidiaries, branch offices, and factories :

Headquarter

IntelliEPI Inc. (Cayman).	Address : PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands Tel : (1) 972-234-0068
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Subsidiary and Office

Intelligent Epitaxy Technology, Inc.	Richardson Site : 1250 E. Collins Blvd., Richardson, TX 75081, USA Allen Site : 111 Ridgemont Dr., Allen, TX75002, USA Tel : (1) 972-234-0068
IntelliEPI Japan, Ltd	Address : 1-chōme-35-16 Nakagawachūō, Tsuzuki Ward, Yokohama, Kanagawa Prefecture, Japan Tel : (81) 45-914-5120
IntelliEPI IR, Inc.	Address : 201 E. Arapaho Rd., Suite 210, Richardson, TX 75081, USA Tel : (1) 972-994-6881
IntelliEPI Inc. (Cayman). Taiwan Office	Address : 6F, No.33, Dexing W. Rd, Shilin Dist, Taipei City Tel : (886) 2 2837-1206

3. The name, address, e-mail address, and telephone number of the agency handling shares transfer :

Company : Transfer Agency Department, CTBC Bank

Website : <https://ecorp.ctbcbank.com/cts/index.jsp>

Address : 5F, 83, Sec. 1, Chung-Ching S. Rd., Taipei, Taiwan, R.O.C

Tel : (02) 6636-5566

4. The names of the certified public accountants who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of the accounting firm to which they belong :

Auditor : Wendy Liang, Alan Chien

Company : PwC Taiwan

Website : www.pwc.tw

Address : 27F, No. 333, Sec. 1, Keelung Rd., Taipei, Taiwan, R.O.C.

Tel : (02) 2729-6666

5. The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities : None

6. The address of the company's website : <http://www.intelliepi.com>

7. Information on Director : See chapter 2-1

8. Litigious and Non-Litigious Agent Information

Name : George Wang

Tel : (02) 2837-1206 ext.103

Title : Litigious and Non-Litigious Agent

Email : gcwang@intelliepi.com

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1. Letter to Shareholders

Dear IntelliEPI Cayman Shareholders,

In 2024, the global semiconductor market showed a slow recovery. Growth momentum within the compound semiconductor sector remains uneven, with demand driven by advances in artificial intelligence (AI) and high-performance computing (HPC), while the consumer electronics market remains weak. The 2024 sales revenue of IET went to total NTD 717,235 thousand, a 8.29% year-over-year increase compared to 2023, which was attributed to strong year-end demand of InP wafers, as well as substantial increases in both defense-related contracts and commercial sales of GaSb wafers.

Looking at the annual sales distribution by product category, sales of GaAs wafers declined slightly compared to the previous year due to conservative inventory management by customers. While hardware components sales decreased and GaSb wafers sales increased, the combined revenue of these two categories remained on par with 2023.

In terms of business operations, the company has secured a funding grant under the Texas Semiconductor Innovation Fund (TSIF) and received preliminary approval under the U.S. CHIPS Act, pending further due diligence. For R&D projects, the company is primarily developing high-speed and high-performance wafers for AI-related applications. We believe that in the coming year, amidst increasing localization of supply chains and intensified industry competition, the IET team will continue to leverage its accumulated technical strength and management experience to meet challenges and achieve new milestones.

1. 2024 Operation Report:

1.1 Operation Results

The consolidated total revenue of the Company in 2024 was NTD 717,235 thousand, representing an increase of 8.29% compared to 2023. The after-tax net loss was NTD 131,776 thousand, equivalent to an 18.37% loss margin, a decrease of NTD 140,136 thousand from 2023. Net loss per share after tax was NTD 3.58, compared to earnings per share of NTD 0.23 in 2023.

1.2 Financial Income, Expenditures, and Profitability Analysis

In terms of financial and capital management, current assets accounted for 34% of total assets in 2024, slightly down from 37% in the previous year, but still reflecting a stable position. The debt ratio decreased modestly from 15% in 2023 to 13% in 2024, mainly due to a reduction in liabilities following the conversion of convertible bonds into common shares. Capital expenditures for property, plant, and equipment amounted to NTD 171,405 thousand in 2024. All capital and operating expenditures were executed in line with the approved budget scheme.

The gross profit margin in 2024 was 16%, lower than the 23% recorded in 2023. The decline was primarily attributable to a relatively smaller increase in sales, while the costs of materials, labor, and other manufacturing expenses rose due to capacity expansion, putting pressure on gross margin performance.

Selling, general and administrative (G&A) and R&D expenses totaled NTD 206,430 thousand, an increase of NTD 19,306 thousand or 10.32% compared to the previous year. After accounting for non-operating expenses of NTD 43,728 thousand and income tax benefit of NTD 4,894 thousand, the company reported a net loss after tax of NTD 131,776 thousand, a

downturn from the net profit of NTD 8,360 thousand in 2023.

1.3. Budget Execution

The company's annual budget was approved by the board of directors, while no financial forecast were publicly disclosed. Overall budget execution was under good control.

1.4. Research and Development

In 2024, the R&D expense was NTD 61,504 thousand, slightly higher than NTD 45,454 thousand in the previous year. The main R&D projects include high-performance VCSEL, high-speed opto-communication InP PIN and APD wafers, and GaSb wafers for defense applications.

2. 2025 Business Plans and Strategies

2.1. Management Policy : With a strong commitment to quality and performance management, the Company will cooperate with the due diligence procedures required under the U.S. CHIPS Act subsidy program, proceed with the phase II expansion of its facility and manage the reimbursement process under the Texas Semiconductor Innovation Fund (TSIF). The Company remains focused on developing the following epitaxial products and expanding markets:

- InP: InP wafers are expected to be the main driver of 2025 revenue growth. Products include PIN and APD wafers used in optical communications and data centers, as well as HBT wafers for high-speed applications. The Company has gradually received volume production orders since the year end of 2024 and has adjusted capacity allocations to meet the delivery schedules.
- GaAs: GaAs pHEMT remains the core product. Major customers are still managing inventory levels, and the sales volume is expected to remain stable. Price adjustments have been completed with customers. On the R&D front, the Company will continue co-developing the advanced VCSEL for network communication, aiming to create new business opportunities.
- GaSb: In 2025, demand for GaSb infrared epitaxial wafers from both domestic and international defense customers is expected to grow steadily. The Company plans to expand its production capacity to fulfill volume order requirements.
- Hardware component: Customer interest in purchasing GaN regrowth MBE system is increasing. The company is actively pursuing the selling of MBE hardware components and has initialed the project to install Gan regrowth machine in Taiwan as a way to provide timely support to local customers. In addition to the above-mentiuoned projects, new machines will be built as in line with the requirements of U.S. CHIPS Act subsidies and future production expansion plans.
- GaN: Orders for GaN regrowth wafers continue to rise. The Company plans to expand its workforce including preparations for future production operation in Taiwan.

2.2. Projected Sales Volume and its Basis: The projected sales volume is based on demand forecasts provided by customers, industry trends, and overall market supply and demand, aligned with the Company's production capacity and business strategy.

2.3. Key Production and Marketing policies

2.3.1. Enhance product quality.

2.3.2. Strengthen product research and development capabilities.

2.3.3. Increase production efficiency.

3. Future Development Strategies

3.1. Ensure a stable supply of materials and substrates.

3.2. Integrate into the AI supply chain.

3.3. Focus on both volume production and advanced product development.

3.4. Leverage strong MBE hardware and software capabilities to pursue customized and long-term service-oriented opportunities.

3.5. Enhance employee training and foster team synergy.

4. Effects from External Competition, Legal and Regulation, and Economic Environments

In 2025, to address external competition, the Company plans to localize production, ensure stable supply of materials and hardware components and integrate into optical communication and AI applications. In terms of regulatory compliance, the Company will adhere to the principle of integrity and adjust the management policies in accordance with regulatory updates and government policy changes. Considering the overall business environment, the Company will enhance its production capabilities, scale up revenue, and increase market penetration as the ways to grow sustainably within the industry.

Chairman : Yung-Chung Kao

Chief Officer : Kevin Vargason

March 12, 2025

2. Corporate Governance Report

2-1. Information on the Company's Directors, Supervisors, General Manager, Assistant General Managers, deputy assistant general Managers, and the Chiefs of all the Company's Divisions and Branch Units

2-1-1. Directors and Supervisors

2-1-1-1. Information on Directors (the company has no supervisor)

2025.04.30

Job Title	Nationality or place of registration	Name	Gender/age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principle work experience and academic qualifications	Position held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relatives within the second degree		
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship
Chairman of the Board	R.O.C. / U.S.A.	Yung-Chung Kao	Male/age 61~70	2024/6/25	3 years	2011/4/29	209,109	0.57%	216,459	0.54%	—	—	812,340	2.03% (Note 1)	<ul style="list-style-type: none"> Electrical engineering, PhD, University of California Master, TAMU Bachelor, National Tsing Hua University Senior engineer, Texas Instruments 	<ul style="list-style-type: none"> IET-Cayman Chairman IET-US Chairman Director of IET-Japan 	Head of Corporate Governance	Chia-Hwei Liu	Spouse
Director	R.O.C.	Virginia Shu	Female/age 71~80	2024/6/25	3 years	2012/9/28	15,749	0.04%	15,749	0.04%	—	—	—	—	<ul style="list-style-type: none"> Master, University of Illinois VP, JPMorgan Chase Bank 	<ul style="list-style-type: none"> Supervisor of J-Tek Supervisor of J-MEX Director of NPIC Cayman CEO of AIMCO 	—	—	—
Director	R.O.C.	Wei-Hsien Wu	Male/age 61~70	2024/6/25	3 years	2021/8/17	2021/8/17	945,000	2.57%	945,000	2.36%	—	—	—	<ul style="list-style-type: none"> Chinese Culture University 	—	Director	Lin-Tan Wu	Parent-Child
Director	R.O.C.	Lin-Tan Wu	Female/Age 21~30	2024/6/25	3 years	2024/6/25	2024/6/25	628,000	1.71%	628,000	1.57%	—	—	—	<ul style="list-style-type: none"> Master of BA, Arizona State University 	United Integrated Services (USA), special assistance to chairman	Director	Wei-Hsien Wu	Parent-Child

Job Title	Nationality or place of registration	Name	Gender/age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principle work experience and academic qualifications	Position held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relatives within the second degree		
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship
Corporate Director	R.O.C.	KINGMAX SEMICONDUCTOR INC.	N.A.	2024/6/25	3 years	2024/6/25	3,075,000	8.36%	2,959,000	7.40%	—	—	—	—	<ul style="list-style-type: none"> Shareholder of Kingpak International Co., Ltd. Shareholder of Sheng Kai Technology Co., Ltd. 	Corporate director of Kingmaxdigi International Co., Ltd.	—	—	—
Representative	R.O.C.	Hung-Yu Chen	Male/ Age 31~40	2024/6/25	3 years	2024/6/25	—	—	—	—	—	—	—	—	<ul style="list-style-type: none"> Electrical engineering, PhD, Stanford University Management Science and Engineering, PhD, Stanford University Head of Corporate Strategy, GigaDevice Semiconductor Group Co., Ltd. Senior R&D Engineer, SanDisk 	Representative of Corporate director (Kingmaxdigi International Co., Ltd.) of KINGMAX SEMICONDUCTOR INC.	—	—	—
Independent Director	R.O.C.	Tom Chang	Male/ age 51~60	2021/8/17	3 years	2012/9/28	—	—	—	—	—	—	—	—	<ul style="list-style-type: none"> PhD, FuDan University Master, Boston University VP and Representative of China, CCIS Real Estate Joint Appraisers Firm Consultant of Great China, Taiwan Academy of Banking and Finance 	CCIS Real Estate Joint Appraisers Firm	—	—	—
Independent Director	R.O.C.	Norman Cheng	Male/ age 71~80	2021/8/17	3 years	2018/6/27	—	—	—	—	—	—	—	—	<ul style="list-style-type: none"> PhD, Electrical Engineering, Stanford University Professor and Dean, College of Electrical Engineering, National Tsing Hua University Professor of Electrical Engineering and Computer Engineering, University of Illinois Dean, hypervelocity nano photonic R&D central of DARPA 	—	—	—	—

Job Title	Nationality or place of registration	Name	Gender/age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principle work experience and academic qualifications	Position held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relatives within the second degree		
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship
															<ul style="list-style-type: none"> • Consultant of Industrial Technology Research Institute • Emeritus Professor, National Tsing Hua University 				
Independent Director	R.O.C.	KM Tsai	Male/age 71~80	2021/8/17	3 years	2018/6/27	—	—	—	—	—	—	—	—	<ul style="list-style-type: none"> • PhD, University of Maryland • Co-founder of TAMC • Director of Gemtek Ltd, Global Lighting Technology and J-Tek 	<ul style="list-style-type: none"> • Chairman of J-MEX • Chairman of AIMCO • Chairman of Perphiloi Culture Foundation 	—	—	—

Note 1 : P&M Oakin, LP, the legal entity owned by Yung-Chung Kao, Chairman of the Board, and his spouse.

2-1-1-2. Major Shareholders of Corporate Shareholders

2025.04.30

Name of corporate shareholders (Note 1)	Major shareholders of the corporate shareholder (Note 2)
KINGMAX SEMICONDUCTOR INC.	KINGMAX DIGI Co., Ltd. (10.25%) LEFU International Co., Ltd. (7.70%) Liu Fu Zhou(5.23%) Chailease Finance Co., Ltd.(4.73%) Chen Yu Zhi(2.99%) Liu Jia Lan(2.27%) Liu Da Yuan(2.27%) Lin Chen Fung(1.91%) Lu Bo Chang(1.91%) Ping Jia Co., Ltd.(1.87%)

Note 1 : If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2 : Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete Form below.

Note 3 : If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

2-1-1-3. If any Major Shareholder Listed in Form above is a Corporate / Juristic Person,
List its Major Shareholders in this Form

2025.04.30

Name of corporate/juristic person	Major shareholders of the corporate/juristic person corporate shareholder
KINGMAX DIGI Co., Ltd.	KINGMAX SEMICONDUCTOR INC.(48.12%) Fu Ci Xin(5.29%)
LEFU International Co., Ltd.	Fan Hui Ling(100%)
Chailease Finance Co., Ltd.	Listed company, symbol 中租-KY, 5871
Ping Jia Co., Ltd.	Da Lien Da Holdings Limited(100%)

Note 1 : If any major shareholder in Form above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 2 : Fill in the names of the corporate/juristic person's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

Note 3 : If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

2-1-1-4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors

2025/4/30

Quali- fication Name	Professional Qualifications and Experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Yung-Chung Kao	(Please refer to the main experience of the directors)	Meeting the following circumstances (4) - (12)	0
Virginia Shu	(Please refer to the main experience of the directors)	Meeting the following circumstances (1) - (12)	0
Wei-Hsien Wu	(Please refer to the main experience of the directors)	Meeting the following circumstances(1)-(2),(5)-(9),(11)-(12)	0
Tom Chang	(Please refer to the main experience of the directors)	Meeting the following circumstances (1) - (12)	0
Norman Cheng	(Please refer to the main experience of the directors)	Meeting the following circumstances (1) - (12)	0
KM Tsai	(Please refer to the main experience of the directors)	Meeting the following circumstances (1) - (12)	1
Lin-Tan Wu	(Please refer to the main experience of the directors)	Meeting the following circumstances(1)-(2),(5)-(9),(11)-(12)	0
KINGMAX SEMICONDUCTOR INC.	(Please refer to the main experience of the directors)	Meeting the following circumstances(1)-(4),(6)-(12)	0

- (1) May not be an employee of the company or any of its affiliates.
- (2) May not be a director or supervisor of the company or any of its affiliates. (However, this does not apply to independent directors appointed by the Company and its parent or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country.)
- (3) May not be a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) May not be a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in (2) and (3).
- (5) May not be a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (However, this does not apply to independent directors appointed by the Company and its parent or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country.)
- (6) May not be a director, supervisor, or employee of that other company, which a majority of the

company's director seats or voting shares and those of any other company are controlled by the same person. (However, this does not apply to independent directors appointed by the Company and its parent or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country.)

- (7) May not be a director (or governor), supervisor, or employee of that other company or institution, if the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. (However, this does not apply to independent directors appointed by the Company and its parent or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country.)
- (8) May not be a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (However, this does not apply to independent directors appointed by the Company and its parent or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country.)
- (9) May not be a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not a spouse or a relative within the second degree of kinship to any other director of the Company.
- (11) Not under any of the circumstances stated in Article 30 of the Company Act.
- (12) Not a government or corporate representative according to Article 27 of the Company Act.

Note 1 : Professional qualifications and experience : Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and P. 4 of 93 work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2 : Describe the status of independence of each independent director, including but not limited to the following : did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)?; specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 3 : The re-election of directors was conducted at the shareholders' meeting on June 25, 2024. Director Kang-Lung Wang and Jason Chen stepped down after the meeting, and Lin-Tan Wu and KINGMAX SEMICONDUCTOR INC. were newly elected as

directors following the conclusion of the meeting.

2-1-1-5. The Diversity Policy and Status of Independence of the Board of Directors

(1) Diversity Policy

The Company has formulated and implemented a diversity policy for the composition of the Board of Directors in the “Corporate Governance Best Practice Principles.” The specific management goals include:

- A. It is advisable that the number of directors who also serve as the Company’s managerial officers shall not exceed one-third of the total number of directors.
- B. At least one-third of the board seats shall be held by directors of the underrepresented gender.
- C. With respect to professional knowledge, at least one director shall be required to have legal, financial or accounting expertise.
- D. There shall be one or more persons with industry experience.

The Company’s Board of Directors currently consists of 8 directors, including 4 non-executive directors, 1 executive director (Director Kao Yung-Chung), and 1 independent directors. All members have extensive experience and professionalism in the fields of finance, commerce, and management. The Company also pays attention to gender equality in the composition of the Board of Directors. Currently, there are 8 directors, including 6 male directors (including one representative of corporate director) and 2 female directors. The underrepresented gender accounts for one-fourth of the board seats, which didn’t achieve the goal. The primary reason lies in the characteristics of the semiconductor industry, making it more challenging to identify appropriate female director candidates. Will put the goal into evaluation during the next board election.

The Diversity of Board of Directors

	Gender	Management judgment	Leadership decision	Industry knowledge	International market perspective	Finance and accounting	Laws
Yung-Chung Kao	Male	V	V	V	V		
Virginia Shu	Female	V	V		V	V	
Wei-Hsien Wu	Male	V			V	V	
Lin-Tan Wu	Female			V	V	V	
KINGMAX SEMICONDUCTOR INC. Representative Hung-Yu Chen	Male	V	V	V	V	V	
Tom Chang	Male		V		V	V	V
Norman Cheng	Male		V	V	V		V
KM Tsai	Male	V	V		V	V	

(2) Status of Independence

The Company emphasizes the independence of the Board of Directors. The Board of Directors is currently composed of 8 directors, of which 3 are independent directors, accounting for 37.50%. No more than two board members have a spousal or relative within the second degree of kinship with each other.

The future tenure of independent directors will be no more than five terms.

Among the current three independent directors, one is in the fifth term and two are in the third term, will reach the goal in the next board election.

2-1-2. Information on the Management Team

2024.04.30

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held by nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Note
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship	
Chief Officer	U.S.A.	Kevin Vargason	Male	1999/2/22	228,043	0.57%	-	-	-	-	<ul style="list-style-type: none"> Bachelor, University of South Dakota Engineer, Texas Instruments 	-	-	-	-	
VP/ Technology	U.S.A.	Paul Pinsukanjana	Male	1999/2/1	298,120	0.75%	-	-	-	-	<ul style="list-style-type: none"> PhD, UCSB Bachelor, UC Berkeley Postdoctoral research, UCSB Technical staff, NASA Jet Propulsion Laboratory CTO, Applied EPI Inc. 	IET-IRChairman andDirector	-	-	-	
CFO	R.O.C.	George Wang	Male	2001/3/1	427,900	1.07%	-	-	-	-	<ul style="list-style-type: none"> Master, University of Illinois Urbana-Champaign Bachelor, University of Missouri Columbia Auditor, Taiwan External Trade Development Council Accounting manager, Heartland International Co., Ltd, Marubeni Senior Auditor, PwC 	IET-USDirector	-	-	-	
VP/ Business Development and Marketing	R.O.C.	Patrick Chin	Male	2018/5/9	65,000	0.16%	-	-	-	-	<ul style="list-style-type: none"> PhD, UCSD Bachelor, National Chiao Tung University VP, IQE Technology 	-	-	-	-	
Head of Corporate Governance	R.O.C./ U.S.A.	Chia-Hwei Liu	Female	2023/5/10	0	0	216,459	0.54%	-	-	<ul style="list-style-type: none"> Master, TAMU Bachelor, National Chengchi university Operation strategy dept., TXU Energy HR dept., CTBC Bank 	-	-	-	-	

2-2-Renumeration to Directors, Supervisor and Management Team

2-2-1. Remuneration to Directors, Supervisor and Management Team

2-2-1-1. Remuneration to Ordinary Directors and Independent Directors

Unit : NTD thousand

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+ G and ratio to net income (Note 10)		Remuner ation received from investee enterpris es other than subsidiar ies or from the parent company (Note 11)
		Base compensation (A) (Note 2)		Retirement pay and pension (B)		Director profitsharing compensation (C) (Note 3)		Expenses and perquisites (D) (Note 4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 6)						
		The Comp any	All consoli dated entities (Note7)	The Co mp any	All consoli dated entities (Note7)	The Com pany	All consoli dated entities (Note7)	Th e Co mp any	All consoli dated entities (Note7)	The Comp any	All consoli dated entities (Note7)	The Comp any	All consoli dated entities (Note7)	Th e Co mp any	All consoli dated entities (Note7)	The Company		All consolidated entities (Note7)		The Compa ny	All consoli dated entities (Note7)	
																Amo unt in cash	Amo unt in stock	Amo unt in cash	Amo unt in stock			
Chairman of the Board	Yung-Chung Kao	-	-	-	-	-	-	30	30	30 0.02%	30 0.02%	864	9,269	52	311	-	-	-	-	946 0.72%	9,610 7.30%	None
Director	Virginia Shu	-	-	-	-	-	-	25	25	25 0.02%	25 0.02%	-	-	-	-	-	-	-	-	25 0.02%	25 0.02%	None
Director	Kang-Lung Wang (Note)	-	-	-	-	-	-	15	15	15 0.01%	15 0.01%	-	-	-	-	-	-	-	-	15 0.01%	15 0.01%	None
Director	Wei-Hsien Wu (Note)	-	-	-	-	-	-	20	20	20 0.02%	20 0.02%	-	-	-	-	-	-	-	-	20 0.02%	20 0.02%	None
Director	Lin-Tan Wu (Note)	-	-	-	-	-	-	15	15	15 0.01%	15 0.01%	-	-	-	-	-	-	-	-	15 0.01%	15 0.01%	None
Director	KINGMAX SEMICONDUCTOR INC. (Note)	-	-	-	-	-	-	15	15	15 0.01%	15 0.01%	-	-	-	-	-	-	-	-	15 0.01%	15 0.01%	None
Independ ent Director	Tom Chang	360	360	-	-	-	-	15	15	375 0.28%	375 0.28%	-	-	-	-	-	-	-	-	375 0.28%	375 0.28%	None
Independ ent Director	Jason Chen (Note)	720	720	-	-	-	-	25	25	745 0.57%	745 0.57%	-	-	-	-	-	-	-	-	745 0.57%	745 0.57%	None

Independent Director	Norman Cheng	720	720	-	-	-	-	30	30	750 0.57%	750 0.57%	-	-	-	-	-	-	-	-	750 0.57%	750 0.57%	None
Independent Director	KM Tsai	720	720	-	-	-	-	30	30	750 0.57%	750 0.57%	-	-	-	-	-	-	-	-	750 0.57%	750 0.57%	None

1. Please describe the policy, system, standards and structure in place for paying remuneration to independent directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid : The policy, system, standards and structure in place for paying compensation to independent directors are set by *Compensation Policy for Directors*, and the performance evaluation of the Board of Directors as reference of director election or nomination, and the performance evaluation of each director will be the reference of the compensation amount paid to each director.

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

Note: The re-election of directors was conducted at the shareholders' meeting on June 25, 2024. Director Kang-Lung Wang and Jason Chen stepped down after the meeting, and Lin-Tan Wu and KINGMAX SEMICONDUCTOR INC. were newly elected as directors following the conclusion of the meeting.

Note 1 : The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or an assistant general manager, please complete this Table and Table 3-1, or Tables 3-2-1 and 3-2-2.

Note 2 : This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3 : Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4 : This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market P. 12 of 93 rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration.

Note 5 : This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 6 : This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year.

Table 1-3 should also be completed.

Note 7 : Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies in the consolidated financial report (including the Company).

Note 8 : Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director by the Company.

Note 9 : Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director of the Company by all companies in the consolidated financial report (including the Company).

Note 10 : Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 11 :

- a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).
- b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column I of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises.” P. 13 of 93
- c. Remuneration means remuneration received by directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

2-2-1-2. Remuneration to Supervisors

The Company has no supervisors, not applicable

2-2-1-3. Remuneration to General Manager and Vice Presidents

Currency : NTD

Job title	Name	Salary (A) (Note 2)		Retirement pay and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)		Sum of A+B+C+D and ratio to net income (%) (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
			All consoli		All consolid		All consolid	The Company	All consolidated entities (Note 5)	The	All consolidated entities (Note 5)	

		The Company	ated entities (Note 5)	The Company	ated entities (Note 5)	The Company	ated entities (Note 5)	Amount in cash	Amount in stock	Amount in cash	Amount in stock	Company		
President/CEO	Yung-Chung Kao	2,136	35,419	52	1,107	-	-	-	-	-	-	2,188 1.66%	36,526 27.73%	None
VP/Technology	Paul Pinsukanjana													
VP/Operations	Kevin Vargason													
CFO	George Wang													
VP/Business Development and Marketing	Patrick Chin													
Head of Corporate Governance	Chia-Hwei Liu													

Remuneration Range Table

Ranges of remuneration paid to each of the Company's general manager and vice presidents	Name of general manager and vice presidents	
	The Company (Note 6)	All consolidated entities (Note 7)
Less than NT\$1,000,000	Yung-Chung Kao, Paul Pinsukanjana, Kevin Vargason, George Wang, Patrick Chin, Chia-Hwei Liu	Chia-Hwei Liu
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	—	—
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	—	—
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	—	—
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	—	Yung-Chung Kao, Paul Pinsukanjana, Kevin Vargason, George Wang, Patrick Chin
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	—	—
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	—	—

NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	—	—
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	—	—
NT\$100,000,000 or above	—	—
Total	6 people	6 people

Note 1 : The name of each general manager and assistant general manager shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or an assistant general manager, please complete this table and Table (1-1), or Tables (1-2-1) and (1-2-2).

Note 2 : This includes salary, duty allowances, and severance pay to the general manager(s) and assistant general manager(s) in the most recent fiscal year.

Note 3 : This includes the amounts of all types of rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicle, and other compensation to the general manager(s) and assistant general managers(s) in the most recent fiscal year. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, P. 18 of 93 etc.—should be included in the calculation of remuneration.

Note 4 : This refers to employee profit-sharing compensation (including stocks and cash) received by the general manager(s) and assistant general manager(s) as approved or expected to be approved by the board of directors for the most recent fiscal year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee). If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 5 : Disclose the total amount of remuneration in each category paid to the general manager(s) and assistant general manager(s) by all companies in the consolidated financial report (including the Company).

Note 6 : Disclose the names of the general manager(s) and assistant general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager by the Company.

Note 7 : Disclose the names of the general manager(s) and assistant general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager of the Company by all companies in the consolidated financial report (including the Company).

Note 8 : Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 9 :

- a. In this column, specifically disclose the amount of remuneration received by the general manager(s) and assistant general manager(s) of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).
- b. If general manager(s) or assistant general manager(s) of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises.”
- c. Remuneration means remuneration received by the general manager(s) and assistant general manager(s) of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

2-2-1-4. Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

Currency : NTD

	Job title (Note 1)	Name (Note 1)	Amount in stock	Amount in cash	Total	As a % of net profit
Managerial officers	President/CEO	Yung-Chung Kao	-	-	-	-
	VP/Technology	Paul Pinsukanjana				
	VP/Operations	Kevin Vargason				
	CFO	George Wang				
	VP/Business Development and Marketing	Patrick Chin				
	Head of Corporate Governance	Chia-Hwei Liu				

Note 1: Kevin Vargason assumed Chief Officer, effective March 13, 2024.

Note 2: No employee compensation will be distributed for the year 2024.

Note 1 : Names and job titles should be disclosed individually, but profit distributions received may be disclosed in aggregate.

Note 2 : Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. If the Company has already adopted the IFRS, net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 3 : The applicable scope of “managerial officers” is defined under the 27 March 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions : (1) General manager(s) and equivalent level positions (2) Assistant general manager(s) and equivalent level positions (3) Deputy assistant general manager(s) and equivalent level positions (4) Chief officer of the finance division (5) Chief officer of the accounting division (6) Other persons who have the power to manage affairs and sign for the Company

Note 4 : If any director, general manager, or assistant general manager receives profit-sharing compensation (including stocks or cash), complete this table in addition to Table 1-2.

2-2-2. If any of the Following Applies to the Company, it Shall Disclose the Remuneration Paid to Each Individual Director and Supervisor

Remuneration paid to directors are disclosed on page 13.

1. A company that has posted after-tax deficits in the parent company only financial reports or individual financial reports within the three most recent fiscal years shall disclose the remuneration paid to individual directors and supervisors. This requirement, however, shall not apply if the company has posted net income after tax in the parent company only financial report or individual financial report for the most recent fiscal year and such net income after tax is sufficient to offset the accumulated deficits.
2. A company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for 3 consecutive months or more during the most recent fiscal year shall disclose the remuneration of individual supervisors.
3. A company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of pledged shares in excess of 50 percent for each such month.

4. If the total amount of remuneration received by all of the directors and supervisors in their capacities as directors or supervisors of all of the companies listed in the financial reports exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT\$15 million, the company shall disclose the remuneration paid to that individual director or supervisor.
5. A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) is ranked in the lowest tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation.
6. The average annual salary of the full-time non-management employees in a TWSE or TPEX listed company is less than NT\$500,000 in the most recent fiscal year.
7. A TWSE or TPEX listed company had an increase of 10 percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year.
8. A TWSE or TPEX listed company had a decline in after-tax net income reaching 10 percent and exceeding NT\$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching 10 percent or more and exceeding NT\$100,000.

2-2-3. If the Circumstance in Sub-item "(1)" or in Sub-item "(5)" of the Preceding Item Applies to a Company Listed on the TWSE or the TPEX, It Shall Disclose the Individual Remuneration Paid to Each of Its Five Highest Remunerated Management Personnel:

Job title	Name	Salary (A) (Note 2)		Retirement pay and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company		All consolidated entities (Note 5)		The Company	All consolidated entities (Note 5)	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
CEO	Yung-Chung Kao	864	9,269	52	311	-	-	-	-	-	-	916 0.70%	9,580 7.27%	None
VP/Technology	Paul Pinsukanjana	-	7,045	-	213	-	-	-	-	-	-	-	7,258 5.51%	None
Chief Officer VP/Operations	Kevin Vargason	-	6,735	-	213	-	-	-	-	-	-	-	6,948 5.27%	None
CFO	George Wang	912	5,520	-	145	-	-	-	-	-	-	912 0.69%	5,665 4.30%	None
VP/Business Development and Marketing	Patrick Chin	-	6,491	-	202	-	-	-	-	-	-	-	6,693 5.08%	None

Note 1: The term "Top Five Highest-Paid Executives" refers to the company's managerial personnel. The determination of managerial personnel shall follow the scope defined by the former Securities and Futures Commission, Ministry of Finance, under Letter No. Tai-Tsai-Cheng (III) No. 0920001301 dated March 27, 2003. The identification of the "Top Five Highest-Paid" is based on the total amount of salaries, retirement and severance payments, bonuses, special expense allowances, and employee remuneration (i.e., the sum of A + B + C + D) received from all entities included in the consolidated financial statements. These are ranked in order, and the top five are identified accordingly. If any director concurrently holds an executive position, their compensation must be disclosed in both this table and Table (1-1).

Note 2: This refers to the salaries, job-specific stipends, and severance payments of the top five highest-paid executives in the most recent fiscal year.

Note 3: This includes various bonuses, incentive payments, transportation allowances, special allowances, various stipends, housing, company vehicles, and other in-kind benefits and compensations received by the top five highest-paid executives during the most recent fiscal year. If the company provides housing, vehicles, or other personal-use assets, the nature and cost of the assets, as well as the actual or fair market value of rent, fuel, and other related payments, must be disclosed. If a driver is provided, a note should explain the remuneration paid to the driver by the company, although it is not included in the executive's total compensation. Furthermore, compensation expenses recognized under IFRS 2 "Share-based Payment"—including employee stock options, restricted shares, and participation in capital increases in cash—must also be included as part of total compensation.

Note 4: This refers to the amount of employee remuneration (in cash and/or stock) allocated to the top five highest-paid executives for the most recent fiscal year as approved by the board of directors. If the amount cannot be reasonably estimated, it shall be calculated based on the proportion of actual distributions from the previous year. Additional details should be provided in Appendix 1-3.

Note 5: The total compensation disclosed should include amounts paid to the top five highest-paid executives by all entities within the consolidated group (including the parent company).

Note 6: "Net Income After Tax" refers to the net profit after tax in the most recent individual or standalone financial report.

Note 7:

a. This section must clearly disclose any compensation received by the top five highest-paid executives from investee companies (excluding subsidiaries) or the parent company. If none, indicate "None."

b. Compensation refers to any remuneration, including employee/director/supervisor remuneration and business execution fees, received for serving as a director, supervisor, or managerial officer at investee companies (excluding subsidiaries) or the parent company.

Note: The compensation disclosed in this table is for information disclosure purposes only and does not align with the definition of income under the Income Tax Act. Therefore, it should not be used for taxation purposes.

2-2-4. Total Remuneration, as a Percentage of Net Income Stated in the Parent Company Only Financial Reports or Individual Financial Reports, as Paid by the Company and by Each Other Company Included in the Consolidated Financial Statements During the Past 2 Fiscal Years to Directors, Supervisors, General Manager, and Vice Presidents:

Currency: NTD thousand

Paid by	2023				2024			
	The Company		All consolidated entities		The Company		All consolidated entities	
	Amount	%	Amount	%	Amount	%	Amount	%
Directors	3,065	36.74%	3,065	36.74%	2,740	2.08%	2,740	2.08%
President and Vice presidents	1,959	23.49%	36,379	436.10%	2,188	1.66%	36,526	27.73%

Remuneration Policies, Standards, and Packages, the Procedure for Determining Remuneration, and Its Linkage to Operating Performance and Future Risk Exposure:

Remuneration Policies, Standards, and Packages:

- A. Directors: According to the Company's "Procedures for Remuneration to Directors," remuneration to directors can be divided into three categories: Salaries, remuneration, and business execution expenses. The independent directors of the Company receive a fixed salary and do not receive remuneration. Pursuant to Article 34 of the Articles of Incorporation, if the Company makes a profit for the year, it shall allocate no more than 3% of the profit for the year as the remuneration of directors, and take performance evaluation and payment into considerations, the evaluation items include the awareness of directors' responsibilities, the degree of participation in the company's operations, the occurrence of moral hazard incidents or other events that have a negative impact on the company's image or goodwill, and continuing education. Business execution expenses consist of transportation allowances and travel allowances.
 - B. Managerial officers: Pursuant to the Company's "Managerial Officers' Remuneration Policy," managerial officers' remuneration includes salaries, bonuses, and employee remuneration, of which salary is determined with reference to the industry benchmarks, as well as items such as title, rank, qualifications, professional competence and responsibilities. The bonus and compensation are based on the managerial officers' performance evaluation items, and the evaluation items include financial indicators (such as the company's revenue, the achievement rate of pre-tax net profit and after-tax net profit) and non-financial indicators (such as the department's compliance, major operational risk issues, deficiencies, and the Company's achievement of ESG goals). Pursuant to Article 34 of the Company's Articles of Incorporation, if the Company makes a profit in a year, it shall allocate no less than 3% of the profit for the year as employee remuneration.
- Description of non-financial ESG indicators:
To encourage managerial officers and all employees to attach importance to sustainable development, the Company has included sustainability performance in its managerial officers' non-financial performance appraisal program, which is based on the implementation status and achievement of annual ESG targets, accounting for 5% of managerial officers' non-financial performance indicators.

ESG targets for 2024 include:

- a. Compilation of 2023 Sustainability Report

- b. Promotion of occupational health and safety (Note)
- c. Supplier behavior scoring and management (Note)
- d. Waste reduction (Note)
- e. Water drainage reduction (Note)
- f. Greenhouse gas reduction (Note)

Note: Strategic goals and achievement please refer to the “Promotion of Sustainable Development Implementation and the Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies” regarding the content on social and environmental issues.

Procedure for Determining Remuneration:

The actual amount of remuneration to directors and managerial officers paid in 2024 was reviewed by the remuneration committee and then submitted to the board of directors for approval.

Linkage to Operating Performance and Future Risk Exposure:

The Company’s remuneration to directors and management team is based on whether the Company can achieve the earnings target and its assessment of future operational and industry risks. If the remuneration distribution is likely to jeopardize the Company’s working capital and sustainable development, the Company will adjust the method of payment of remuneration in due course.

2-3. The State of the Company's Implementation of Corporate Governance

2-3-1. The State of Operations of the Board of Directors

During 2024 and 2025 up to the publication date of the annual report, the number of BOD meetings held : 9 times

The Number of BOD Meetings Held in 2024 : 6 Times (A)

The Attendance by the Directors :

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remarks
Director	Yung-Chung Kao	6	0	100%	None
Director	Virginia Shu	5	1	83.33%	None
Director	Kang-Lung Wang	3	0	100%	Stepped down on June 25, 2024
Director	Wei-Hsien Wu	6	0	100%	None
Director	Lin-Tan Wu	3	0	100%	Newly elected on June 25, 2024
Director	KINGMAX SEMICONDUCTOR INC.	3	0	100%	Newly elected on June 25, 2024
Independent director	Jason Chen	3	0	100%	Stepped down on June 25, 2024
Independent director	Tom Chang	5	1	83.33%	None
Independent director	Norman Cheng	6	0	100%	None
Independent director	KM Tsai	6	0	100%	None

Independent Directors attending BOD in 2024 (V attend in person *Proxy X No attendance)

	2024/2/27	2024/3/13	2024/5/8	2024/6/25	2024/8/28	2024/11/13
Tom Chang	V	*	V	V	V	V
Jason Chen	V	V	V	N/A	N/A	N/A
Norman Cheng	V	V	V	V	V	V
KM Tsai	V	V	V	V	V	V

Other information required to be disclosed :

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

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

BOD	Agenda and resolution	Securities and Exchange Act Article 14-3	Independent Directors dissenting or qualified opinion
2024 2 nd BOD meeting on 2024/3/13	Amendment on “Memorandum and Articles of Association”	V	
	Engagement of auditor for 2024	V	
	Independent Directors opinion : none		
	The Company’s feedback to Independent Directors opinion : none		
	Resolution : unanimously adopted by the Board present		
2024 3 rd BOD meeting on 2024/5/8	Subsidiary IET-US Authorized Capital and Articles of Incorporation Amendment	V	
	Independent Directors opinion : none		
	The Company’s feedback to Independent Directors opinion : none		
	Resolution : unanimously adopted by the Board present		
2024 6 th BOD meeting on 2024/11/13	Amendment on The Group’ s “Other management activities” and “Internal Audit Implementation Rules”	V	
	Independent Directors opinion : none		
	The Company’s feedback to Independent Directors opinion : none		
	Resolution : unanimously adopted by the Board present		

2. In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution : None.

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

For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table Implementation of Evaluations of the Board of Directors.

The Company has adopted "The Self-evaluation or peer-evaluation of the Board of Directors" on 2020/11/11 BOD. BOD shall perform evaluation on Board, Directors, Audit Committee and Compensation Committee at least once a year.

Evaluation cycle, period, item, method and content

evaluation cycle	evaluation period	Evaluation item	evaluation method	evaluation content
Once a year	2024/1/1~2024/12/31	Board, Board Members, Audit Committee and Compensation Committee	Internal evaluation of the board, self-evaluation by the board members. Questionnaire. Performance evaluation results could be a base of electing or nominating board members. Also could be a base of director's remuneration.	<ol style="list-style-type: none"> 1. Board of directors performance evaluating shall at least include (1) Participation in the operation of the company; (2) Improvement of the quality of the board of directors' decision making; (3) Composition and structure of the board of directors; (4) Election and continuing education of the directors; and (5) Internal control. 2. Board members performance evaluation shall at least include (1) Familiarity with the goals and missions of the company; (2) Awareness of the duties of a director; (3) Participation in the operation of the company; (4) Management of internal relationship and communication; (5) The director's professionalism and continuing education; and (6) Internal control. 3. Audit and Compensation Committee performance evaluation shall at least include (1) Participation in the operation of the company; (2) Awareness of the duties of the functional committee; (3) Improvement of quality of decisions made by the functional committee; (4) Makeup of the functional committee and election of its members and (5) Internal control.

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

The Company's corporate governance policies are disclosed on MOPs and company website.

The Company has carried Directors and officers liability insurance (D&O Insurance) on 2024/8/14 and reported to BOD on 2024/08/28.

Note 1 : For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative : None.

Note 2 :

(1) If any director or supervisor left office before the end of the fiscal year, specify the P. 23 of 93 date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

(2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

During 2025 up to the Publication Date of the Annual Report

The Number of BOD Meetings Held : 3 Times (A)

The Attendance by the Directors :

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
Director	Yung-Chung Kao	3	0	100%	None
Director	Virginia Shu	3	0	100%	None
Director	Wei-Hsien Wu	3	0	100%	None
Director	Lin-Tan Wu	3	0	100%	None
Director	KINGMAX SEMICONDUCTOR INC.	2	1	66.67%	None
Independent director	Tom Chang	3	0	100%	None
Independent director	Norman Cheng	3	0	100%	None
Independent director	KM Tsai	3	0	100%	None

Independent Directors attending BOD in 2025 (V attend in person *Proxy X No attendance)			
	2025/2/26	2025/3/12	2025/5/7
Tom Chang	V	V	V
Norman Cheng	V	V	V
KM Tsai	V	V	V

Other information required to be disclosed :

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

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

BOD	Agenda and resolution	Securities and Exchange Act Article 14-3	Independent Directors dissenting or qualified opinion
2025 2nd BOD meeting on 2025/3/12	Amendment on Accounting policy	V	
	Amendment on "Memorandum and Articles of Association"	V	
	Engagement of auditor for 2025	V	
	Independent Directors opinion : none		
	The Company's feedback to Independent Directors opinion : none		
	Resolution : unanimously adopted by the Board present		

2. In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution : None.

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

For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table Implementation of Evaluations of the Board of Directors: Evaluation for the year 2025 has not yet been conducted.

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

The Company's corporate governance policies are disclosed on MOPs and company website.

The Company has carried Directors and officers liability insurance (D&O Insurance) on 2024/8/14 and reported to BOD on 2024/8/28.

Note 1 : For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative : None.

Note 2 :

(1) If any director or supervisor left office before the end of the fiscal year, specify the P. 23 of 93 date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

(2) If any by-election for directors or supervisors was held before the end of the fiscal year, the

names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The inperson attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

2-3-2.The State of Operations of the Audit Committee

Information on the Directors of the Audit Committee

Job title	Name	Professional qualifications and experience
Independent director/ convenor (2021/8~2024/6)	Tom Chang	Refer to P.10 Table 1
Independent director	Jason Chen (Note 1)	Refer to P.10 Table 1
Independent director	Norman Cheng	Refer to P.10 Table 1
Independent director/ convenor (2024/6~2027/6)	KM Tsai	Refer to P.10 Table 1

Note 1: Stepped down on 2024/6/25

During 2024

The Number of Audit Committee Meetings Held in 2024 : 5 Times

The Attendance by the Independent Directors :

Job title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%) (Notes)	Remarks
Independent director	Tom Chang	3	2	60%	None
Independent director	Jason Chen	3	0	100%	Stepped down on 2024/6/25
Independent director	Norman Cheng	5	0	100%	None
Independent director	KM Tsai	5	0	100%	None

Other information required to be disclosed :

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

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

Audit Committee	Agenda and resolution	Securities and Exchange Act Article 14-5	Not adopted by Audit Committee but approved by 2/3 of Board of Directors
2024 2 nd Audit Committee meeting on 2024/3/13	2023 Financial Statements	V	
	Amendment on "Memorandum and Articles of Association"	V	
	Engagement of auditor for 2024	V	
	Resolution : unanimously adopted by the Audit Committee members present		
	The Company's feedback to audit committee's opinion : All attending directors approved.		
2024 3 rd Audit Committee meeting on 2024/5/8	Subsidiary IET-US Authorized Capital and Articles of Incorporation Amendment	V	
	Resolution : unanimously adopted by the Audit Committee members present		

	The Company's feedback to audit committee's opinion : All attending directors approved.		
2024 4 th Audit Committee meeting on 2024/8/28	2024Q2 Financial Statements	V	
	Resolution : unanimously adopted by the Audit Committee members present		
	The Company's feedback to audit committee's opinion : All attending directors approved.		
2024 5 th Audit Committee meeting on 2024/11/13	Amendment on The Group's "Other management activities" and "Internal Audit Implementation Rules"	V	
	Resolution : unanimously adopted by the Audit Committee members present		
	The Company's feedback to audit committee's opinion : All attending directors approved.		

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

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

Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.) : The Company's Audit Committee perform its duty in accordance with "Audit Committee Charter". Internal control auditor routinely report internal control business to Audit Committee and BOD. Independent Directors, CPA, and internal control audit have separate communication meeting at least once a year.

Yearly work plan and operation : 3Audit Committee members are independent directors. 5 Audit Committee meetings are performed in 2024.

Review financial statement : The Board of Directors has prepared the Company's 2023 Operation Report, Financial Statements and Profit and loss appropriation. The certified public accountants of PriceWaterhouseCoopers Taiwan, were retained by the Company to audit the financial statements and have issued an audit report relating to the financial statements. Operation report, financial statements and Profit and loss appropriation have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company.

Evaluate internal control effectiveness : Audit Committee evaluate internal control effectiveness and review internal control report.

Engagement of CPA : Audit Committee shall evaluate CPA's independence. Audit Committee had evaluated CPA's independence on 2024/03/13 meeting.

To have better picture of CPA's audit quality SFB perform Audit Quality Indicator (AQI) for companies to evaluate CPA. 2024/03/13 Audit Committee had reviewed PriceWaterhouseCoopers AQI.

(1) Note 1 : If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee

meetings held and the number they attended in person during the period they were in office.

- (2) Note 2 : If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

During 2025 up to the Publication Date of the Annual Report

The Number of the Audit Committee Meetings : 3 times

The Attendance by the Independent Directors:

Job title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%) (Notes 1 and 2)	Remarks
Independent director	KM Tsai	3	0	100%	-
Independent director	Norman Cheng	3	0	100%	-
Independent director	Tom Chang	3	0	100%	-

Other information required to be disclosed :

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

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

Audit Committee	Agenda and resolution	Securities and Exchange Act Article 14-5	Not adopted by Audit Committee but approved by 2/3 of Board of Directors
2025 2 nd Audit Committee meeting on 2025/3/12	2024 Financial Statements	V	
	Amendment on "Memorandum and Articles of Association"	V	
	Engagement of auditor for 2025	V	
	Resolution : unanimously adopted by the Audit Committee members present		
	The Company's feedback to audit committee's opinion : All attending directors approved.		

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

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

Communication between the independent directors and the chief internal audit officer and the

CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.) : The Company's Audit Committee perform its duty in accordance with "Audit Committee Charter". Internal control auditor routinely report internal control business to Audit Committee and BOD. Independent Directors, CPA, and internal control audit have separate communication meeting at least once a year.

Yearly work plan and operation, please check above 2024 table.

Note 1 : If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were in office.

Note 2 : If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

2-3-3. Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established the “Corporate Governance Best-Practice Principles” in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and disclosed it on the Market Observation Post System and the Company’s website.	No significant difference
2. Shareholding Structure and Shareholders’ Rights (1) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? (2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(一) The Company has designated personnel to be responsible for stock affairs, and has appointed a spokesperson and deputy spokesperson to handle matters proposed by shareholders, and hire legal consultants to provide related consultation. (二) The Company has designated personnel and entrusted a shareholder service department to handle and report filings, which are disclosed on the public information website. (三) The asset finance and accounting of the Company’s affiliated enterprises operate independently, and are reviewed by independent auditors independently; the Company has also established the “Regulations Governing the Financial and Business Related Operations between Affiliated Enterprises, Specific Companies, Group Enterprises, and Related Parties” and has followed these procedures.	

Evaluation item	Implementation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			(四) The Company has clearly stipulated in the “Procedures for Ethical Management and Guidelines for Conduct” that insiders are prohibited from using undisclosed information in the market to trade securities.	
<p>3. Composition and responsibilities of the board of directors</p> <p>(5) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</p> <p>(6) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?</p> <p>(7) Has the Company established rules and methodology for P. 29 of 93 Evaluation item</p> <p>Implementation status (Note) Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons</p> <p>Yes No Summary description evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for</p>	V		<p>(一) The Company has formulated and implemented a diversity policy for the composition of the Board of Directors in the “Corporate Governance Best Practice Principles.” The specific management goals include the following:</p> <ol style="list-style-type: none"> 1. It is advisable that the number of directors who also serve as the Company’s managerial officers shall not exceed one-third of the total number of directors. 2. At least one-third of the board seats shall be held by directors of the underrepresented gender. 3. With respect to professional knowledge, at least one director shall be required to have legal, financial or accounting expertise. 4. There shall be one or more persons with industry experience. <p>The Company’s Board of Directors currently consists of 8 directors, including 4 non-executive directors, 1 executive director (Director Kao Yung-Chung), and 4 independent directors. All members</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons																																																
	Yes	No	Summary description																																																	
individual directors and their nomination and additional office terms? (8) Does the Company regularly evaluate its external auditors’ independence?			<p>have extensive experience and professionalism in the fields of finance, commerce, and management. The Company also pays attention to gender equality in the composition of the Board of Directors. Currently, there are 8 directors, including 6 male directors (including one representative of corporate director) and 2 female directors. The underrepresented gender accounts for one-fourth of the board seats, which didn’t achieve the goal. Will put the goal into evaluation during the next board election.</p> <p>The implementation of the diversity policy of the Board of Directors by individual directors is as follows:</p> <table><tr><th></th><th>Gender</th><th>Management judgment</th><th>Leadership decision</th><th>Industry knowledge</th><th>International market perspective</th><th>Finance and accounting</th><th>Laws</th></tr><tr><td>Yung-Chung Kao</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr><tr><td>Virginia Shu</td><td>Female</td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td></td></tr><tr><td>Wei-Hsien Wu</td><td>Male</td><td>V</td><td></td><td></td><td>V</td><td>V</td><td></td></tr><tr><td>Lin-Tan Wu</td><td>Female</td><td></td><td></td><td>V</td><td>V</td><td>V</td><td></td></tr><tr><td>KINGMAX SEMICONDUCTOR INC.</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td></tr></table>		Gender	Management judgment	Leadership decision	Industry knowledge	International market perspective	Finance and accounting	Laws	Yung-Chung Kao	Male	V	V	V	V			Virginia Shu	Female	V	V		V	V		Wei-Hsien Wu	Male	V			V	V		Lin-Tan Wu	Female			V	V	V		KINGMAX SEMICONDUCTOR INC.	Male	V	V	V	V	V		
	Gender	Management judgment	Leadership decision	Industry knowledge	International market perspective	Finance and accounting	Laws																																													
Yung-Chung Kao	Male	V	V	V	V																																															
Virginia Shu	Female	V	V		V	V																																														
Wei-Hsien Wu	Male	V			V	V																																														
Lin-Tan Wu	Female			V	V	V																																														
KINGMAX SEMICONDUCTOR INC.	Male	V	V	V	V	V																																														

Evaluation item	Implementation status							Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons		
	Yes	No	Summary description							
			Representati ve Hung-Yu Chen							
			Tom Chang	Male		V		V	V	V
			Norman Cheng	Male		V	V	V		V
			KM Tsai	Male	V	V		V	V	
			<p>The Company emphasizes the independence of the Board of Directors. The Board of Directors is currently composed of 8 directors, of which 3 are independent directors, accounting for 37.50%. No more than two board members have a spousal or relative within the second degree of kinship with each other.</p> <p>The future tenure of independent directors will be no more than five terms. Among the current three independent directors, one is in the fifth term and two are in the third term, will reach the goal in the next board election.</p> <p>(二) Apart from the Remuneration and Audit Committees, the Company has not yet established any other functional committees.</p> <p>(三) The Company has formulated the Regulations Governing the Performance Evaluation of the Board of Directors and its evaluation method. The performance evaluation of the Board of Directors</p>							

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>will be completed by the end of the first quarter of the following year. The performance evaluation of the Board of Directors in 2024 has been submitted to the Board of Directors on March 12, 2025, and it is also used as a reference for individual director's remuneration and nomination for re-appointment.</p> <p>(四) The Company's Audit Committee evaluates the independence and suitability of CPAs with reference to the Audit Quality Indicators (AQIs) every year, and then submits the evaluation results to the Board of Directors. After the resolution of the Audit Committee of 2024 on March 13, 2024 and 2025, on March 12, 2025, they were submitted to the Board of Directors for approval on the same day.</p> <ol style="list-style-type: none"> 1. Confirmed that the Company's CPAs are not related parties to the Company and its directors. 2. Confirmed that the CPAs have no other financial interest or business relationship with the Company, except for the fees for financial statement certification and tax consulting cases. 3. The Company also checked if they are the Company's directors, shareholders or paying salaries to the Company to confirm that they are not stakeholders. 4. The rotation of CPAs is required in accordance 	

Evaluation item	Implementation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>with the “Corporate Governance Best-Practice Principles.”</p> <p>5. Obtains the statement of independence issued by the CPAs on a regular basis.</p> <p>6. According to the AQIs published by the Financial Supervisory Commission, it covers 5 major dimensions: Professionalism, independence, quality control, supervision, and innovation ability, and 13 indicators: Auditing experience, turnover rate, number of missing cases audited by CPA firms, innovative planning, and more to assess the suitability of CPAs.</p> <p>The evaluation results are as follows:</p> <p>1. The independence between CPAs and the Company complies with the Certified Public Accountant Act of the Republic of China and the Code of Professional Ethics for Certified Public Accountants.</p> <p>2. The Company did not appoint the same CPA for seven consecutive years.</p> <p>3. With reference to the AQIs, the auditing experience and turnover rate of the accounting firm and the CPAs appointed by the Company are better than the industry average. In addition, in recent years, the digital auditing tools have</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			been continuously introduced to improve the audit quality and should be competent.	
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		<p>The Company has appointed a full-time corporate governance officer on May 10, 2023, and has explained the scope of authority and continuing education on the Company's website and annual report.</p> <p>Scope of authorities: The main responsibilities include handling matters related to Board meetings and shareholders' meetings in accordance with the law, preparing minutes of Board meetings and shareholders' meetings, assisting directors in taking office and continuing education, providing directors with information needed to carry out their duties, assisting directors in complying with laws and regulations, and reporting to the Board of Directors the results of its examination of whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during the term of office, and to handle matters related to the change of directors.</p> <p>Continuing education: It has been disclosed on the Company's website and annual report in "Continuing Courses Attended by Managers as Required by Laws."</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		Stakeholders may contact the Company by phone, letter, or e-mail at any time if necessary. The Company has set up a stakeholder section on its website to appropriately respond to important corporate social responsibility issues that stakeholders are concerned about.	
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company has commissioned the Agent Department of CTBC Bank to handle shareholders' meeting affairs.	
7. Information Disclosure (9) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (10) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (11) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and	V		(一) The Company has set up a website (http://www.intelliepi.com) to disclose the information of financial business and corporate governance. (二) The Company has set up an English website; designated dedicated personnel to be responsible for the collection and disclosure of corporate information; implemented the spokesperson system; institutional investor conferences information are placed on the Company's website. (三) The Company has not yet announced and reported its annual financial statements within two months after the end of the fiscal year. However, the Company did announce and report the financial	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?			statements of Q1, Q2, and Q3 and the operating status of each month before the prescribed deadline.	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		<p>(一) The Company has established the Regulations Governing Employee Stock Options to motivate employees and strengthen loyalty.</p> <p>(二) The Company and its main operating entities have established relevant employee welfare systems in accordance with the laws and regulations to protect the rights and interests of employees.</p> <p>(三) The Company has clear agreements with its suppliers and customers to regulate their rights and obligations with each other.</p> <p>(四) Except under special circumstances, all directors and independent directors of the Company shall participate in the meeting, and all directors shall recuse themselves from the voting of any proposal listed in the Board of Directors that involves conflict of interest.</p> <p>(五) The Company has arranged professional development courses for directors and independent directors.</p> <p>(六) The Company has purchased liability insurance for all directors.</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.				
(一) Already improved:				
Indicator 1.11 –Does the company upload the English version of the annual report at least 16 days prior to the annual general meeting: Starting from the 2024 fiscal year, the company has prepared the English version of the annual report and uploaded it to the official website and the Market Observation Post System (MOPS) at least 16 days before the meeting				
Indicator 4.4 –Does the company prepare and upload the sustainability report based on the Global Reporting Initiative (GRI) standards to the Market Observation Post System (MOPS) and the company website before the end of August: Starting from the 2024 fiscal year, the company has prepared the sustainability report and uploaded it to the official website and MOPS before the deadline.				
(二) Priority matters for those who have not yet improved:				
Indicator 4.11 –Has the company disclosed water consumption and total waste emission for the past two years: The company has disclosed waste emissions for the past two years in its sustainability report and has been disclosing water consumption since 2024.				
Indicator 4.25 - Has the company disclosed its annual greenhouse gas emissions for the past two years: The company has disclosed Scope 2 emissions in its sustainability reports and began disclosing Scope 1 emissions starting from 2024				

Continuing Education of Directors in 2024

Job title	Name	Date	Organization	Course	Hours
Director	Yung-Chung Kao	2024/06/19	Accounting Research and Development Foundation	Analysis of the Impact of ESG and Net-Zero Carbon Emissions on Financial Statements	6.0
Director	Virginia Shu	2024/12/05	Securities and Futures Institute	Carbon Credit Trading Mechanisms and Applications in Carbon Management	3.0
		2024/09/12	Taipei Exchange	Insider Stock Ownership Advocacy Seminar	3.0
Director	Wei-Hsien Wu	2024/07/26	Securities and Futures Institute	Opportunities and Challenges in Taiwan's Industrial Transformation Amid Geopolitical Dynamics	3.0
		2024/06/21	Securities and Futures Institute	Shareholders' Meetings, Control Rights, and Equity Strategy	3.0
Director	Lin-Tan Wu	2024/10/07	Accounting Research and Development Foundation	Internal Control in Greenhouse Gas Inventory Management	6.0
		2024/08/24	Accounting Research and Development Foundation	Effective Internal Control in Sustainability Reporting	3.0
		2024/07/06	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis in Corporate Control Disputes	3.0
Corporate Director Representative	Hung-Yu Chen	2024/12/03	Securities and Futures Institute	Holistic Balanced Financial Planning	3.0
		2024/11/19	Chung-Hua Institution Economic Research	Economic Trends for 2025: Domestic, International, and Cross-Strait Perspectives	3.0
		2024/10/30	Corporate Operating and Sustainable Development Association	Corporate M&A Equity Investment Planning and Joint Venture Agreement Practices	3.0
		2024/10/28	Taipei Foundation of Finance	Generative AI Industry Development Trends	3.0
Independent Director	Tom Chang	2024/10/23	Chinese Association of Business and Intangible Assets Valuation	Corporate M&A Law and Practice	4.0
		2024/04/12	Chinese Association of Business and Intangible Assets Valuation	Impact of Climate Change on Financial Statements and Valuation	3.0
Independent Director	KM Tsai	2024/08/29	Securities and Futures Institute	Board Performance Assessment	3.0
		2024/08/29	Securities and Futures Institute	International Financial Cybersecurity Regulation Trends and Challenges	6.0
Independent Director	Norman Cheng	2024/08/16	Accounting Research and Development Foundation	ESG Development Trends and Sustainability Disclosure Regulations	3.0
		2024/07/06	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis in Corporate Control Disputes	3.0

Continuing Education of Officers in 2024

Job title	Name	Date	Organization	Course	Hours
CFO	George Wang	2024/11/01~2024/11/05	Accounting Research and Development Foundation	Continuing Education Program for Accounting Supervisors	12.0
Deputy CFO	Daphne Lee	2024/10/25	Accounting Research and Development Foundation	Latest Annual Reports, Sustainability Information, and Financial Reporting Regulations, and Internal Control Management Practices	6.0
		2024/10/01	Accounting Research and Development Foundation	Revisions of Internal Control System Guidelines and Internal Audit Regulations of Financial Reporting	6.0
Audit Manager	Vicky Cheng	2024/08/13	Institute of Internal Auditors-Chinese Taiwan	Risk-Based Internal Auditing	6.0
		2024/08/09	Institute of Internal Auditors-Chinese Taiwan	Integration of ESG Implementation with Internal Audit and Control	6.0
Deputy Audit Manager	Winnie Wang	2024/08/07	Institute of Internal Auditors-Chinese Taiwan	Adjusting Internal Control Systems to Comply with New ESG Regulations	6.0
		2024/08/06	Institute of Internal Auditors-Chinese Taiwan	Regulation and Audit Analysis of the BOD and Functional Committees (Audit, Remuneration)	6.0
Head of Corporate Governance	Chia-Hwei Liu (Note)	2024/02/27	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis in Corporate Control Disputes	3.0
		2024/02/26	Accounting Research and Development Foundation	Common Deficiencies in Financial Statement Reviews and Analysis of Key Internal Control Regulations	6.0
		2023/08/17	Accounting Research and Development Foundation	How to Analyze Key Financial Information of Enterprises	6.0
		2023/08/09	Taipei Exchange	Insider Stock Ownership Advocacy Seminar	3.0

Note: 2023/05/10 appointed as Head of Corporate Governance, shall complete the training with one year.

2-3-4. If the Company has a Remuneration Committee or Nomination Committee in Place, the Composition and Operation of Such Committee Shall be Disclosed:
The fifth term of Compensation Committee was founded in 2024.06.25, independent director Norman Cheng as convenor, member includes Tom Chang, Norman Cheng and KM Tsai.

Information on Compensation Committee Members

Capacity	Name	Professional qualifications and experience	Independence	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director/ Convenor (2021/8~2024/6)	Jason Chen	Refer to 2-1-1-1. Information on Directors	Meet following 10 criterias during and 2 years before being Committee member	0
Independent Director/ Convenor (2024/6~2027/6)	Norman Cheng	Refer to 2-1-1-1. Information on Directors	Meet following 10 criterias during and 2 years before being Committee member	0
Independent Director	Tom Chang	Refer to 2-1-1-1. Information on Directors	Meet following 10 criterias during and 2 years before being Committee member	0
Independent Director	KM Tsai	Refer to 2-1-1-1. Information on Directors	Meet following 10 criterias during and 2 years before being Committee member	1

- (1) An employee of the company or any of its affiliates.
- (2) A director or supervisor of the company or any of its affiliates.
- (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
- (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
- (8) A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- (9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) No Any of the circumstances in the subparagraphs of Article 30 of the Company Act.

Operation of the Compensation Committee

The Number of Compensation Committee Members : 3 members.

The Term : 2024.06.25 to 2027.06.24

During 2024 and 2025 up to the Publication Date of the Annual Report, the Number of the Compensation Committee Meetings Held : 5 times.

During 2024

The Number of Compensation Committee Held in 2024 : 3 times.

The Attendance by the Members :

Job title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%) (Notes)	Remarks
Convenor	Jason Chen	2	0	100.00%	Stepped down on 2024/6/25
Committee Member	Tom Chang	2	1	66.67%	-
Convenor /Committee Member	Norman Cheng	3	0	100.00%	Convenor since 2024/6/25
Committee Member	KM Tsai	3	0	100.00%	-

Other information required to be disclosed :

If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons) : None.

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

2024 Compensation Committee meeting agenda and resolutions

Compensation Committee	Agenda	Resolution	Company's feedback to Committee members opinion
2024 1 st Compensation Committee meeting on 2024/2/27	Distribution of 2023 Executive Performance Bonuses, 2024 Salary Adjustment Plan	The Committee approved unanimously	All attending directors approved.
2024 2 nd Compensation Committee	2023 Employee Compensation and Director Remuneration Allocation	The Committee approved unanimously	All attending directors approved.

	meeting on 2024/3/13	Plan, 2023 Director and Executive Compensation Assessment		
	2024 3 rd Compensation Committee meeting on 2024/8/28	Executive Compensation Structure Report	N/A	N/A

Note 1: If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.

Note2: If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee.

Note3: Compensation Committee Scope of duties :

- Periodically reviewing Compensation Committee Charter and making recommendations for amendments.
- Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.
- Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers.

During 2025 up to the Publication Date of the Annual Report

The Number of Compensation Committee Meetings Held : 2 times

The Attendance by the Members :

Job title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%) (Notes)	Remarks
Convenor	Norman Cheng	2	0	100.00%	-
Committee Member	Tom Chang	2	0	100.00%	-
Committee Member	KM Tsai	2	0	100.00%	-

Other information required to be disclosed :

If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons) : None.

With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the

motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion : None.

2025 Compensation Committee meeting agenda and resolutions

Compensation Committee	Agenda	Resolution	Company's feedback to Committee members opinion
2025 1 st Compensation Committee meeting on 2025/2/26	Distribution of 2024 Executive Performance Bonuses, 2025 Salary Adjustment Plan	The Committee approved unanimously	All attending directors approved.
2025 2 nd Compensation Committee meeting on 2025/3/12	2024 Employee Compensation and Director Remuneration Allocation Plan, 2024 Director and Executive Compensation Assessment	The Committee approved unanimously	All attending directors approved.

Notes1: If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.

Note2: If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee.

Note3: Compensation Committee Soope of duties :

- Periodically reviewing Compensation Committee Charter and making recommendations for amendments.
- Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.
- Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers.

2-3-5. Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
一、. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		<p>Governance framework</p> <p>(一) In 2012, the Company established the President’s Office as the core organization for the promotion of sustainable development.</p> <p>(二) The Company is authorized by the Board of Directors to have the president as the center of decision-making, with the heads of each department as co-members, and to set up long-term or short-term task groups such as “risk management team”, “TCFD team”, and “supplier management team” have been established according to the topics.</p> <p>(三) The main responsibilities of the dedicated sustainable development unit include continuously collecting information on sustainable development related policies and changes in the market environment, formulating and promoting the implementation plan of the current year, and regularly reviewing the implementation status.</p> <p>Status of operation and implementation</p> <p>(四) The Company has established the “Corporate Social Responsibility Best Practice Principles” on July 25, 2012, as approved by the Audit Committee and the Board of Directors, and amended as the “Sustainable Development Best Practice Principles” on February 16, 2022, and relevant information is disclosed on the website and MOPS.</p> <p>(五) The dedicated unit for sustainable development reports the implementation status to the Board of Directors once a year.</p> <p>(六) A total of 4 meetings were held in 2024. Proposals included (1)</p>	None

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>Schedule of sustainability report preparation. (2) Progress of GHG inventory and assurance. (3) Review of the Previous Year's Target Implementation Status. (4) Sharing of Information on Sustainability Report Preparation Regulations, IFRS Sustainability Disclosure Standards Implementation Plan and Related Seminars</p> <p>(七) The Board of Directors is responsible for supervising the implementation of sustainable development, and should provide management guidelines, strategy and goal setting, and review measures for the implementation of sustainable development and annual plans.</p>	
二、Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		<p>The Company has established the “Risk Management Policy” approved by the Audit Committee and the Board of Directors on November 10, 2021, as the supreme guiding principle for risk management of the Company and its subsidiaries.</p> <p>The subsidiary IET-US was included due to its relevance to the main business and the degree of impact on the material topic.</p> <p>The Company’s risk assessment standards, process and results for identifying material issues related to the environment, society and corporate governance are as follows:</p> <ol style="list-style-type: none"> 1. The “Risk Management Team” under the Company’s dedicated sustainable development unit (President's Office) conducts risk factor identification every year to identify potential risks that may affect the sustainable development of the Company, define the scope of risk management, and follow the latest regulations and standards. Risk management policies are formulated for each risk; the risk management is supervised by the Audit Committee, and the annual evaluation and operation status are 	None

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons									
	Yes	No	Summary description										
			<p>reported to the Board of Directors once a year.</p> <p>2. The policies cover management objectives, organizational structure, attribution of responsibilities, and risk management procedures. By implementing risk management policies and procedures, various risks are controlled within an acceptable range.</p> <p>Risk management policies or strategies for identifying material issues related to the environment, society, and corporate governance</p> <table><tr><th>Material issues</th><th>Risk assessment items</th><th>Risk management policy or strategy</th></tr><tr><td>Environment</td><td>Environmental protection and ecological conservation</td><td>The Company is committed to environmental protection. In accordance with TCEQ of Texas, a pollution reduction plan is submitted every five years and is regularly tracked and reviewed.</td></tr><tr><td>Society</td><td>Occupational safety</td><td>The Company’s environmental safety is handled in compliance with the U.S. Department of Labor’s Occupational Safety and Health Administration. Specific measures include: Deployment of adequate work safety equipment and configuration; seasonal firefighting training for employees, regular inspection and maintenance of various</td></tr></table>	Material issues	Risk assessment items	Risk management policy or strategy	Environment	Environmental protection and ecological conservation	The Company is committed to environmental protection. In accordance with TCEQ of Texas, a pollution reduction plan is submitted every five years and is regularly tracked and reviewed.	Society	Occupational safety	The Company’s environmental safety is handled in compliance with the U.S. Department of Labor’s Occupational Safety and Health Administration. Specific measures include: Deployment of adequate work safety equipment and configuration; seasonal firefighting training for employees, regular inspection and maintenance of various	
Material issues	Risk assessment items	Risk management policy or strategy											
Environment	Environmental protection and ecological conservation	The Company is committed to environmental protection. In accordance with TCEQ of Texas, a pollution reduction plan is submitted every five years and is regularly tracked and reviewed.											
Society	Occupational safety	The Company’s environmental safety is handled in compliance with the U.S. Department of Labor’s Occupational Safety and Health Administration. Specific measures include: Deployment of adequate work safety equipment and configuration; seasonal firefighting training for employees, regular inspection and maintenance of various											

Item	Implementation status			Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No			
				machinery and equipment, and cleanliness of the workplace with proper safety health inspections, and so on.	
				Product safety Products that are complied with government regulations. Establishment of the Quality Assurance Department to maintain product quality. Dedicated personnel are set up to provide procurement services, consultation and suggestions, and a dedicated e-mail box is set up to process and reply to customers' opinions.	
			Corporate governance	Socioeconomic and regulation compliance Through the establishment of a governance organization and the implementation of an internal control mechanism, the Company ensures that the Company does comply with relevant laws and regulations.	
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	V		1. The Company mainly implements environmental management in accordance with the Texas Commission on Environmental Quality (TCEQ) and the Waste Reduction Policy Act of 1991. Due to the characteristics of the industry, the environmental management goal is focused on reducing arsenic and contaminated debris, and contaminated debris recycling. 2. The Company entrusts qualified local environmental protection units in Texas to dispose of waste, and the treatment process complies with the regulations of the local government in Texas.		None

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			3. The Company's scraps from production activities are also processed and recycled in accordance with local government regulations.	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		<p>The Company's waste and scraps are processed and recycled in accordance with local government regulations.</p> <p>According to the TCEQ, a Pollution Prevention Plan must be submitted every five years.</p> <p>According to the pollution reduction plan from 2022 to 2026 submitted by the Company in 2022, the amount of arsenic salts and contaminated debris will be reduced from 6.57 tons per year in 2022 to 5.58 tons per year in 2026 through recycling and reuse and effective waste management by 15%.</p> <p>A reduction plan can reduce the cost of waste disposal and reduce the impact on the environment. The emission target for 2023 is 6.40 tons, the actual emission is 3.07 tons; the emission target of 2024 is 6.17 tons, the actual emission is 7.91 tons. The increase of emission amount is the result of increasing purchase orders and R&D projects. (The arsenic and contaminated debris refers to the waste that may be contaminated with arsenic during the production or emission process, not just the waste generated from GaAs wafers.)</p>	None
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		<p>Disclose an enterprise's exposure to climate-related risks and opportunities in accordance with the TCFD framework.</p> <p>Governance aspects:</p> <p>A. How does the board monitor climate-related issues:</p> <p>The Company has a dedicated sustainable development unit (President's Office) and its "Risk Management Team" as the organizers, responsible for the promotion of relevant plans.</p> <p>The concrete actions include tracking the implementation</p>	None

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>status of sustainability and reporting to BOD on an annual basis. The actions in 2024 including the participation of RBA project and Ecovadis assessment, both projects propose management or action requirements concerning GHG and carbon emissions.</p> <p>B. How the management assesses and manages climate-related issues:</p> <p>The Company's sustainable development department conducts annual climate change risk assessments to examine and identify potential climate change risk factors that may affect operations, and list possible risks and opportunities.</p> <p>1. Strategic aspects:</p> <p>A. Short, medium, and long-term climate-related risks and opportunities identified by the Company:</p> <p>The Company's identification of climate change risks shows that the main potential short-term risks are unstable water and electricity supply, medium and long-term opportunities are energy-saving and carbon-reduction product business opportunities, and medium and long-term risks include the development cost of energy-saving and carbon reduction products and the damage caused by natural disasters (hurricane, flood).</p> <p>B. Impacts of climate-related issues on the Company's business model, strategy and financial planning: Continuing on from the above, the Company has formulated various countermeasures and gradually implemented them in response to the above potential risks and opportunities. The concrete actions include</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>the improvement of production equipment and processes, continuous investment in the development of energy-saving products, and regular maintenance of water pumps.</p> <p>C. Scenario analysis (include 2°C or more severe scenario):</p> <p>a. Regulatory changes: Under the net zero emission trend, the control of greenhouse gas emissions has been further strengthened. The Company has also submitted the greenhouse gas inventory/verification schedule to the Board of Directors on May 11, 2022, and the implementation progress is reported on a quarterly basis controlled by the Board of Directors. At the same time, we will continue to work to reduce waste emissions, promote carbon reduction in the supply chain, and develop plans for energy-saving products.</p> <p>b. Abnormal climate: Ice damages, hurricanes, and more, lead to interruption of power or material supply, resulting in the risk of interruption of the Company's operating activities. Currently, measures are taken to minimize the impact of hazards through emergency power supply systems, off-site storage of information equipment rooms, expansion of the number of machines, and establishment of a second supplier.</p> <p>2. Risk management aspects:</p> <p>A. Climate-related risk identification and assessment process:</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>a. The Company has a dedicated sustainable development unit as the convening unit, and a “Risk Management Team” composed of representatives from each unit according to the organizational function as the executors.</p> <p>b. The risk management team reviews the identified climate-related risks and the effectiveness of the response measures on a yearly basis, and develops possible improvement plans.</p> <p>c. Conduct scenario analysis in accordance with laws and regulations and current affairs. If potential unassessed risks are identified, response plans will be formulated accordingly.</p> <p>B. Climate-related risk management process:</p> <p>a. The “Risk management team” regularly tracks the implementation of the plan, and reports to the dedicated unit for sustainable development for review or adjustment.</p> <p>b. The dedicated unit for sustainability development reports the implementation of various plans to the BOD on an annual basis, and the Board of Directors reviews or adjusts it.</p> <p>C. Describe how the above risk identification and management processes are integrated into the Company’s overall risk management system:</p> <p>Once the risk is identified, it is included in the regular tracking items of the risk management team, and the dedicated unit for sustainable development reports to the BOD on an annual basis. If necessary, the risk management team may propose to</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>amend the internal regulations, which will be approved by the Board of Directors.</p> <p>3. Indicators and goals:</p> <p>A. Whether the assessment indicators consistent with the Company's strategy and risk management: The Company's main strategy is to mitigate environmental damage and promote low-carbon products and services to reduce the impact of climate change on operations and business, and to improve corporate climate resilience. Based on the above-mentioned main strategy and risk management objectives, the following evaluation indicators have been established.</p> <p>B. Disclosure of Scope 1, Scope 2 and Scope 3 (where applicable) greenhouse gas emissions and related risks: The individual company (parent company) will complete the greenhouse gas inventory in 2026 and the certification in 2028. The subsidiaries in the consolidated financial statements will complete the greenhouse gas inventory in 2027 and the certification in 2029.</p> <p>C. Management objectives and related performance:</p> <p>a. The individual company (parent company) will complete the greenhouse gas inventory in 2026 and the certification in 2028. The subsidiaries in the consolidated financial statements will complete the greenhouse gas inventory in</p>	

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	Yes	No	Summary description	
			<p>2027 and the certification in 2029.</p> <p>b. According to the pollution reduction plan from 2022 to 2026 submitted by the Company in 2022, the amount of arsenic salts and contaminated debris will be reduced from 6.57 tons per year in 2022 to 5.58 tons per year in 2026 through recycling and reuse and effective waste management by 15%.</p> <p>c. A reduction plan can reduce the cost of waste disposal and reduce the impact on the environment. The emission target for 2023 is 6.37 tons, the actual emission is 3.07 tons; the emission target of 2024 is 6.17 tons, the actual emission is 7.91 tons. The increase of emission amount is the result of increasing purchase orders and R&D projects. (The arsenic and contaminated debris refers to the waste that may be contaminated with arsenic during the production or emission process, not just the waste generated from GaAs wafers.)</p> <p>d. According to the statistics of the water consumption of all plant operations of the important subsidiary IET-US, the total water consumption in 2023 is 2,300,200 gallons, and in 2024 is 1,937,200 gallons. For the reduction target plan, as the power-saving device cooling tower will be introduced in 2024, it is expected that the water consumption may increase significantly. In the future, the water consumption will be recorded and the corresponding water-saving plan and target will be formulated after the water consumption information is updated.</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons				
	Yes	No	Summary description					
			<div>e. According to the statistics of the Company’s greenhouse gas emissions from all plant operations of IET-US, a key subsidiary, the greenhouse gas emissions were 6,268.88 tons in 2022, 6,738.66 tons in 2023, and 6,683.02 tons in 2024.</div> <div>f. The Company has initiated a five-year greenhouse gas reduction project since 2021, and is expected to achieve the emission target of 0.4 pound per USD of revenue in 2026. The figure for 2022 is 0.474 lb. of emissions per dollar of revenue, 0.714 lb in 2023, and 0.6834 lb in 2024. In 2023, the increase is due to the decrease in 2023 turnover and the basic emission of production line operation is fixed, thus the decrease in turnover resulted in an increase in the emission figure. And in 2024, the figure is improved with the recovery of revenue.</div> <div>g. In 2024, the number of purchases from suppliers with a supplier rating that is too low will be zero.</div> <div>h. The Company invests in energy-saving, green energy-related environmental protection and sustainable machinery and equipment: The Company adopts the Liquid Nitrigeon real-time monitor system in the production process to optimize the usage and reduce the total carbon emission of the production process to achieve the purpose of energy saving.</div> <table><tr><td>Equipment name</td><td>PCW system Phase 1-1</td></tr><tr><td>Quantity</td><td>One site</td></tr></table>	Equipment name	PCW system Phase 1-1	Quantity	One site	
Equipment name	PCW system Phase 1-1							
Quantity	One site							

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<div>Investment cost</div> <div>USD 750,000</div> <div>Purpose and expected benefits</div> <div>Replacing refrigerant-based cooling systems with process cooling water systems to reduce GHG emissions during production processes. The phase 1-1 implementation is scheduled for completion in 2025.</div>	
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>a. A reduction plan can reduce the cost of waste disposal and reduce the impact on the environment. The emission target for 2023 is 6.37 tons, the actual emission is 3.07 tons; the emission target of 2024 is 6.17 tons, the actual emission is 7.91 tons. The increase of emission amount is the result of increasing purchase orders and R&D projects. (The arsenic and contaminated debris refers to the waste that may be contaminated with arsenic during the production or emission process, not just the waste generated from GaAs wafers.)</p> <p>b. According to the pollution reduction plan from 2022 to 2026 submitted by the Company in 2022, the amount of arsenic salts and contaminated debris will be reduced from 6.57 tons per year in 2022 to 5.58 tons per year in 2026 through recycling and reuse and effective waste management by 15%.</p> <p>c. According to the statistics of the water consumption of all plant operations of the important subsidiary IET-US, the total water consumption in 2023 is 2,300,200 gallons, and in 2024 is 1,937,200 gallons.</p> <p>d. For the reduction target plan, as the power-saving device cooling</p>	None

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>tower will be introduced in 2024, it is expected that the water consumption may increase significantly. In the future, the water consumption will be recorded and the corresponding water-saving plan and target will be formulated after the water consumption information is updated.</p> <p>e. According to the statistics of the Company's greenhouse gas emissions from all plant operations of IET-US, a key subsidiary, the greenhouse gas emissions were 6,268.88 tons in 2022, 6,738.66 tons in 2023, and 6,683.02 tons in 2024.</p> <p>f. The Company has initiated a five-year greenhouse gas reduction project since 2021, and is expected to achieve the emission target of 0.4 pound per USD of revenue in 2026. The figure for 2022 is 0.474 lb. of emissions per dollar of revenue, 0.714 lb in 2023, and 0.6834 lb in 2024. In 2023, the increase is due to the decrease in 2023 turnover and the basic emission of production line operation is fixed, thus the decrease in turnover resulted in an increase in the emission figure. And in 2024, the figure is improved with the recovery of revenue.</p>	
<p>4. Social Issues</p> <p>(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>	V		<p>1. The Company abides by the laws and regulations of the place of operation and international human rights treaties such as "The United Nations Global Compact," "Universal Declaration of Human Rights," and "International Labor Organization Declaration on Fundamental Principles and Rights at Work". The Company establishes the Company's human rights policy and concrete management plans in accordance with the same standards as "Code of Conduct - Responsible Business Alliance", so that employees, contract employees, and interns can be treated fairly and with</p>	None

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons				
	Yes	No	Summary description					
			<p>dignity.</p> <p>2. Scope of application: The human rights policy of the Company applies to the Company and its domestic and foreign subsidiaries, and has established the “IntelliEPI Supplier Code of Conduct” to require suppliers to comply with the same standard.</p> <p>3. Specific management plan</p> <table><tr><th>Human rights policy</th><th>Specific management plan</th></tr><tr><td><ul style="list-style-type: none">Equal opportunity No differential treatment based on gender, race, social or economic class, age, marriage, family status, language, religion, political party affiliation, nationality, and so on, in order to realize equality of employment, terms and conditions of employment, compensation, benefits, training, appraisal, and opportunities for advancement.Respect human rights Respect human rights in the workplace, and strive to sustain and protect employees from harassment and illegal discrimination.Freedom of employment</td><td><ul style="list-style-type: none">The Company has established an employee code of conduct to respect human rights in the workplace and strictly prohibits discrimination in employment.The Company prohibits forced labor and child labor in its employee employment regulations, and provides employment conditions and agreements written in their native language for foreign employees who do not understand English.Pay attention to changes in government regulations, cooperate with the amendment of the Company’s internal regulations from time to time,</td></tr></table>	Human rights policy	Specific management plan	<ul style="list-style-type: none">Equal opportunity No differential treatment based on gender, race, social or economic class, age, marriage, family status, language, religion, political party affiliation, nationality, and so on, in order to realize equality of employment, terms and conditions of employment, compensation, benefits, training, appraisal, and opportunities for advancement.Respect human rights Respect human rights in the workplace, and strive to sustain and protect employees from harassment and illegal discrimination.Freedom of employment	<ul style="list-style-type: none">The Company has established an employee code of conduct to respect human rights in the workplace and strictly prohibits discrimination in employment.The Company prohibits forced labor and child labor in its employee employment regulations, and provides employment conditions and agreements written in their native language for foreign employees who do not understand English.Pay attention to changes in government regulations, cooperate with the amendment of the Company’s internal regulations from time to time,	
Human rights policy	Specific management plan							
<ul style="list-style-type: none">Equal opportunity No differential treatment based on gender, race, social or economic class, age, marriage, family status, language, religion, political party affiliation, nationality, and so on, in order to realize equality of employment, terms and conditions of employment, compensation, benefits, training, appraisal, and opportunities for advancement.Respect human rights Respect human rights in the workplace, and strive to sustain and protect employees from harassment and illegal discrimination.Freedom of employment	<ul style="list-style-type: none">The Company has established an employee code of conduct to respect human rights in the workplace and strictly prohibits discrimination in employment.The Company prohibits forced labor and child labor in its employee employment regulations, and provides employment conditions and agreements written in their native language for foreign employees who do not understand English.Pay attention to changes in government regulations, cooperate with the amendment of the Company’s internal regulations from time to time,							

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	Yes	No	Summary description		
			<p>Forced labor and child labor are prohibited. All work shall be done voluntarily, and no employee’s ID card or immigration document shall be withheld. Employees have the right to resign at will upon giving reasonable notice.</p> <ul style="list-style-type: none">Freedom of association Respect the right of employees to assemble freely in accordance with the law, and establish employee communication channels according to laws and regulations.	<p>and advocate the establishment of the Company’s policies and regulations to colleagues.</p> <ul style="list-style-type: none">Maintain unobstructed communication channels to build a harmonious workplace environment.An employee opinion box has been set up as a channel for employee grievances, and grievance cases have been handled in accordance with the Whistle-blowing Regulations.Establish a complete breastfeeding space.Reasonably meet the religious needs of employees and provide appropriate venues for employees to engage in religious activities during breaks.	
			<ul style="list-style-type: none">Environmental safety, providing employees with a safe and healthy working environment.	<ul style="list-style-type: none">Implement occupational safety related education and training and formulate and implement various occupational safety and health measures to continuously improve the	

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	Yes	No	Summary description	
			<div> <div></div> <div> <p>safety of the working environment and reduce the risk of occupational disasters.</p> <ul style="list-style-type: none"> The Company provides employee health insurance and free health checkups to protect the physical and mental health of employees. </div> </div> <div> <ul style="list-style-type: none"> Information security: To fully protect the privacy of customers and all stakeholders, a comprehensive information security management mechanism is established and strict control specifications and protective measures are followed. </div> <div> <ul style="list-style-type: none"> Strictly abide by personal data-related laws and regulations to manage and protect the personal data of job candidates and employees. Adoption of computer information security guidelines and promotion. Establishment of internal and external firewalls and anti-virus systems, and network segmentation and encryption control. Application and authorization authentication mechanism for the Company's network. </div>	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation,	V		1. The Group's personnel management rules and regulations are in accordance with local laws and regulations. The following is a list of the Company's welfare measures, education, training, and retirement	None

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	Yes	No	Summary description	
leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?			<p>systems and their implementation:</p> <p>(1) Employee remuneration The personnel management rules and regulations of the companies in the Group are based on local laws and regulations. For example, the attendance assessment, rewards, punishments and training of all employees have been implemented with clear and fair employment policies. The relationship between labor and management is good.</p> <p>(2) Diversity and equality in the workplace The Company offers an environment that is equal opportunity and respects workplace human rights, and make sure there is no differential treatment based on gender, race, social or economic class, age, marriage, family status, language, religion, political party affiliation, nationality, and so on, in order to realize equality of employment, terms and conditions of employment, compensation, benefits, training, appraisal, and opportunities for advancement.</p> <p>In terms of specific policies, we have enacted the Act of Gender Equality in Employment and Sexual Harassment Prevention Act, which are disclosed on the Company's official website.</p> <p>The implementation of the policy this year: Employee Ethnic Diversity Indicators: The Company respects human rights in the workplace and strictly prohibits employment discrimination. Our employees</p>	

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	Yes	No	Summary description							
			<p>include people of different ethnicities, nationalities, and religious beliefs. (Due to the national conditions of the United States, it is not possible to disclose details.)</p> <p>Female Diversity Indicators:</p> <table><tr><th>Indicator</th><th>Percentage</th></tr><tr><td>Female as a percentage of total employees</td><td>25%</td></tr><tr><td>Female as a percentage of managers</td><td>22%</td></tr></table> <p>(3) Leave of absence The Group has offices in the U.S., China, Japan, and Taiwan. National holidays are handled in accordance with local laws and regulations, and employees’ annual leave, wedding and bereavement leave, maternity leave, and sick leave are handled in accordance with the applicable national laws and regulations, so that they meet or exceed the requirements of the laws and regulations.</p> <p>(4) Allowances, gifts, subsidies and insurance benefits Intelligent Epitaxy Technology, Inc., the principal place of business of the Group, provides employee benefits in accordance with the Social Security Program Rules of the U.S. federal government and the Labor Law of the U.S., in addition, the Group provides employees with medical insurance, dental insurance, life insurance, short-term and long-term disability</p>	Indicator	Percentage	Female as a percentage of total employees	25%	Female as a percentage of managers	22%	
Indicator	Percentage									
Female as a percentage of total employees	25%									
Female as a percentage of managers	22%									

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	Yes	No	Summary description	
			<p>insurance, on job insurance, and SIMPLPE IRA are available to protect employee benefits.</p> <p>(5) Continuing education and training In terms of human resources training, the Company provides 3 to 6 months of orientation training for new employees depending on their functions to help them adapt and become competent for the job. It includes education on identifying with the Company's philosophy and goals, professional competency training, and evaluative observation. For current employees, internal and external professional training courses are provided from time to time according to work needs. Employees can also participate in self-study through internal information websites.</p> <p>(6) Retirement system and implementation According to the Social Security Program Rules and Medicare regulations of the federal government of the United States, Intelligent Epitaxy Technology, Inc., where the Group mainly operates, currently contributes 12.4% of the employees' salaries to the Social Security Tax (borne by the employer and employees: 6.2% for employer, 6.2% for employees) on a monthly basis, and 2.9% of Medicare's Hospital Tax, (borne by both employer and employees: 1.45% for employer, 1.45% for employees), after retirement, employees are entitled to social security benefits such as pension, disability benefit, and federal hospital/medicare insurance.</p>	

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	Yes	No	Summary description	
			The policy and implementation of how the business performance or results are reflected in the employees' remuneration: According to Article 34.1 of the Company's Articles of Incorporation, the Company shall allocate no less than 3% of the current year's profit as employee's remuneration, and implement the policy accurately every year. The Company's 2024 annual profit was negative, and no employee remuneration was distributed.	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		<ol style="list-style-type: none"> 1. The Company's environmental safety is handled in accordance with the workplace health and safety standards of the Occupational Safety & Health Administration (OSHA) of the U.S.. Specific measures include: Requiring employees to be familiar with the proper use of machinery, equipment and tools, all employees to read and fully understand the relevant work instructions before starting work, adequate work safety equipment and configurations, as well as proper management, setting up a complete fire prevention system in accordance with regulations, implementing quarterly fire prevention training for employees, conducting regular inspections and maintenance on all types of equipment, and maintaining cleanliness and safety and hygiene inspections in the workplace. 2. According to the regulations, if an employee is injured or died at work, an OSHA 300 (Employee statement of injury) must be completed and reported to the state government. In 2024, there was no case occurred and no OSHA 300 was completed. 3. If there is a fire incident, the number of fire incidents, the number of deaths and injuries, and the ratio of the number of deaths and injuries to the total number of employees should be disclosed, and 	None

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	Yes	No	Summary description	
			the related corrective measures in response to the fire: No incident in 2024.	
(4) Has the Company established effective career development training programs for employees?	V		<ol style="list-style-type: none"> 1. The Company provides orientation training for new recruits in the form of internal training. 2. Chief accounting officer and deputies, and chief audit officer and personnel shall receive external professional education and training that meets the requirements of laws and regulations on a regular basis. 3. For the senior management, job rotation is used to train successors. 4. In addition, the human resources unit will organize education and training on IT safety and labor safety to establish an effective career development training program for employees. 5. In 2024, employees have received career training for a total of 267 person-times, for a total of 534 hours. 	None
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		<ol style="list-style-type: none"> 1. To ensure the appropriateness of the quality assurance system, the Company has established a quality control department that maintains product quality in accordance with the internal SOP 75-005 Inspection and Testing. 2. To provide customers with excellent products and services, dedicated personnel are set up to provide procurement services, consultation and suggestions, and a dedicated e-mail box is set up to process and reply to customers' opinions. 3. In 2024, the Company did not receive any feedback from customers about data privacy violation or data leakage. 	None
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues	V		<ol style="list-style-type: none"> 1. The Company has formulated and disclosed the "Supplier Code of Conduct" on the Company's website. Based on the above-mentioned supplier management policy, the Company has formulated the 	None

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	Yes	No	Summary description	
such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			<p>relevant “Supplier/Partner/Contractor Environmental Safety and Health Requirements”. There are specific requirements for occupational safety and health (for example, the labor and service quotations provided by the contractor should include environmental protection, safety, and health related expenses. The personal protective equipment provided for workers shall be certified as compliant with CNS announcements. The machinery and equipment used by employees shall bear safety labels, qualification labels or operating licenses, inspection certificates, inspection records, and so on). Suppliers with excessively low scores will result in suspension of purchase or disqualification from suppliers.</p> <p>2. In 2024, a rating of 21 suppliers was conducted, 21 of them were rated as “excellent”, while 0 of suppliers received a low rating for suspension or disqualification from supplier.</p>	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		Starting from 2024, the sustainability report is published to disclose non-financial information of the Company, followed the guidance of GRI. The aforementioned report is self-prepared and has not obtained assurance or verification opinions from third-party assurance providers.	None
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company’s operations : None.				
7. Other important information to facilitate better understanding of the company’s promotion of sustainable development :				
<p>1. RBA Certification Program: IntelliEPI is committed to corporate social responsibility under the RBA Code of Conduct - Responsible Business Alliance, which aims to set standards and urge enterprises to maintain personnel safety, protect labor rights, and ensure that business operations are environmentally friendly, and comply with ethical standards. As a practice of our commitment to corporate social responsibility, IntelliEPI was rated</p>				

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145.7 out of a total score of 200 by VAP in 2023. (VAP is assessed once every two years) Annotation: Responsible Business Alliance (RBA), formerly known as Electronic Industry Citizenship (EICC) RBA Validated Assessment Program (VAP)				
2.			EcoVadis Global Supply Chain Continuous Evaluation Platform: The EcoVadis Global Supply Chain Continuous Evaluation Platform evaluates the sustainable development of enterprises. The evaluation content covers environmental protection, labor rights and human rights, business ethics, sustainability and other non-financial-oriented management systems, and summarizes them into scores and guidelines on strengths and improvement matters to help enterprises establish a more comprehensive regulatory system and corporate social responsibility performance. In the 2024 annual evaluation, the total score of IntelliEPI is 51 out of 100, and the Performance-Rating is 48.	
3.			The Company donated to the “Education Change Life and Time (ECLAT)”, which cooperates with local education assistance programs providing financial support to educational programs for disadvantaged youth in various regions. Projects such as “Hands Together” school sponsorship program in Taiwan, which provides disadvantaged high school students with scholarships and grants, life education counseling, and care visits, help children stabilize their schooling and reduce the rate of school drop-outs. Helping children to stabilize their schooling and reduce the dropout rate. Since its launch in 2007, it has assisted 7,591 disadvantaged students.	
4.			Donation to the Pearl S. Buck Foundation — The mission of the Pearl S. Buck Foundation is to assist children around the world who are underserved and in urgent need of help. In Taiwan, the foundation focuses on supporting children from transnational families, embracing cultural diversity and helping new immigrant children and their families build a healthy and joyful environment for growth. The Company participated in the 'United in Love – Lunar New Year Gathering' event. With 60 banquet tables set up, nearly 200 disadvantaged families were able to celebrate the Lunar New Year in a warm and festive atmosphere.	
5.			Donation to the Atayal Academy—Atayal Academy has long been dedicated to Indigenous education. The teachers of the Atayal Academy actively seek effective ways to support children in gaining better learning opportunities and developing their potential. By accompanying Indigenous children in their weekend learning activities, the Academy systematically plans weekend programs in music, culture, and the arts to help build their confidence and broaden their educational horizons.	
6.			Donation to Junyi Academy—Junyi Academy is a free online education platform offering courses from elementary to high school, covering academic subjects and competency-based education. Dedicated to educational equity, the platform also features programs on Indigenous cultures, folk songs, and the preservation and promotion of various ethnic languages and traditions. Our company regularly donates to Junyi Academy as part of our commitment to supporting the development of a more inclusive and human-centered society.	

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	Yes	No	Summary description	
7.			Summer Teacher Externship—The Company partnered with North Central Texas Workforce Solutions to host a physics teacher from Allen High School, Allen Texas for 5 days in late June, early July of 2024. They shadowed the IntelliEPI employees in metrology and production to learn first-hand the skills that are valued in the workplace and use that knowledge to better design their lesson plans and advise their high school students. In the process IntelliEPI also learned about the resources available in the school district to directly expose students to real world work experiences.	
8.			Allen ISD Manufacturing Day—On October 9, 2024 IntelliEPI, along with 8 other local companies took part in the inaugural Allen ISD Manufacturing Day where students were able to experience hands-on learning through facility tours, presentations, and discussions with industry professionals. Two groups of approximately 20 students each toured our factory and learned about our activities in epi wafer manufacturing including MBE equipment, clean room testing, substrate manufacturing and component fabrication.	

Implementation status of climate-related issues

Item	Implementation status
1. How does the board monitor climate-related issues:	The Company has a dedicated sustainable development unit (President's Office) and its "Risk Management Team" as the organizers, responsible for the promotion of relevant plans. The concrete actions include tracking the development progress of energy-saving products once a quarter and reporting to the Board of Directors on an annual basis.
2. Short, medium, and long-term climate-related risks and opportunities identified by the Company	<p>The Company's identification of climate change impact—</p> <p>Short-term risks—Unstable water and electricity supply.</p> <p>Medium and long-term risks—The development cost of energy-saving and carbon reduction products and the damage caused by natural disasters (hurricane, flood).</p> <p>Medium and long-term opportunities—Energy-saving and carbon-reduction product business opportunities.</p> <p>Continuing on from the above, the Company has formulated various countermeasures and gradually implemented them in response to the above potential risks and opportunities. The concrete actions include the improvement of production equipment and processes, continuous investment in the development of energy-saving products, and regular maintenance of water pumps.</p>
3. Impacts of climate-related issues on the Company's business model, strategy and financial planning	<p>Impacts of climate-related issues on the Company's business model, strategy and financial planning—</p> <p>Extreme weather events such as ice storms and hurricanes may cause disruptions in power supply or material availability, posing a risk of operational interruption to our company. Currently, we mitigate the impact of such events through measures including emergency power</p>

<p>4. Climate-related risk identification and assessment process</p>	<p>systems, offsite data centers, increased equipment capacity, and the establishment of secondary suppliers.</p> <p>Policy and legal risks such as the extra expenditure for greenhouse gas inventory and assurance, technology risk such as the sunk cost for implementing new tools lowering greenhouse gas emission but doesn't meet the expectation, market risk such as the R&D cost for develop low carbon footprint products.</p> <p>(2) Climate-related risk identification and assessment process:</p> <p>(3) The Company has a dedicated sustainable development unit as the convening unit, and a "Risk Management Team" composed of representatives from each unit according to the organizational function as the executors.</p> <p>(4) The risk management team reviews the identified climate-related risks and the effectiveness of the response measures on a yearly basis, and develops possible improvement plans.</p> <p>(5) Conduct scenario analysis in accordance with laws and regulations and current affairs. If potential unassessed risks are identified, response plans will be formulated accordingly.</p> <p>(6) Climate-related risk management process:</p> <p>(7) The "Risk management team" regularly tracks the implementation of the plan, and reports to the dedicated unit for sustainable development for review or adjustment.</p> <p>(8) The dedicated unit for sustainable development reports the implementation of various plans to the</p>
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	<p>BOD on annual basis, and the BOD reviews or adjusts it.</p> <p>(9) Describe how the above risk identification and management processes are integrated into the Company's overall risk management system: Once the risk is identified, it is included in the regular tracking items of the risk management team, and the dedicated unit for sustainable development reports to the BOD on an annual basis. If necessary, the risk management team may propose to amend the internal regulations, which will be approved by the BOD.</p>
5. Scenario analysis, the scenario, parameter, indicator, factor and impact on finance.	<p>Scenario analysis Scenario: Abnormal climate lead to interruption of the company's operationactivities.</p> <p>Source of indicator : World Meteorological Organization/ Extreme Weather Energy Information Administration National Oceanic and Atmospheric Administration</p> <p>Scenario details Ice damages, hurricanes, and more, lead to interruption of power or material supply</p> <p>Analysis factor : Not applicable.</p> <p>Impact on financie : No income caused by the Interruption of operating activities; cost of</p>

<p>6. Transformation plan, the assessment and management of risk, indicator and goals</p>	<p>replace or repair the plants or machines damaged.</p> <p>Transformation plan Plans :</p> <p>The individual company (parent company) will complete the greenhouse gas inventory in 2026 and the certification in 2028. The subsidiaries in the consolidated financial statements will complete the greenhouse gas inventory in 2027 and the certification in 2029.</p> <p>Liquid Nitride real-time monitor system implemented into production process to lower the greenhouse gas emission.</p> <p>Management objectives and related performance :</p> <p>The individual company (parent company) will complete the greenhouse gas inventory in 2026 and the certification in 2028. The subsidiaries in the consolidated financial statements will complete the greenhouse gas inventory in 2027 and the certification in 2029.</p> <p>A reduction plan can reduce the cost of waste disposal and reduce the impact on the environment. The emission target for 2023 is 6.37 tons, the actual emission is 3.07 tons; the emission target of 2024 is 6.17 tons, the actual emission is 7.91 tons. The increase of emission amount is the result of increasing purchase orders and R&D projects. (The arsenic and contaminated debris refers to the waste that may be contaminated with arsenic during the production or emission process, not just the waste generated from GaAs wafers.)</p> <p>According to the pollution reduction plan from 2022 to 2026 submitted by the Company in 2022, the amount of arsenic salts and contaminated debris will be reduced from 6.57 tons per year in 2022 to 5.58 tons per year in 2026 through recycling and reuse and effective waste management by 15%.</p>
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<p>7. The reference basis of Internal Carbon Pricing</p>	<p>According to the statistics of the water consumption of all plant operations of the important subsidiary IET-US, the total water consumption in 2023 is 2,300,200 gallons, and in 2024 is 1,937,200 gallons.</p> <p>For the reduction target plan, as the power-saving device cooling tower will be introduced in 2024, it is expected that the water consumption may increase significantly. In the future, the water consumption will be recorded and the corresponding water-saving plan and target will be formulated after the water consumption information is updated.</p> <p>According to the statistics of the Company's greenhouse gas emissions from all plant operations of IET-US, a key subsidiary, the greenhouse gas emissions were 6,268.88 tons in 2022, 6,738.66 tons in 2023, and 6,683.02 tons in 2024.</p> <p>According to the statistics of the Company's greenhouse gas emissions from all plant operations of IET-US, a key subsidiary, the greenhouse gas emissions were 6,268.88 tons in 2022 and 6,738.66 tons in 2023.</p> <p>The Company has initiated a five-year greenhouse gas reduction project since 2021, and is expected to achieve the emission target of 0.4 pound per USD of revenue in 2026. The figure for 2022 is 0.474 lb. of emissions per dollar of revenue, 0.714 lb in 2023, and 0.6834 lb in 2024. In 2023, the increase is due to the decrease in 2023 turnover and the basic emission of production line operation is fixed, thus the decrease in turnover resulted in an increase in the emission figure. And in 2024, the figure is improved with the recovery of revenue.</p> <p>In 2024, the number of purchases from suppliers with a supplier rating that is too low will be zero.</p> <p>N/A</p>
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8. Climate-related goals, such as the activities, scope of greenhouse gas, project timeline, annual goals, the RECs if applicable.	See the Management objectives and related performance section.
9. Greenhouse gas inventory and assurance status, GHG Reduction Targets, Strategies and Specific Action Plans	See the below chart for details

The Company's Greenhouse Gas Inventory and Assurance in the Recent Two Years

Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons CO₂ e), intensity (metric tons CO₂ e/NTD million), and data coverage for the most recent two years.

The standalone company (parent company) is expected to complete the 2025 greenhouse gas inventory in 2026, and the consolidated subsidiaries are expected to complete the 2026 greenhouse gas inventory in 2027.

The Company's current statistics on greenhouse gas emissions from all plants operations of IET-US, a key subsidiary-

2023: Emission volume was 6,738.66 tons, intensity at 9.94 tons/NTD million (0.714 lb/USD of revenue)

2024: Emission volume was 6,683.02 tons, intensity at 9.51 tons/NTD million (0.683 lb/USD of revenue)

Scope of data: Scope 1 and Scope 2, that is, the direct and indirect greenhouse gas emission caused by the input electricity, heat or steam

Other description:

1. The increase in intensity data is due to the decrease in turnover in 2023, given that the basic emissions to maintain the operation of production lines are fixed. The decrease in turnover results in the increase in the emission data. The figure improved with the revenue recovery in 2024.
2. The conversion exchange rate for intensity is 1 USD: 32.57 NTD, the converted weight is 1 pound: 1/2204.6 tons.

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

Note 2: The data coverage of direct emissions and indirect energy emissions shall be handled in accordance with the schedule prescribed in Article 10, Paragraph 2., other indirect emissions information may be disclosed voluntarily.

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

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NTD million) shall be stated.

Greenhouse Gas Assurance Information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

The standalone (parent company) is expected to complete greenhouse gas assurance in 2028, and the consolidated subsidiaries are expected to complete greenhouse gas assurance in 2029.
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Note 1: The process shall be conducted in accordance with the schedule specified in Article 10, paragraph 2 of the guidelines. If the Company has not obtained the full greenhouse gas assertion before the publication date of the annual report, it is necessary to indicate “Complete assurance information will be disclosed in the sustainability report”, if the Company does not prepare a sustainability report, it should be noted that “Complete assurance information will be disclosed on the Market Observation Post System” and complete assurance information will be disclosed in the next annual report.

Note 2: The assurance institutions shall comply with the relevant requirements of Taiwan Stock Exchange Corporation and Taipei Exchange on assurance institutions for sustainability reports.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure content.

GHG Reduction Targets, Strategies and Specific Action Plans

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and specific action plans and achievement of the reduction goals.
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The Company launched a five-year greenhouse gas reduction project in 2021. Through process improvement and the introduction of energy-saving equipment, the greenhouse gas reduction in the production process is expected to achieve the emission target of 0.4 pound per USD of revenue in 2026.
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Process improvement of the specific action plan -

1. The production materials are subdivided into gaseous nitrogen and liquid nitrogen. Liquid nitrogen and gaseous nitrogen are switched according to needs during the production process. Compared to the original use of gaseous nitrogen, the energy consumption of converting gaseous nitrogen to liquid nitrogen is reduced.
2. Optimization of production schedules to reduce idle time of production lines.

The introduction of energy-saving equipment in the specific action plan-
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1. From 2022 to 2023, the Company introduced the Liquid Nitrogen real-time monitor system to optimize the usage and reduce the total carbon emission of the production process.
2. In 2024, we plan to introduce a cooling tower to replace part of the refrigerant cooling system in order to reduce the power consumption of cooling in the production process. Although it will also increase the water consumption, it is estimated that the power saved can offset and exceed the increased water consumption.

Others in the specific action plan -

1. Increase the turnover of hardware components and crystal growth software, and reduce carbon emission intensity.

Annual tracking of reduction target achievement

The figure for 2021 was 0.499 lbs. of emissions per USD of revenue;

The figure for 2022 was 0.474 lbs. of emissions per USD of revenue;

The 2023 figure was 0.714 lbs. of emissions per USD of revenue. The increase in this year's data is due to the decrease in 2023 annual turnover, and the basic emissions to maintain the operation of the production line are fixed, thus, the decrease in sales volume increases the emission data.

The 2024 figure was 0.683 lbs. of emissions per USD of revenue. The figure improved with the revenue recovery in 2024.

Note 1: It shall be processed in accordance with the schedule prescribed in Article 10, paragraph 2 of the guidelines.

Note 2: The base year should be the year that the inspection is completed based on the boundary of the consolidated financial statements. For example, pursuant to Article 10, Paragraph 2 of the Guidelines, a company with a capital of more than 10 billion should have completed an inventory of their 2024 annual consolidated financial statements in 2025. Therefore, the base year is 2024. If the company has completed the inspection of the consolidated financial statements ahead of schedule, the earlier year can be used as the base year, and the data of the base year can be calculated by a single year or the average of several years.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure content.

2-3-6. Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	V		<p>The Company has established the “Procedures for Ethical Management and Guidelines for Conduct,” and stated in its regulations and external documents the policies and practices of ethical management, as well as the commitment of the Board of Directors and senior management to actively implement business policies. The procedures have been approved by the Audit Committee and the Board of Directors.</p> <p>The Company has included at least the preventive measures specified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” in its “Procedures for Ethical Management and Guidelines for Conduct.” It is strictly prohibited to offer or accept bribes, illegal political donations or improper charitable activities donation, unreasonable gifts, hospitality or other improper benefits, infringement of intellectual property rights, engaging in unfair competition, or preventing products or services from damaging stakeholders, and so on.</p> <p>The Company has established the “Employee Code of Conduct and Ethics” and the “Code of Ethical Conduct.” The operating procedures, behavioral</p>	None

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			guidelines, punishment and complaint systems for violations are clearly defined and implemented properly.	
<p>2. Ethical Management Practice</p> <p>(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p> <p>(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?</p> <p>(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</p> <p>(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>	V		<p>Before dealing with counterparties, the Company shall evaluate their integrity records.</p> <p>The President's Office of the Company is dedicated to ethical corporate management and reports to the Board of Directors once a year.</p> <p>The Company's "Rules of Procedure for Board of Directors Meetings" stipulates the conflict of interest system for directors, who may state their opinions and reply to those who may be in conflict with themselves or the juristic person it represents to the motion of the Board of Directors to cause harm to the interest of the Company. However, they shall not participate in the discussion and voting, and shall recuse themselves during the discussion and voting, and shall not exercise voting rights on behalf of other directors.</p> <p>The Company's accounting is handled in accordance with laws and regulations, and audited by an independent CPA firm. The internal control system is checked by the audit unit, and a project review of the internal control system is conducted by the CPA firm</p>	None

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>in the year of listing and the following two years.</p> <p>The Company organizes internal trainings on ethical corporate management in the quarterly internal operation meetings, including courses on ethical corporate management compliance, accounting system and internal control, with a total of 267 participants in 2024 for a total of 534 hours.</p>	
<p>3. Implementation of Complaint Procedures</p> <p>Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?</p> <p>Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?</p>	V		<p>The Board of Directors of the Company has passed the “Whistle-blowing Regulations” on March 25, 2015 (refer to the Company’s website http://www.intelliepi.com.tw -- Investor Relations - Corporate Governance - Important Internal Regulations), define the acceptance unit, reporting channel, handling procedures, punishment and reward system, and so on.</p> <p>The “Whistle-blowing Regulations” of the Company has stipulated the procedure for accepting whistle-blowing matters and the confidentiality mechanism.</p> <p>The Company’s “Whistle-blowing Regulations” has clearly defined that whistle-blowers will be protected from improper treatment as a result of their reporting.</p>	None
4. Strengthening Information Disclosure Does the company	V		The Company discloses the Ethical Corporate	None

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?			Management Best Practice Principles on its website and MOPS.	
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation : None.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles) : None.				

2-3-7. Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed : None.

2-3-8. The state of implementation of the company's internal control system

2-3-8-1. Statement on Internal Control System: The Company has disclosed the statement of internal control system on Market Observation Post System (MOPS). The index path is: MOPS > Sole Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Declaration Announcement. URL: <https://mops.twse.com.tw/mops/#/web/t06sg20>

2-3-8-2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report:

No CPA has been hired to carry out a special audit of the internal control system.

2-3-9. Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Date, resolutions and the state of implementation of shareholders meeting

Meeting	Meeting Date	Meeting Resolution	Execution Status
Annual General Shareholders meeting	2024.06.25	Ratification of Operation report and financial statements for 2023	-
		Ratification of Profit and loss appropriation for 2023	Profit and loss appropriation, no cash or stock dividends
		Raise the Company' s Authorized Capital	Filed and registered new authorized capital to Cayman Island on 2024/7/2
		Amendment on "Memorandum and Articles of Association"	Filed and registered new Memorandum and Articles of Association to Cayman Island on 2024/7/2
		Complete re-election of Board of Directors (including Independent Directors)	Filed to MOPs on 2024/6/25
		Release from restriction to the participation in competing industries by elected Directors	Filed to MOPs on 2024/6/25

Dates and resolutions of BOD meetings

Meeting	Meeting Date	Meeting Resolution
BOD	2024.02.27	Establish on "Human Right Policy and Practical Managements" Managers' performance bonus for 2023 and salary adjustment
BOD	2024.03.13	Internal Control Statement for Fiscal Year 2023
		2023 Financial Statements
		Operation Report for Fiscal Year 2023
		Profit and loss appropriation for Fiscal Year 2023
		Cash Dividend Distribution for Fiscal Year 2023
		2023 compensation distribution to employees and non-independent directors
		Raise the Company' s Authorized Capital
		Amendment on "Memorandum and Articles of Association"
		Complete re-election of Board of Directors (including Independent Directors)
		Board of Directors election candidates and qualifications
		Release from restriction to the participation in competing industries by elected Directors
		Convention of the Company's 2024 Annual General Meeting of the Shareholders
		Engagement of auditor for 2024
		Loan to others evaluation as of 2023/12/31
BOD	2024.05.08	2023 Compensation evaluation for Directors and Managers
		New Chief Officer Assignment
		Adoption of 2024Q1 Financial Statements
BOD	2024.05.08	Subsidiary IET-US Authorized Capital and Articles of Incorporation Amendment
		Loan to others evaluation as of 2024/3/31
		Election Item : Election of the Chairman of the 5th term Board of Directors
BOD	2024.06.25	Compensation Committee members engagement
BOD	2024.08.28	2024Q2 Financial Statements
		2024 budget amendments
		2023 Sustainability Report
		Loan to others evaluation as of 2024/6/30
BOD	2024.11.13	2024Q3 Financial Statements
		Operation and budget plan and KPI (Key Performance Indicators) for 2025 Fiscal Year

Meeting	Meeting Date	Meeting Resolution
		Amendment on The Group' s "Other management activities" and "Internal Audit Implementation Rules"
		The Company and subsidiaries 2025 internal control audit plan
		Amendment on "Rules of Procedure for Board of Directors Meetings" and "Audit Committee Charter"
		Loan to others evaluation as of 2024/9/30
BOD	2025.02.26	Managers' performance bonus for 2024 and salary adjustment plan for 2025
		Amendment on Accounting policy
		Chairman is authorized for CB2 call back
BOD	2025.03.12	Internal Control Statement for Fiscal Year 2024
		2024 Financial Statements
		Operation Report for Fiscal Year 2024
		Profit and loss appropriation for Fiscal Year 2024
		Cash Dividend Distribution for Fiscal Year 2024
		2024 compensation distribution to employees and non-independent directors
		Amendment on "Memorandum and Articles of Association"
		2025 Annual General Meeting of the Shareholders
		Engagement of auditor for 2025
		Loan to others evaluation as of 2024/12/31
		2024 Compensation evaluation for Directors and Managers
BOD	2025.05.07	Adoption of 2025Q1 Financial Statements
		Loan to others evaluation as of 2025/3/31

2-3-10. Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:

There is no director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors.

2-4. Information on the professional fees of the attesting CPAs

2-4-1. The amounts of the audit fees and non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services

thousand NTD						
Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Pricewaterhouse Coopers Accounting Firm	Wendy Liang, Alan Chien	2024 year	5,203	1,141	6,344	-

Specify the services for which the non-audit fees were paid : tax compliance 1,141 thousands.

2-4-2. Given any of the following conditions, shall disclose information as follows

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

2-5. Information on replacement of certified public accountant: If the company has replaced its certified public accountant within the last 2 fiscal years or any subsequent interim period, it shall disclose the following information

Regarding the former certified public accountant:

Date of replacement	2025.03.12		
Reason for replacement explanation	In accordance with the regulations of the auditing standards and the internal adjustments within the accounting firm		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Parties	CPAs	The company
	Circumstances		
	Terminated the engagement	N/A	N/A
	No longer accepted (discontinued) the engagement	N/A	N/A
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	None		
Disagreement with the Company	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Other

	None	V
	Specify details	N/A
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None	

Information regarding the successor CPAs

Name of accounting firm	PricewaterhouseCoopers Taiwan
Name of CPAs	Alan Chien, Bruce Cheng
Date of engagement	2025.03.12 approved by BOD
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	N/A
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	N/A

The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations: None.

2-6. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: No such circumstance.

2-7. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

2-7-1. Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Job title	Name	2024		2025 as of April 30th	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Yung-Chung Kao	17,350	-	(10,000)	-
Director	Virginia Shu	-	-	-	-
Director	Wei-Hsien Wu	-	-	-	-
Director	Lin-Tan Wu	-	-	-	-
Corporate Director Representative	KINGMAX SEMICONDUCTOR INC.	(20,000)	2,361,000	(77,000)	-
	Hung-Yu Chen	-	-	-	-
Independent Director	Tom Chang	-	-	-	-
Independent Director	Norman Cheng	-	-	-	-
Independent Director	KM Tsai	-	-	-	-
VP/Operations Chief Officer	Kevin Vargason	6,950	-	(20,000)	-
VP/ Technology	Paul Pinsukanjana	6,950	-	(20,000)	-
CFO	George Wang	22,700	-	-	-
VP/ Business Development and Marketing	Patrick Chin	-	-	(6,000)	-
Head of Corporate Governance	Chia-Hwei Liu	-	-	-	-

2-7-2. The counterparty in any such transfer of equity interests is a related party:

No such circumstance.

2-7-3. The counterparty in any such pledge of equity interests is a related party

No such circumstance.

2-8. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

2025.04.27

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
KINGMAX SEMICONDUCTOR INC.	2,959,000	7.40%	0	0	0	0	None	None	
Representative: Fu Zhou Liu	-	-	-	-	-	-	-	-	
Yao-Lin Liang	1,508,130	3.77%	0	0	0	0	None	None	
Wei-Zhang Wu	1,307,000	3.27%	0	0	0	0	Wei-Hsien Wu	Siblings	
Zhao-Chi Huang	1,100,000	2.75%	0	0	0	0	None	None	
Jian-Li Chiu	1,010,000	2.53%	0	0	0	0	None	None	
CTBC Bank Co., Ltd. Trustee Custody of Trendforce Capital Fund Portfolio –Trendforce Capital Fund No. 1 Investment Portfolio Investment Account	1,000,000	2.50%	-	-	-	-	-	-	
Wei-Hsien Wu	945,000	2.36%	0	0	0	0	Wei-Zhang Wu Bo-Yi Wu	Siblings Paternity	
HSBC Trustee Custody of Merrill Lynch International Investment Account	913,000	2.28%	-	-	-	-	-	-	
Bo-Yi Wu	816,000	2.04%	0	0	0	0	Wei-Hsien Wu	Paternity	
P&M Oakin, LP	812,340	2.03%	0	0	0	0	None	None	
Representative: Yung-Chung Kao	216,459	0.54%	-	-	-	-	-	-	

2-9. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company

2025.03.31

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Intelligent Epitaxy Technology, Inc.	19,999	100%	-	-	19,999	100%
IntelliEPI Japan, Ltd	102	51%	-	-	102	51%
IntelliEPI IR, Inc.	400	40%	600	60%	1,000	100%

3. Information on Capital Raising Activities

3-1. Capital and shares

3-1-1. Source of capital stock

3-1-1-1. Source of capital

Month/year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of capital	Capital paid in by assets other than cash	Other
2011.5	USD 0.01	Common shares 70,000,000	USD700,000	25,930,440	USD259,304	Issued new shares and conducted a share exchange with IET-US shareholders	-	Note 1
2012.10	USD 0.01	Common shares 70,000,000	USD700,000	25,967,687	USD259,677	Employee exercised stock options	-	-
2012.11	NTD 10	Common shares 40,000,000	NTD 400,000,000	25,967,687	NTD259,676,870	Changed face value	-	Note 2
2013.7	NTD 10	Common shares 40,000,000	NTD 400,000,000	30,000,687	NTD300,006,870	Cash capital increase of 4,033,000 shares	-	Note 3
2014.10~2014.12	NTD 10	Common shares 40,000,000	NTD 400,000,000	30,055,247	NTD300,552,470	Employee exercised stock options	-	-
2015.03~2016.04	NTD 10	Common shares 40,000,000	NTD 400,000,000	34,414,267	NTD344,142,670	CB conversion and employee exercised stock options	-	-
2016.09~2016.12	NTD 10	Common shares 40,000,000	NTD 400,000,000	36,134,793	NTD361,347,930	Capitalization of retained earnings and employee exercised stock options	-	-
2017.01~2017.04	NTD 10	Common shares 40,000,000	NTD 400,000,000	36,135,543	NTD361,355,430	Employee exercised stock options	-	-
2018.11~2019.7	NTD 10	Common shares 40,000,000	NTD 400,000,000	36,535,543	NTD365,355,430	Issued restricted stock award	-	-
2020.05~2022.05	NTD 10	Common shares 40,000,000	NTD 400,000,000	36,510,943	NTD365,109,430	Cancellation of restricted stock award	-	-
2022.10	NTD 10	Common shares 40,000,000	NTD 400,000,000	36,768,443	NTD367,684,430	Issued restricted stock award	-	-
2023.04	NTD 10	Common shares 40,000,000	NTD 400,000,000	36,743,243	NTD367,432,430	Cancellation of restricted stock award	-	-
2023.05	NTD 10	Common shares 40,000,000	NTD 400,000,000	36,785,743	NTD367,857,430	Issued restricted stock award	-	-
2024.09~2025.04	NTD 10	Common share 100,000,000	NTD 1,000,000,000	39,985,743	NTD399,857,430	CB conversion	-	-

Note 1 : The company was established on 2011.04.26, and issued shares and conducted a share exchange with IET-US shareholders in 2011 May, acquiring all of IET-US's shares, thereby completing the group's restructuring prior to the company's listing.

Note 2 : With the BOD approval on 2012.09.12 and the shareholder meeting approval on 2012.09.28, the Company

amended the Memorandum and Articles of Association to change the par value of shares to NT\$10 and the authorized capital to NT\$400,000,000. Subsequently, common shares with a par value of NT\$10 per share were issued, and a 1:1 share exchange was conducted with all shareholders to convert the original U.S. dollar-denominated common shares. The registration was completed in November 2012.

Note 3 : FSC file number : 102 年 6 月 25 日金管證發字第 1020024645 號。

3-1-1-2. Type of stock

2025.04.27

Type of stock	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common share	39,985,743	60,014,257	100,000,000	上櫃股票

3-1-2. List of Major Shareholders

All shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder

2025.04.27

Names of major shareholders	Shareholding (shares)	Shareholding (%)
KINGMAX SEMICONDUCTOR INC.	2,959,000	7.40%
Yao-Lin Liang	1,508,130	3.77%
Wei-Zhang Wu	1,307,000	3.27%
Zhao-Chi Huang	1,100,000	2.75%
Jian-Li Chiu	1,010,000	2.53%
CTBC Bank Co., Ltd. Trustee Custody of Trendforce Capital Fund Portfolio –Trendforce Capital Fund No. 1 Investment Portfolio Investment Account	1,000,000	2.50%
Wei-Hsien Wu	945,000	2.36%
HSBC Trustee Custody of Merrill Lynch International Investment Account	913,000	2.28%
Bo-Yi Wu	816,000	2.04%
P&M Oakin, LP	812,340	2.03%

3-1-3. Company's Dividend Policy and Implementation Thereof

3-1-3-1. Dividend Policy Adopted in the Company's Articles of Incorporation

In accordance with the article 34 of the company's ARTICLES OF ASSOCIATION, the profit distribution plan shall be proposed by the board of Directors and approved by an Ordinary Resolution on the shareholder meeting.

If the Company records profit in any given year, it shall, in the following order, pay taxes for the relevant financial year, offset its losses in previous years that have not been previously offset, set aside a legal capital reserve at 10% of the profit left over, until accumulated legal capital reserve has equalled the total capital of the Company, and set aside a special capital reserve, if one is required, in accordance with the Applicable Public Company Rules or as requested by the authorities in charge. Any profit left over may be distributed, along with accumulative profits not yet distributed, pursuant to the distribution plan proposed by the board of Directors and approved by the Members by an Ordinary Resolution (“distributable profit”), provided that for the distribution of cash dividends, the board of Directors are authorized to approve according to subparagraph (d) below. Any such distributable profit may be distributed as Dividends (including cash dividends or stock dividends) in accordance with the Statute and the Applicable Public Company Rules and

after the board of Directors taking into consideration financial, business and operational factors with the amount of Dividends distributed to Members not lower than 10% of distributable profit of the then current year, and the amount of cash dividends distributed thereupon shall not be less than 10% of the profits proposed to be distributed as Dividends of the then current year.

The Company may, upon approval by a majority of the Directors present at a meeting attended by two thirds or more of total number of the Directors, pay Dividends/bonus, in whole or in part, by cash, and the board of Directors shall then report such distribution to the subsequent general meeting.

3-1-3-2. The Dividend Distributions Proposed at the Most Recent Shareholders' Meeting:

The profit distribution plan of 2024 was approved by BOD on 2025/03/12, no cash dividend distributed to shareholders.

3-1-4. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting :

No stock dividend distribution in this year, not applicable.

3-1-5. Profit-sharing compensation of employees, directors, and supervisors (The company has no supervisors) :

3-1-5-1. The percentages or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the company's articles of incorporation :

In accordance with the article 34.1 of the company's ARTICLES OF ASSOCIATION, the Company shall reserve no less than 3% of its annual profit as employee bonuses, and no more than 3% of its annual profit as director bonuses, provided that the annual profit be used to offset the Company's accumulative deficits first. The "annual profit" in the preceding paragraph shall be a sum equal to the Company's pre-tax profit before deduction of the aforementioned employee bonuses and director bonuses. The reservation of employee bonuses and director bonuses shall be approved by a majority of the board of Directors at a meeting attended by at least 2/3 of the Directors, and the decision of the Directors shall be reported to the Members at the general meeting. Employee bonuses may be distributed in shares (which may be distributed under an incentive programme approved pursuant to Article 11) or cash, and its distribution may include distribution to certain qualified employees of the Company's Subsidiaries. Any Director who also serves as an executive officer of the Company may receive a bonus in his capacity as a Director and a bonus as an employee.

The employee bonus includes performance bonus, which based on the achievement of annual KPI.

3-1-5-2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period :

The basis for estimating the amount of employee and director profit-sharing compensation is set in IET's Memorandum and Articles of Association. Base on the profit-sharing percentage, the amount of compensation is calculated each annual, when the estimated amount and distribution amount are different, according to accounting principle,

the difference will be recognized as the profit or loss in the year of distribution. No employee nor director profit-sharing compensation are estimated in 2024 based on the 2024 revenue.

3-1-5-3. Information on any approval by the board of directors of distribution of profit-sharing compensation

3-1-5-3-1. The amount of any employee profit-sharing compensation and director and supervisor profit-sharing compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed :

No employee nor director profit-sharing compensation this year, no discrepancy between the estimated amount and actual distribution amount.

3-1-5-3-2. The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation :

No employee profit-sharing compensation distributed in stocks in 2024, not applicable.

3-1-5-4. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated :

No employee profit-sharing compensation distributed in stocks in 2023. No discrepancy

3-1-6. Status of a company repurchasing its own shares

No such circumstance.

3-2. Information on the issuance of corporate bonds

No such circumstance.

The 2nd domestic unsecured convertible corporate bonds issued on 2023.11.20 terminated from the over-the-counter market on 2025.04.22.

3-3. Information on the issuance of preferred shares

No such circumstance.

3-4. Information on the issuance of global depository receipts

No such circumstance.

3-5. Information on the issuance of employee shares subscription warrants

No such circumstance.

3-6. Information on the issuance of restricted employee shares

3-6-1. For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equity:

Type of new restricted employee shares	New restricted employee shares for 2018	
Effective registration date and total number of shares	2018.09.10 400,000 shares	
Issue date	2018.11.07	2019.05.08
Number of new restricted employee shares issued	100,000 shares	300,000 shares
Number of new restricted employee shares still available for issuance	0 share	
Issue price	NTD 0	
Ratio of the number of new restricted employee shares issued to the total number of issued shares (Note 1)	0.25%	0.75%
Vesting conditions of the new restricted employee shares	<p>If the employee is still employed by the Company before the expiration of the new restricted employee shares and has not violated the provisions of these regulations, employment contract, obligations, or rules, the new shares will be distributed in accordance with the following schedule and proportion to the number of shares received. The base date of the capital increase of the RSAs is authorized to the chairman to determine.</p> <ol style="list-style-type: none"> 1. 20% of the shares will be vested upon them if they have held office for one year after the capital increase reference date. 2. 20% of the shares will be vested upon them if they have held office for two years after the capital increase reference date. 3. 20% of the shares will be vested upon them if they have held office for three years after the capital increase reference date. 4. 20% of the shares will be vested upon them if they have held office for four years after the capital increase reference date. 5. 20% of the shares will be vested upon them if they have held office for five years after the capital increase reference date. 	
Restrictions on rights in the new restricted employee shares	<p>Restricted rights upon employees' receiving new shares but before the vesting conditions are met:</p> <ol style="list-style-type: none"> 1. Employees may not sell, mortgage, assign, gift, pledge, or otherwise dispose of the new shares with restricted employee rights, except by inheritance, until they have fulfilled the vesting conditions after being allotted the new shares. 2. The attendance, proposal, speech and voting rights of the shareholders' meeting shall be implemented in accordance with the trust contract. 3. Besides the aforementioned restrictions, other rights in the new restricted employee shares allocated to employees in accordance with the regulations before the vesting conditions are met, including but not limited to: Dividends, bonuses and the right to allotment of capital reserve, and the stock option and voting right of cash capital increase. The exercise of the aforementioned rights shall be entrusted to the trust custodian institution for execution in accordance with the trust contract. 	
Custody of the new restricted employee shares	Custody and custodianship of custodian banks	
Treatment of the new restricted shares for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	<p>Handling of failure to meet vested conditions, resignation, or inheritance:</p> <ol style="list-style-type: none"> 1. If the employee resigns, be fired, be dismissed or retires voluntarily during the vesting period, the new restricted employee shares that have not yet met the vesting conditions shall be deemed to be disqualified for meeting the vesting conditions from the date of occurrence, and the Company will recall them all without consideration and cancel the same according to law. 	

	<p>2. Leave without pay: According to the regulations of the government and in the event of personal major illness, major family accident, and so on, the rights and interests of the new restricted employee shares that are specially approved by the Company for the employees who do not meet the vesting conditions will be restored on the date of reinstatement. However, the conditions for the vested period shall be deferred in accordance with the period of leave without pay.</p> <p>3. Occupational disaster</p> <p>(1) For employees who are unable to continue their position due to physical disability as a result of occupational disasters, from the effective date of resignation from the effective date of resignation, the employees may acquire all the new restricted employee shares that have not yet been acquired.</p> <p>(2) If the employee dies as a result of occupational disaster, the new restricted employee shares that have not yet been acquired are deemed to be acquired in full upon the death of the employee. The successor may apply for the shares to be inherited by the successor after completing the necessary statutory procedures and providing relevant supporting documents.</p> <p>4. General death: If the employee dies and does not meet the vested conditions at the time of death, the shares allotted to the employee in accordance with these regulations shall be recalled by the Company in full and cancelled according to laws from the date of death.</p> <p>5. Transfer: When a reassigned employee is transferred to an affiliated enterprise or other company, the voluntary resignation or dismissal for the RSAs that are not vested shall apply. However, the RSAs allocated to employees who are assigned by the Company to work at affiliates or other companies remain unaffected by the transfer.</p>	
Number of new restricted employee shares that have been retired or bought back	0 share	30,200 shares
Number of new restricted shares that have vested	100,000 shares	269,800 shares
Number of unvested new restricted shares	0 shares	0 shares
The ratio of the number of unvested new restricted shares to the total number of issued shares (%) (Note 1)	0%	0%
The effect on shareholders' equity	Minor impact on dilution of existing shareholders' equity	

Note 1 : The number of total number of issued shares is 39,985,743.

Type of new restricted employee shares	New restricted employee shares for 2022	
Effective registration date and total number of shares	2022.07.28 300,000 shares	
Issue date	2022.10.11	2023.05.10
Number of new restricted employee shares issued	257,500 shares	42,500 shares
Number of new restricted employee shares still available for issuance	0 share	
Issue price	NTD 0	
Ratio of the number of new restricted employee shares issued to the total number of issued shares (Note 1)	0.64%	0.11%
Vesting conditions of the new restricted employee shares	If the employee is still employed by the Company before the expiration of the new restricted employee shares and has not violated the provisions of these regulations, employment contract, obligations, or rules, the new shares will be distributed in accordance with the following schedule and proportion to the number of shares received. The base date of the capital increase of the RSAs is	

	<p>authorized to the chairman to determine.</p> <ol style="list-style-type: none"> 1. 40% of the shares will be vested upon them if they have held office for 3 months after the capital increase reference date. 2. 30% of the shares will be vested upon them if they have held office for 15 months after the capital increase reference date. 3. 30% of the shares will be vested upon them if they have held office for 27 months after the capital increase reference date. 	
Restrictions on rights in the new restricted employee shares	<p>Restricted rights upon employees' receiving new shares but before the vesting conditions are met:</p> <ol style="list-style-type: none"> 1. Employees may not sell, mortgage, assign, gift, pledge, or otherwise dispose of the new shares with restricted employee rights, except by inheritance, until they have fulfilled the vesting conditions after being allotted the new shares. 2. The attendance, proposal, speech and voting rights of the shareholders' meeting shall be implemented in accordance with the trust contract. 3. Besides the aforementioned restrictions, other rights in the new restricted employee shares allocated to employees in accordance with the regulations before the vesting conditions are met, including but not limited to: Dividends, bonuses and the right to allotment of capital reserve, and the stock option and voting right of cash capital increase. The exercise of the aforementioned rights shall be entrusted to the trust custodian institution for execution in accordance with the trust contract. 	
Custody of the new restricted employee shares	Custody and custodianship of custodian banks	
Treatment of the new restricted shares for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	<p>Handling of failure to meet vested conditions, resignation, or inheritance:</p> <ol style="list-style-type: none"> 1. If the employee resigns, be fired, be dismissed or retires voluntarily during the vesting period, the new restricted employee shares that have not yet met the vesting conditions shall be deemed to be disqualified for meeting the vesting conditions from the date of occurrence, and the Company will recall them all without consideration and cancel the same according to law. 2. Leave without pay: According to the regulations of the government and in the event of personal major illness, major family accident, and so on, the rights and interests of the new restricted employee shares that are specially approved by the Company for the employees who do not meet the vesting conditions will be restored on the date of reinstatement. However, the conditions for the vested period shall be deferred in accordance with the period of leave without pay. 3. Occupational disaster <ol style="list-style-type: none"> (1) For employees who are unable to continue their position due to physical disability as a result of occupational disasters, from the effective date of resignation from the effective date of resignation, the employees may acquire all the new restricted employee shares that have not yet been acquired. (2) If the employee dies as a result of occupational disaster, the new restricted employee shares that have not yet been acquired are deemed to be acquired in full upon the death of the employee. The successor may apply for the shares to be inherited by the successor after completing the necessary statutory procedures and providing relevant supporting documents. 4. General death: If the employee dies and does not meet the vested conditions at the time of death, the shares allotted to the employee in accordance with these regulations shall be recalled by the Company in full and cancelled according to laws from the date of death. 5. Transfer: When a reassigned employee is transferred to an affiliated enterprise or other company, the voluntary resignation or dismissal for the RSAs that are not vested shall apply. However, the RSAs allocated to employees who are assigned by the Company to work at affiliates or other companies remain unaffected by the transfer. 	
Number of new restricted employee shares that have been retired or bought	19,600 shares	0 share

back		
Number of new restricted shares that have vested	237,900 shares	29,750 shares
Number of unvested new restricted shares	0 share	12,750 shares
The ratio of the number of unvested new restricted shares to the total number of issued shares (%) (Note 1)	0%	0.03%
The effect on shareholders' equity	Minor impact on dilution of existing shareholders' equity	

Note 1 : The number of total number of issued shares is 39,985,743,

3-6-2. Names and Acquisition Status of Managerial Officers Who Have Acquired New Restricted Employee Shares and the Top Ten Employees (Ranked by the Number of Restricted Shares Acquired) Who Have Acquired New Restricted Employee Shares

	Job title	Name	Number of new restricted employee shares granted	Ratio of the number of new restricted employee shares granted to the total number of issued shares (Note 2)	Vested restricted shares				Unvested restricted shares			
					Number of vested shares	Issued price	Total purchase price	Ratio of the number of vested restricted shares to the total number of issued shares (Note 2)	Number of unvested shares	Issued price	Total purchase price	Ratio of the number of unvested restricted shares to the total number of issued shares (Note 2)
Managerial officers	President/ CEO	Yung-Chung Kao	218,500	0.55%	208,750	-	-	0.50%	9,750	-	-	0.02%
	VP/ Technology	Paul Pinsukanjana										
	VP/ Operations	Kevin Vargason										
	CFO	George Wang										
	VP/ Business Development and Marketing	Patrick Chin										
Employees	MBE Manager	Chen-Yu Chen	209,000	0.52%	209,000	-	-	0.52%	0	-	-	0%
	Director/Equipment	Joseph Middlebrooks										
	Director/Production	Wei Li										
	Senior Scientist	Everett Fraser										
	Senior Scientist	Juan Li										
	Senior Engineer	Patrick Tillman										
	Manager/ Equipment	Jody Tilley										
	Finance	Cherry Wang										
	Scientist	Xiaoyuan Liu										
	Senior Engineer	Shannon Hill										

Note 1 : The names and job titles of the managerial officers and employees should be presented individually (and an annotation should be made in the event an officer or employee has departed the company or died), but the quantities acquired and subscribed may be presented in aggregate sums.

Note 2 : The number of total issued shares is 39,985,743.

3-7. Information on the issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies:

No such circumstance.

3-8. Information on the implementation of the company's capital allocation plans:

The Company issued the 2nd domestic unsecured convertible corporate bonds on 2023.11.20 and raised capital of NTD 200,000 thousand, for the purpose of expanding the plant and purchase and upgrade of production machines. The total capital required for the project is NTD 239,400 thousand, with self-owned funds for the shortfall. The Company has disclosed the bond information, projects planned and progress of fund utilization, expected benefits and the capital allocation plan on MOPS. Navigation path:

公開資訊觀測站>單一公司>股權變動/證券發行>募資>募資計畫執行，URL：
https://mopsov.twse.com.tw/mops/web/bfhtm_q2

4. Overview of business operations

4-1. A description of the business :

4-1-1. Scope of business :

4-1-1-1. IET use advanced MBE epi-growth technology to develop, manufacture and supply semiconductor epitaxial wafers :

- (1) Wireless Communications : HBT, pHEMT
- (2) Fiber-optic Communication and Data Transfer : High speed, high frequency, and high power VCSEL, PIN, APD and other semiconductor laser wafers with different wavelength.
- (3) Infrared light detection : Advanced 3"-6" IR material, GaSb substrate, and GaAs, InP and GaSb III-V semiconductor wafers.
- (4) Developing advanced MBE GaN growth : High doping N+GaN Omic Contact regrowth and other MBE niche high-end GaN wafers
- (5) MBE hardware, software development and maintenance : For in-house and external MBE customers.

4-1-1-2. The relative weight of each major line of business :

Unit : NTD thousands ; %

Major line of business	2023		2024		2025, as of March 31 st	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
GaAs wafer	259,873	39.23%	251,261	35.03%	68,560	25.36%
InP wafer	235,098	35.49%	271,204	37.81%	146,135	54.05%
Other (GaSb wafer included)	119,216	18.01%	147,934	20.63%	29,078	10.75%
Service revenue	48,168	7.27%	46,836	6.53%	26,616	9.84%
Total	662,355	100.00%	717,235	100.00%	270,389	100.00%

4-1-1-3. IET provide MBE epi wafers and service in both development and production scale :

1. GaAs wafers :
 - A. GaAs InGaAs-channel pHEMTs with AlAs etch stop
 - B. GaAs InGaAs-channel pHEMTs with GaInP etch stop
 - C. GaAs mHEMTs
 - D. High speed/power GaAs VCSEL
 - E. GaAs PINs
 - F. GaAs QWIPs
 - G. GaAs Hall sensor
2. InP wafers :
 - A. InP InGaAs-based HBTs
 - B. InP GaAsSb-based HBTs
 - C. InP InGaAs-channel iHEMTs
 - D. InAlAs APDs
 - E. AlGaAsSb APDs
 - F. InP/InGaAs PINs
 - G. InAlAs and InP QCL lasers
 - H. InP/GaSb 1.5 -3μm bio-sensing laser
3. GaSb IR wafers and others
 - A. GaSb IR detectors

- B. III-V-on-Si mHEMTs
- C. 750nm to 950nm lasers
- D. 2inch to 5inch GaSb substrates
- E. Other customerize epi wafers

4-1-1-4. Development plans

1. Large size GaSb IR substrates, InSb crystal ingot
2. High speed (up to 28G) VCSEL for data communication
3. Next generation high uniformity 8x6inch MBE machine (co-develop with joint partner)
4. 1x12 inch GaN regrowth service
5. GaN related material and devices

4-1-2. Overview of the industry :

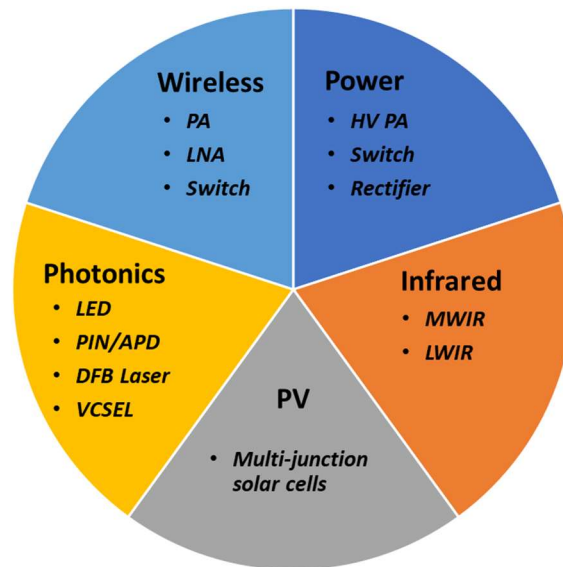
4-1-2-1. The current status and development of the industry :

4-1-2-1-1. Current and Future State of III-V Compound Semiconductors (GaAs, InP, etc)

Semiconductors are classified into two types : elemental and compound semiconductors. Examples of elemental semiconductors are Si, Ge, etc; compound semiconductors GaAs, InP, GaSb, etc. A semiconductor is a material which has the electrical conductivity value falling between conductor and insulator. By adding impurities (so-called doping) into semiconductor material, its conductivity value will change, hence change the optical or electrical properties. III-V compound semiconductors feature high frequency, high radiation tolerance, light emitting and high resistant to heat compared to typical silicon semiconductors, which makes III-V based devices widely used in commercial wireless communication, fiber-optic communication and advanced defense industry. The popularization of wireless communication even results in the birth of GaAs foundry model. As an example, the mainstream of mobile phone PA (RF power amplifier, the key component of the wireless module) is GaAs based. See the chart of applications below. In the near future, III V semiconductors will also become the key component of solar cell and optic display because of its high energy efficiency.

The rapid growth of IoT wireless communication and automobile collision avoidance radar drives the healthy growth of GaAs pHEMT. The compound semiconductors will remain important in telecommunication industry, III-V semiconductor lasers, feature small size, high integration and other advantageous attributes, are increasing the applications on both industrial and commercial fields, VCSEL, the one with mass production potential, is developing innovative applications in AR, action recognition, proximity recognition and other fields, which makes GaAs based component a key part in mobile devices.

Infrared (IR) sensors are widely used in defense industry, e.g. detection and targeting, and livelihood , e.g. security monitor and night vision. Most IR detector and focal plane arrays (FPA) are semiconductor based, such as II-VI semiconductor based HgCdTe (MCT), III-V semiconductor based quantum well infrared photodetectors (QWIP) and GaSb IR Detector. T2SLS produced by foundry outperforms MCT which cost much lower than MCT. See the chart of applications below.



4-1-2-1-2. Current and Future State of III-V Compound Semiconductor Foundry

In semiconductor supply chain, most wafer manufacturers, e.g. Skyworks, Qorvo, WIN and AWS, focus on wafer fabrication and/or IC design, and outsource the epitaxy part to foundries in US, Japan, and Taiwan. With the popularization of GaAs based applications and the success of epitaxy foundry model, wafer manufacturers progressively change into epi-less IC fab, while the epitaxy foundries build up high entry barrier with professional technique and cost advantages.

Molecular beam epitaxy (MBE) and metal organic chemical vapor deposition (MOCVD) are the only two matured and important III-V epitaxy techniques in foundries, both techniques have their unique and irreplaceable advantages. And IQE and IntelliEPI are the only two MBE epi foundries worldwide.

4-1-2-1-3. Current and Future State of III-V Based Devices and Applications

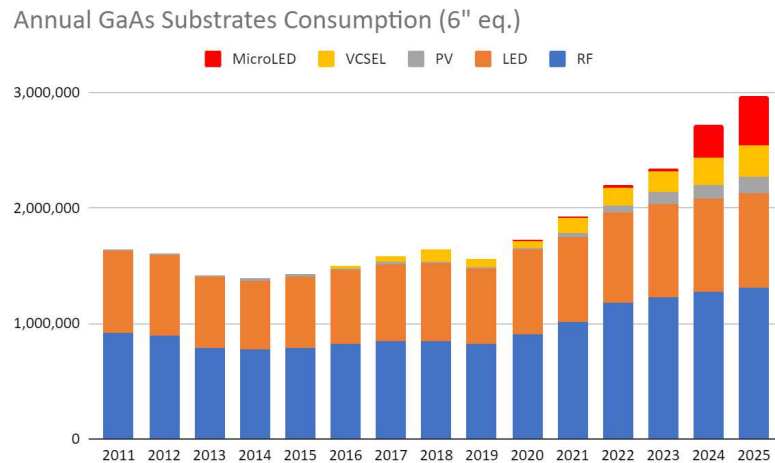
A. GaAs pHEMT

GaAs pHEMT plays an important role in high power base station, LNA and RF switch with characteristic of high frequency and low noise. RF amplifier (LNA) using InGaAs pHEMT performs well in Wireless Local Area Network (WLAN) and IoT, and with great potential in fiber-optic communication, satellite communication, point to point microwave communication, cable television, digital television, automobile anti-collision radar applications. pHEMTs can be grown by both MBE and MOCVD, while MBE grown pHEMTs are the mainstream since the devices outperform those MOCVD grown ones in terms of performance quality and yield, which gain increasing attention during the development of high-tech (especially wireless communication) industry.

Most IET GaAs pHEMT are applied in wireless communication, mainly nonmobile devices and automobile anti-collision radars. The chart below shows that wireless RF devices will still account for the largest portion of GaAs substrate consumption and the consumption amount will keep growing in 2021-2024. VCSEL is expected to have more substantially increase in the same period.

Annual GaAs substrate consumptions (6" eq.)

Source: GaAs substrate supplier



B. InP HBT

The physical characteristics of GaAs HBT, such as good linearity, good broadband respond, high breakdown voltage, high gain, high efficiency, low parasitic effect, no need of negative bias design and low phase noise, etc., make it functions with good power magnification, low standby current consumption and small size, which in line with the development trend of mobile phone products, nowadays GaAs HBT has become the mainstream of mobile phone and wireless local area network (WLAN) power amplifier market. In 1995, only 10% of mobile phone PA were using GaAs HBT devices, by 2005, over 90% mobile PA were using GaAs HBT devices.

Progress with the technology development, consumer demand for large transmission capacity, high quality, high speed and longer battery life also increased, driving the development of InP HBT.

Compared to GaAs HBT, InP HBT, with lower power consumption, better frequency and electricity characteristic, functions with lower standby voltage and better power magnification. Furthermore, InP HBT can solve the bottleneck issue in bandwidth, maximize the output(?), contribute to the birth of Next Generation Communication and computing architecture(?). InP HBT can be widely applied to internet, communication, computing, data storage, test equipment, military, aerospace products, providing 40 gigabits/s (40G) and 100 gigabits/s (100G) high speed analog semiconductor solutions in communication market, and high speed memory interface solution in computing market. In the predictive analysis released by US tier-1 IDM company, InP HBT will have strong advantage to become the mainstream of high frequency (over 28GHz) 5G and beyond mobile phone PA.

C. Infrared (IR) material and light detector

Infrared (IR) sensors provides important functions in both military applications, such as target search and lock on, and commercial applications, such as security surveillance and night vision. Almost all infrared light detectors or focal plane arrays (FPA) utilize semiconductor material, such as Group II-VI of mercury cadmium telluride (HgCdTe, MCT)), III-V family, the quantum well infrared photodetectors (QWIP), and gallium antimonide type II strain layer superlattice infrared detector the (GaSb type II strained layer superlattice, T2SLS). Through the commercial semiconductor foundry production, T2SLS has the potential for superior performance when compared with MCT, and at a lower cost.

Thermography and night vision technology using 500nm to 1400nm Infrared

wavelength, being not interferenced by steam in atmosphere, have been widely researched and developed in non-defense industry, innovative application includes :

- a. Flame sensor module
- b. Security, monitoring and biomedical imaging
- c. Home energy audit, providing solution to improve home energy efficiency
- d. Temperature monitoring, providing solution to prevent global warming
- e. Earth and aerospace observation

GaSb substrates for growing GaSb IR detector were supplied with unstable quality and high cost, to better penetrate into IR detector market, IET develop itsown GaSb crystal pulling, cutting, grinding and polishing technology, now the GaSb substrates IET produced can supply both internal and external demands.

D. VCSEL for data transmission and 3D sensing

The common emission wavelengths of Vertical Cavity Surface Emitting Laser (VCSEL) are in the range of infrared (850nm~950 nm), as obtained with GaAs and InGaAs material system. Compared to Edge Emitting Laser, the use of short cavity makes VCSEL having single longitudinal mode, circular beam, low current and power consumption, and other properties such as being simpler for testing, being able to build 2D array intergration, easy to be modularized, etc. These properties makes VCSEL more competitive in tems of fiber-optic detector and 3D sensing.

To process data timely, optical communication industry speeds up the development of VCSEL to meet the thriving demands for IoT, cloud computing service provided by Meta, Google, Amazon, etc., and data transmission. In the circumstance, high speed data connection (data center? becomes the best solution to connect large amount of servers in a server farm, the key components includes:

- a. High speed : 14Giga bit/s in current generation, 28 Giga bit/s in next generation
- b. Longer distance : over 7 meters (copper will be the choice that cost less in shorter distance.)
- c. Cabel layout in the building : plastic optical fiber require less space
- d. Cooling/ power supply system : copper signal modulation ic(? Will increase the power consumption and generate heat, copper cabel will also block air flow

The advantage of high efficiency VCSEL includes high speed, high intensity and high reliability. However, the VCSEL cavity required hundreds of accurate epitaxial layers to emit ideal wavelength, the high requirements on parameters, such as epitaxial layer thickness, doping concentration and temperature, makes the molecular beam epitaxy (MBE) growth technique the preferred growth method. The goal of IET is to develop the next generation VCSEL, ensuring the market share and high margin, and creating entry barrier to competitors.

Comparison of Different Light Emitting Module

Feature	Type		
	VCSEL	FP	DFB
Emitting mode	Surface-emitting	Edge-emitting	Edge-emitting
Wavelength	850nm	1310nm 、1550nm	1310nm 、1550nm
Data Transfer Distance	Short distance	Long distance	Long distance
Applications	SAN 、LAN	SAN 、LAN 、	SAN 、LAN 、

Feature	Type		
	VCSEL	FP	DFB
		Metro、FTTx	Metro、FTTx、 Long-distance Communication or Backbone Network
Applied to	—	EPON、GEPON	GPON
Data Transfer Rate	1Gbps~10Gbps	1.25Gbps~2.5Gbps、 6Gbps	>2.5Gbps
Difficulty of Production	Low	High	Highest
Cost	Low	High	Highest

Source : Industrial Technology Research Institute

In 2017, Apple added a 3D sensing camera to its new iPhone X, since then VCSEL had become the key component of 3D sensing module. With Apple brings in more 3D sensing applications and Andoid phones start including 3D sensing technology, VCSEL will be commonly used in many areas, such as face recognition, hand gesture resognition, AR, VR, LiDAR, biomedical sensing and lights-out manufacturing. The demand of VCSEL will grow exponentially, the technology of growing large size VCSEL wafer becomes the key ability for manufacturers. While both MBE and MOVCD technology can produce large size VCSEL wafers, MBE technology has higher yield to produce high performance and high uniformity epitaxial wafer. IET has had the technology to grow ghgh uniformity VCSEL.

E. Next-gen VCSEL and other technologies

IET is developoing the technology of growing next-gen VCSEL, which taking advantage of the unique growing creteria of MBE and material properties to reach higher wafer uniformity, simpler growth processing and high yield of VCSEL arrays. PIN, APD epi-wafers development for data transfer market.

F. High performance optical receiver photodiodes

The two main types of optical receiver photodiodes are PIN diode and Avalanche Photo Diode (APD). For low frequency applications, the industry utilizes MOCVD to grow wafers. However, in high frequency applications, requiring higher accuracies for epitaxial layer thickness and doping concentration, MBE growth technique has become the preferred method. For example, the InAlAs/InP APD wafers required the P dopants to be controlled in $1e17\sim1e18cm^{-3}$ range – a level of precision only achievable through MBE techniques.

G. GaN MBE

Most GaN epitaxial wafers are growned by MOCVD, GaN MBE technique was not widely utilized in mass production because of the slow growth speed. Nowadays, adding NH₃ gas source speeds up the growth and MBE technique shows its niche in growing some extremely high frequency GaN structures, IET restarted the R&D project and set up the MBE system in 2020, in spite of the COVID-19 recession

GaN MBE also show great potential in GaN/Si wafers for power and wireless communication applications, and the exisiting MBE capacity in the worldwide is not enough to supply the whole demand. To master the market, IET is developing the new MBE system, preparing the capacity for mass production of GaN MBE wafers.

4-1-2-2. The links between the upstream, midstream, and downstream segments of the industry

supply chain

Segment	Product/Technology	Domestic Suppliers	International Suppliers
Epitaxy	HBT/MOCVD pHEMT/MBE pHEMT/MOCVD	VPEC, Kopin Taiwan, GET, etc.	IntelliEPI, IQE, Soitec, Hitachi Cable, etc.
Wafer Foundry	HBT (3 μ m、2 μ m、1 μ m) pHEMT (0.5 μ m、0.25 μ m、0.15 μ m)	WIN, AWSC, etc.	Qorvo, GCS, etc.
Package and Testing	Thick Film Package	TONG HSING Electronic, Aviso Tech, Giga Solution Tech	IDM in-house testing
IDM	RF IC	Transcom, HEXAWAVE	Skyworks, Qorvo, Anadigics, SEDI, etc.

(1) Microelectronic device epitaxy wafers : GaAs and InP

The main sequence of producing a GaAs or InP III-V IC are crystal pulling (substrate), epitaxy, wafer fabrication, and then packaging and test. Compared to the processing of Silicon wafer, the complex requirements of III-V epitaxy technique makes the main difference between III-V and Silicon wafer processing, that is, the epitaxy part of III-V wafers is handled by professional epitaxy manufacturers, while the epitaxy procedure of Silicon wafers can be processed in wafer fabs. III-V epitaxy manufacturers have to procure substrates to grow epitaxial layers. Depends on the final applications, different compound materials such as AlGaAs, InGaP, InGaAs and InAlAs will be piled up in layers to grow the whole structure.

To fulfill the growing demand for high speed and high frequency performance devices, the technique of HBT devices evolve from GaAs-based to InP based, and pHEMT devices from pHEMT to E/D mode pHEMT. For measurement system integrators who have to provide high speed and high frequency equipments to fiber-optic communication and photonic integrated circuit customers, InP HBT outperform GaAs HBT in fitting their requirements on device performance. InP HBT is one of the main products of IET.

(2) Fiber-optic communication products

Fiber-optic communication is the information transmitting method that converts sound, image or information into light signals, transmits them to the receiver through optical fiber internet, and then converts the light signals back to electronic signals to reproduce the sound, image or information even between long-distance. Therefore, the transmitter/receiver module is the key device of fiber-optic communication.

The transmitter/receiver module is composed by optical transmitter and optical receiver the key component are the LD dice, as photo emitter, and PD dice, as photo detector. The performance of LD and PD dices are totally depends on the quality of LD and PD wafers. LD for photo emitter module includes FP laser, DFB laser and VCSEL, the former two lasers are edge emitting lasers, and VCSEL is surface emitting laser. PD for photo detectors module includes PIN and APD.

The fiber-optic communication industry can be roughly divided into four groups – optical fiber cable, optical active component, optical passive component and the fiber-optic communication equipment. IET focuses on the R&D and production of epitaxial wafers for GaAs/AlGaAs-based and InP/InGaAs-based optical active component (VCSEL) and optical

passive component (PIN, APD).

Segment	Product/Technology	Domestic Suppliers	International Suppliers
Epitaxy	LD/MOCVD LD/MBE PD/ MOCVD PD/ MBE	VPEC, Epistar, LandMark, HJ, Etc.	IntelliEPI, IQE, II-VI, etc.
Wafer Foundry	VCSEL (4", 6") PIN (2") APD (2")	WIN, AWSC, Luxnet, TrueLight, Tyntek, Wavetek, Source, etc.	Accelink, GCS, etc.
Package	Package and Testing	TrueLight, Luxnet, EZconn, eLaser, etc.	Accelink
Module	Transceiver	Source, PCL	Neophotonics, Oplink, Innolight
IDM	Module	TrueLight	Finisar, Avago, II-VI

(3) Infrared (IR) material and sensors

The epitaxial wafer for Advanced Infrared (IR) sensors have to grow on large-size GaSb substrates, which is rare supply and high cost (10 times over the same size GaAs substrate). As solution, IET developed the technique of crystal pulling, cutting, grinding and polishing, and built up our own 4" GaSb substrate production line for internal demand. Infrared sensors such as GaSb IR sensor is using MBE technique to grow the epitaxial layer on GaSb substrate, and then send to customer end to produce mid/long wave IR sensors, the earning contributes to IET's contract revenue.

(4) GaN/SiC for RF device

GaN/SiC high frequency and high power devices are mainly applied to Defense, aerospace and base station areas. The industry model and members are similar to III-V wafer supply chain. Epitaxial wafers grown by MOCVD are the current mainstream, while MBE technique is showing advantage during the development of high end applications.

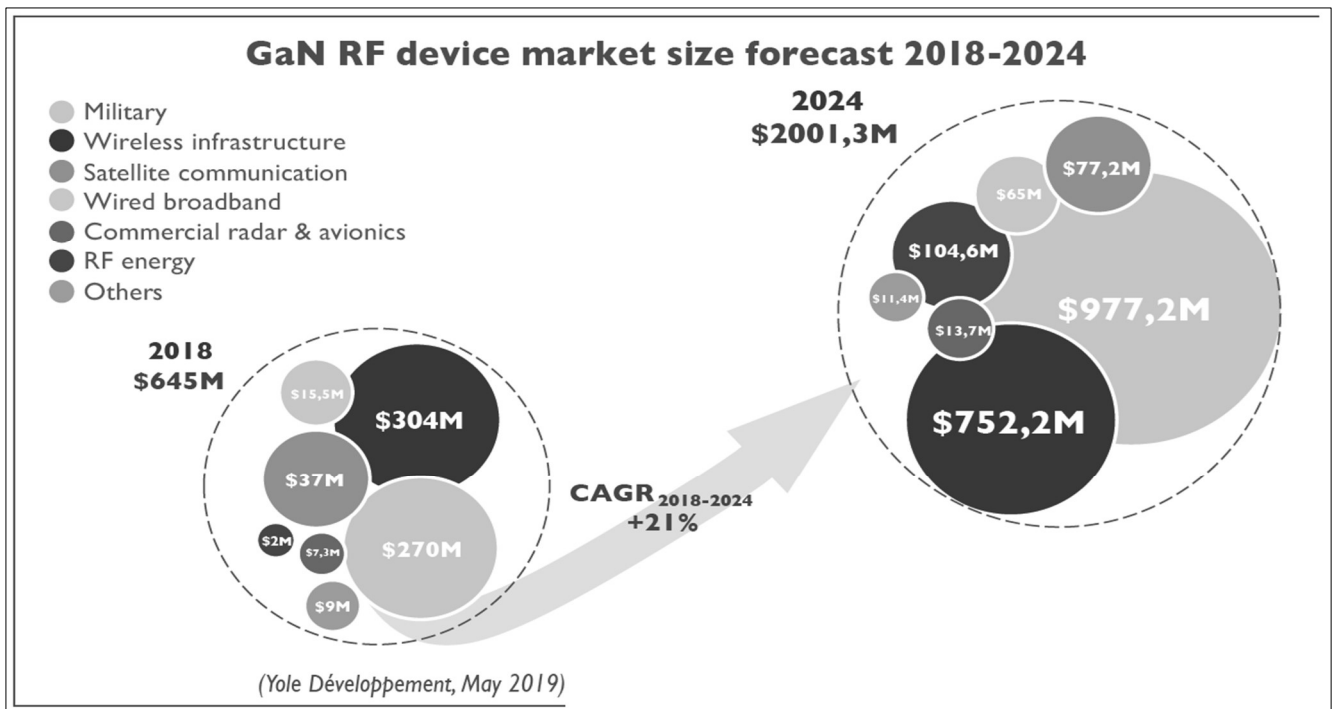
(5) GaN/Si for RF and power device

In recent years, the Silicon fabs are applying GaN/Si process to produce power device for medium voltage (Around 600V), and starting R&D of GaN/Si RF device under 6GHz for mobile phone. The business model of both products will be similar to silicon-based devices, large production scale, low pricing and sizable potential market. MBE will win a place in the market by the outstanding epitaxy quality and high uniformity. IET is paying close attention to the market trend while developing the GaN/Si epitaxy technique which meet the customer demands.

Globe Gan RF device market size forecast :

The whole market will be triple to USD 2 billions in six years, Defense application will keep one-third of the market, while RF will boom fifty times to USD 1 billion, and the application for base station will have 25% of the market.

Source : Yole Development, May 2019



4-1-2-3. Development trends of the company's products

(1) Microelectronics Devices

Nowadays, consumer demand for wireless communication is tremendous and irreplaceable, to further enhance product reliability and the intergration of functions, HBT developed from GaAs HBT to InP HBT, pHEMT from pHEMT to E/D mode pHEMT and the more advanced InGaP pHEMT, which increase the performance of GaAs device circuit, lower the cost, and provide mobile phone and IoT manufacturers more space and flexibility to design. The InGaP pHEMT is in IET's R&D plans.

Besides, consider to the PA performance requirements for 5G high frequency (28 GHz) mobile phone, InP HBT shows great potential to replace GaAs HBT, providing lower power consumption and better electrical characteristic, which extend the battery life and amplification efficiency. With the upcoming high frequency generations, it's believed that InP-based products will increase gradually.

IET targets at the applications using frequency higher than Ka-band, or so-called mmWave, such as automobile anti-collision radar, cloud data transfer and salettile communication. The high frequency epitaxial wafers grown by MBE technique is much preferred in these applications, while IET and IQE are the only two MBE epiyaxy foundries in supply chain.

(2) Opto-electronics Devices/materials

For applications under 1 GHz, VCSEL and PIN wafers can be grown by MOCVD technique, but for applications over 10 GHz, MOCVD technique will face difficulty to reach product specification, constrained by MOCVD machine principle. In 2013, IET cooperated with the top one VCSEL manufacturer and successfully developed the VCSEL epitaxy wafers between 14 GHz to 28 GHz; meanwhile IET also built up relationship with Taiwan manufacturer, supplying the VCSEL epitaxy wafer between 1-10 GHz. For advanced APD, which requires strict control on the desity of p-dopant, such as Be, and the high-end VCSEL, which needs Phosphorus to grow the wafers, the large-scale MBE machines IET has are all qualified to reach the high technical requirements. The unique ability attracts teir-1 US and

Taiwan companies to cooperate with IET for developing high performance and high margin products exclusively.

(3) Infrared (IR) sensors

The market of high performance night vision and IR thermography system has been pushed to new heights by the booming demands for higher performance and larger size IR sensor array. The applications includes-

- A. Image intensification, widely used from night vision devices for hunting to the precision imaging maneuvering target tracking system in military vehicles.
- B. Biosensing, detects the heat patterns of cancer and normal cells for the early detection of cancer and tumor.
- C. Industry and environment protection aspect, gas sensor and Hydrocarbon gas sensor, such as CO₂ and SF₆.
- D. Territory monitoring for border protection.
- E. Thermalgraphy target tracking for search and rescue, police force and border protection.
- F. Tactical thermalgraphy system in military vehicles, armoured personnel carriers, tanks, military aircrafts, helicopters, military ships and drones.

Military thermography sensor systems have the detection range up to few miles and the capability to see through cloud, fog and dust. In many cases, the IR/thermal imaging sensor can directly replace the silicon-based CMOS or CDD visible light focal plane array detectors used in digital cameras and smart phones. These IR/thermal imaging sensor using III-V compound materials, such as GaAs, InP, InSb or GaSb, outperform other materials in the area of high performance applications, advantages including large-size, high material reliability, mass-produced and fair pricing.

4-1-2-4. Competition for the company's products

GaAs pHEMT is one of IET's main products, the international competitors includes British company IQE and Japanese Company Hitachi Cable, and the domestic competitor VPEC. Among the competitors, Hitachi Cable and VPEC are MOCVD manufacturers and the main product is HBT, IET has more advantage on mass production capability and experience of producing pHEMT. Except GaAs pHEMT, Si CMOS wafer is another candidate in IoT market.

InP-based HBT/HEMT/APD and IR Detector required strict control of thickness, abrupt interface and doping, which MBE technique better performed than MOCVD. Since most of the customers are in US, while the another MBE foundry has less input in US market, IET has the competitive advantage in the aspect of scale and technique. IET has signed up long-term exclusive supply contract with the top 1 InP-based devices IDM to explore the applications of InP-based HBT, such as high frequency test and instrument. Besides, the LNA for quantum computing which have to operate at extreme low temperature is an exclusive market for InP-based HEMT.

Regarding GaAs VCSEL for mobile devices, IET is the only foundry with capacity to mass produce VCSEL by MBE machine. VCSEL wafers grown by MBE have the advantage of high uniformity and low residual stress. Our competitors, such as IQE, VPEC and Sumika, provide VCSEL wafers grown by MOCVD technique.

4-1-3. Overview of the company's technologies and its research and development work :

4-1-3-1. Research and development expenditures during the most recent fiscal year up to the date of publication of the annual report :

Unit : NTD thousand

Item	2024	2025, as of March 31 st
Research and development expenditures (A)	61,504	13,203
Net operating revenue (B)	717,235	270,389
Ratio of the research and development expenditures to net operating revenue (%) (A/B)	8.58%	4.88%

4-1-3-2. Technologies and/or products successfully developed during the most recent fiscal year up to the date of publication of the annual report :

Year	Technologies and/or products successfully developed	Major application
2022	MBE process control software (NOVA)	Internal use and external customers
2023	First IET-designed MBE machine	Internal use and external partners
2023	GaN regrowth MBE machine designation	Internal use and external customers
2024	High-Capacity Antimony Valved Diffusion Source	Internal use and external customers

4-1-4. Long- and short-term business development plans:

4-1-4-1. Short-term business development plans

- (1) Increase capacity by adding machines and the machine complementariness, cooperate with customer closely to meet the delivery requirements.
- (2) Increase the sales of GaAs wafers, major products includes the high end pHEMT and mHEMT applied in anti-collision radar, IoT and 5G PA. And keep develop the VCSEL wafer and process technique for fiber-optic comm, 3D sensing and autonomous vehicle LiDAR.
- (3) Seize the 5G business opportunity for InP wafers and the booming demand for high speed (25G to 100G) PIN and APD; penetarte into the supply chain of Great China area.
- (4) Keep the world leading position of GaSb wafers for InfraRed long/short wavelength and optoelectronics applications, increase the market share in Defense and commercial industry.
- (5) Develop the MBE GaN epitaxy technique, provice advanced epitaxy service, including GaN regrowth for low resistance ohmic contact and the development of 12-inch machine.

4-1-4-2. Mid- and long-term business development plans

- (1) Operation strategy
Build up strategy alliances with main customers, providing production support, co-

developing products, allocating capacity and R&D resources on high-end and high-profit products and getting product qualification ahead of competitors, to keep the gargaining power.

(2) Production strategy

- A. Bring in customized key components and upgrade the MBE machines, adjust the material allocation for deposition based on product mix to reach the optimum output.
- B. Build up safety stock, taking production planning and preventive maintenance schedule into account.
- C. Keep transferring the MBE machines to Allen, Texas, increase machine capacity to enhance production efficiency.

(3) Marketing strategy

- A. Penetrate into Americas/Europe, Japan and China high-end commercial market, major products includes anti-collision radar, LiDAR, high speed internet, cloud technology, InP APD optic fiber communication device, VCSEL communication and sensing devicem 5G applications, and adjust product mix properly.
- B. Focus on business diversification and value-added service, increase marekt share with optimum output.
- C. Assign certain MBE machines to customers or products with strategy alliance or co-develop planning, to strengthen the supply chain partner relationship.

4-2. Analysis of the market and the production and marketing situation

4-2-1. Market analysis

4-2-1-1. Analysis of the geographic areas where the main products are provided

Unit : NTD thousand

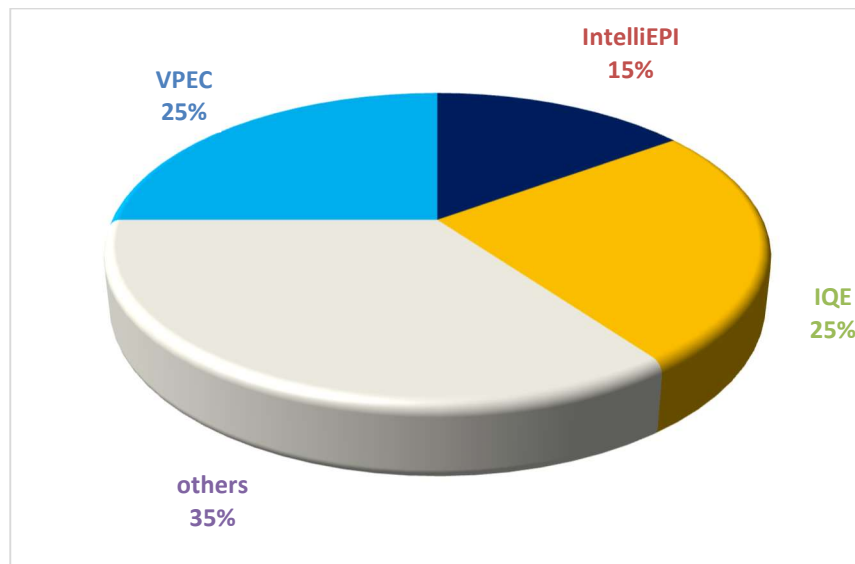
Fiscal Year Region	2023		2024		2025 Q1	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
USA	462,284	69.79%	482,288	67.24%	210,809	77.97%
Japan	34,264	5.17%	65,537	9.14%	14,172	5.24%
German	49,922	7.54%	53,822	7.50%	16,767	6.20%
China	19,742	2.98%	23,968	3.34%	3,947	1.46%
Korean	35,510	5.36%	16,989	2.37%	6,192	2.29%
Others	60,633	9.16%	74,631	10.41%	18,502	6.84%
Total	662,355	100.00%	717,235	100.00%	270,389	100.00%

4-2-1-2. The company's market share

IET's main products are GaAs, InP and GaSb wafers :

- (1) GaAs pHEMT wafers aim at tier-1 Americas/Europe/Japan customers, applications includes automobile anti-collision radar, Defense and 5G infrastructure.

Market share of commercial GaAs wafer (S.I. substrate)



Source : IET internal data

- (2) IET and its MBE competitor IQE is the world top one and two InP HBT suppliers, which account for almost 100% InP HBT commercial orders worldwide, since InP HBT is an advanced and high-profit device which performs better when grown by MBE technique. IET is the only InP HBT supplier of the world top1 InP IDM and OEM company, and will keep the leadership in future.
- (3) Using MBE technique is more efficiency when growing IR detector wafers, the market is shared around fifty-fifty by IET and IQE, the only two MBE manufactures in the world.
- (4) MBE epitaxial layer performs better than MOCVD epitaxial layer in high uniformity.

4-2-1-3. The market's demand and supply conditions in the future and the growth potential

- (1) Commercial MBE GaAs products : The market of non-cell phone, such as IoT, IoV (Internet of Vehicles) and virtual technology wafers will grow substantially, IET focus on cooperation with tier 1 companies to obtain product qualifications, and to become the exclusive supplier or second-source supplier of IET's customers.
- (2) InP HBT/PIN/APD products : IET works on the InP category for more than one decade, the sales has potential of growing with the booming of fiber-optic comm, cloud technology, LiDAR and 5G applications.
- (3) GaSb IR detectors : the major customer is US authority, all the IC design houses and manufacturers in US authority GaSb wafer contracts are IET's customers, with a head start in the GaSb market, it's believed that IET's GaSb PO will grow with the market demand, especially those for Defenss volume production products,.

4-2-1-4. The company's competitive niche

- (1) Manufacturing plants locate in US : US is the main region of compound microelectron industry, over 80% of current and potential companies are within 3 hours of flight distance

from IET.

- (2) Speciality in MBE hardware design and manufacturing : Assemble the first “home built” MBE with designed key components. Reduce the machine cost with using self-designed hardware components, such as IET-designed high efficiency in-situ group III metal machine.
- (3) Advanced in-time growth control software : All IET MBE machines are equipped with self-developed growth control software to monitor important parameters during growing. By the in-time monitoring system, IET can shorten the R&D time frame, reduce production cost and increase production efficiency.

4-2-1-5. Positive and negative factors for future development, and the company's response to such factors

(1) Positive factors

- A. MBE hardware component design and manufacturing : With the specialty of modify, revise and assemble MBE subsystem component, IET can reduce the maintenance cost and rely less on MBE system supplier.
- B. Rich experience in P : InP is the indispensable material for next generation HBT, IET has long history and rich experience in P, which will also be the key technique of growing next gen p-doping VCSEL.
- C. Vertically intergrated GaSb IR detector business : In-house crystal pulling, slicing, grinding, epitaxy tructure designing growing and testing technique. With the control of GaSb substarte supply, IET has greater flexibility when negotiate with customer.

(2) Negative factors and the company's response to

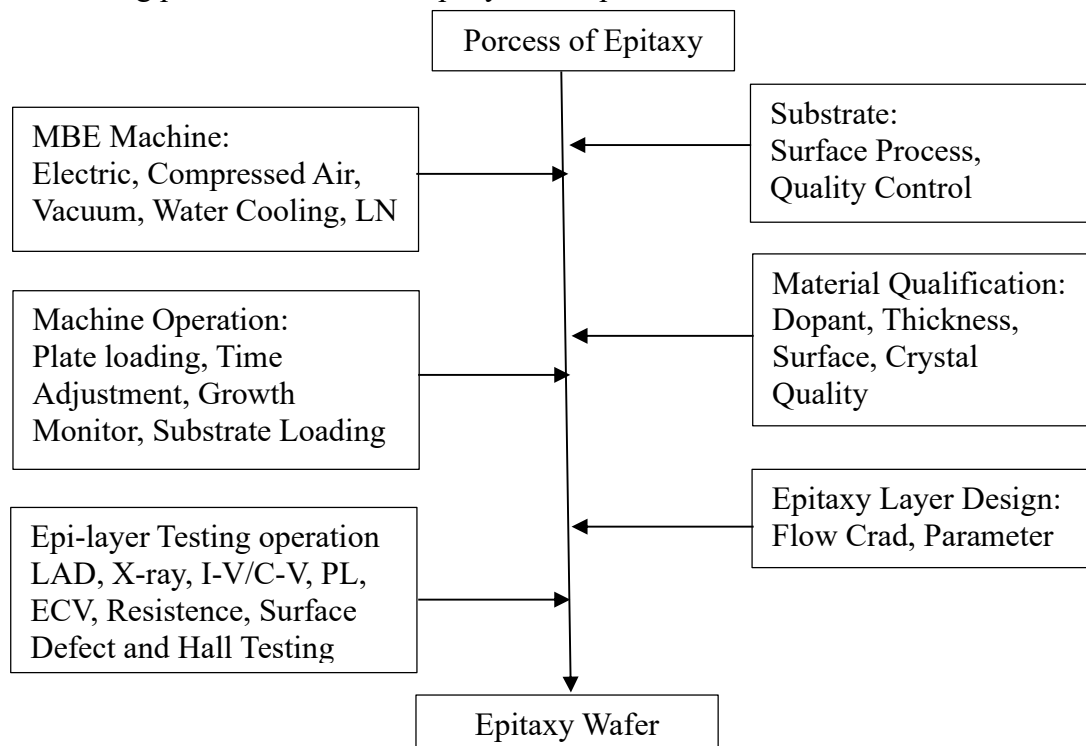
- A. High manpower cost in US region : Eliminate cost by introducing automation system, employee training, organization flattening, just-in-time manufacturing and batch processing.
- B. Only two MBE system suppliers in the world : Building specialty in key component manufacturing, assembling and in-house system retrofit; building domestic supply chain for component manufacturing.
- C. No second source of GaSb substrate : Built in-house GaSb substrate production line, producing different sizes of substrates.
- D. Price competition in volume products : Diversify product mix, rely less on certain product or customer. Develop new suppliers to lower production cost and improve operation efficiency for higher profit margin.

5-2-2. Usage and manufacturing processes for the company's main products

5-2-2-1. Usage of the main products

Main products	Applications
GaAs Epitaxy Wafers	Switch for wireless comm., WLAN
	VCSEL for cloud computing
	Data storage
	QWIP for night vision
	Anti-collision radar, Hall sensor
	Fiber-optic comm. (10G,40G,100G network)
	VCSEL for autonomous car, measure and sensing in cell phone
InP Epitaxy Wafers	PA
	FTTH, high frequency measurement equipment (InP HBT)
	Data transmission
	Cloud computing(APD, PIN)
	LNA
	Biomedical
IR DetectorMaterial, GaSb Epitaxy Wafers, InSb Substrates	Night vision
	Satellite detection
	Home surveillance, territory surveillance
	Aerospace defense
	Medical diagnosis
GaN Epitaxy Wafers	High power and high frequency RF and power device

5-2-2-2. Manufacturing processes for the company's main products



5-2-3. Supply situation for the company's major raw materials

Major raw materials	Suppliers	Supply situation
Substrates	Sumitomo 、AXT 、Freiberger 、JX Nippon Mining	Good
III-V materials (Ga,In,Al,As,P,Sb)	UMC 、5N Plus (MCP) 、Indium Corp., 、Yamanaka	Good

5-2-4. The lists of major suppliers and clients：

5-2-4-1. Suppliers accounting for 10 percent or more of the company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each, and an explanation of the reason for increases or decreases in the above figures

Unit：NTD thousand

2023				2024				2025 Q1			
Name	Amount	Percentage of annual net purchases (%)	Relationship with the company	Name	Amount	Percentage of annual net purchases (%)	Relationship with the company	Name	Amount	Percentage of annual net purchases (%)	Relationship with the company
Sumitomo Semiconductor	82,109	53.16%	None	Sumitomo Semiconductor	82,466	51.55%	None	Sumitomo Semiconductor	33,469	50.83%	None
Freiberger	26,066	16.88%	None	Freiberger	32,658	20.41%	None	Freiberger	5,384	8.18%	None
Others	46,275	29.96%	-	Others	44,860	28.04%	-	Others	26,992	40.99%	-
Total	154,450	100.00%	-	Total	159,984	100.00%	-	Total	65,845	100.00%	-

Note 1：List all suppliers accounting for 10 percent or more of the Company's total procurement amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the company is prohibited by contract from revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name

Note 2：If, up to the date of publication of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

Explanation of the reason for increases or decreases in the above figures：

In 2024, the total procurement amount was NT\$159,984 thousand, representing an increase of 3.58% or NT\$5,534 thousand compared to the same period last year. Based on the 8.29% sales growth in 2024 versus 2023, this increase is preliminarily deemed reasonable.

The top two suppliers in 2024, Sumitomo and Freiberger, are both substrate suppliers. Together, these two companies accounted for 71.96% of the annual procurement amount, slightly higher than the 70.04% share in 2023. This increase was primarily due to the rapid procurement of GaAs pHEMT substrates by major manufacturers towards the end of the year, leading to increased procurement from Freiberger.

To brief the procurement status：
Sumitomo：

Sumitomo supplies InP and GaAs substrate, InP substrates are the major, the procurement amount of 2024 is 82,466 thousands, percentage of annual net purchase is 51.55%, which is the top supplier. The procurement amount increased 357 thousands in 2024, which caused by the sales increase of InP products, HBT, APD and PIN included.

In 2024, the InP sales revenue is 271,204 thousands, which is 36,106 thousands higher than in 2023. The sales of InP products rose sharply at the end of the year, and only made a limit increase of the procurement amount for InP substrates.

Freiberger :

This German supplier produces GaAs substrates only, its substrates is widely used by IET's GaAs customers, especially mass production customer. The procurement amount to it in 2024 is 32,658 thousands, which is much higher than the 26,066 thousands in 2023. The increase of procurement amount is caused by rising orders from GaAs customers.

5-2-4-2. Clients accounting for 10 percent or more of the company's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures

2023				2024				2025 Q1			
Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
H company	100,770	15%	None	M company	86,297	12%	None	E company	61,063	23%	None
M company	95,446	14%	None	H company	80,103	11%	None	H company	43,704	16%	None
Others	466,139	71%	None	Others	550,835	77%	None	Others	165,622	61%	None
Total	662,355	100%	-	Total	717,235	100%	-	Total	270,389	100%	-

Unit : NTD thousand

Note 1 : List all clients accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total sales accounted for by each. If the company is prohibited by contract from revealing the name of a client, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name

Explanation of the reason for increases or decreases in the above figures :

The sales revenue in 2024 increased 8.29%, the customers accounting for over 10% of sales remained the same as the previous year, though their rankings have shifted. The products sold to company M primarily are GaAs high-frequency pHEMT epitaxial wafers and hardware components. In 2024, the order volume increased; however, due to later delivery schedules, the overall sales decreased by 9.59%, totaling NT\$86,297 thousands.

The sales to company H primarily are InP HBT products used in high-speed measurement chips. Its sales revenue decreased from NT\$100,770 thousand in 2023 to NT\$80,103 thousand in 2024. This decline is attributed to customer product upgrades. While

demand for the original core products continues, customer inventory levels are relatively high, leading to reduced orders.

Both companies have been long-term partners, and it is anticipated that the business will grow in line with the customers' performance.

- 4-3. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels (including the percentage of employees at each level)

Fiscal year		2023	2024	2025, as of April 30 th
Number of employees	R&D	6	6	7
	Manager	7	7	7
	Others	63	67	65
	Total	76	80	79
Average age		40.91	39	41
Average years of service		7.97	7.6	8.3
Education distribution percentage (%)	Ph. D.	13.16%	12.50%	13.92%
	Master's degree	21.05%	20.00%	20.25%
	College	52.63%	53.75%	54.43%
	Below senior high school	13.16%	13.75%	11.40%

4-4. Disbursements for environmental protection

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

4-5. Labor relations

- 4-5-1. List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

1. Employee benefit plans :

Intelligent Epitaxy Technology, Inc. employee benefit plan abides by the regulation of Social Security Program Rules and Labor Law, and also provides employee Medical Insurance, Dental Insurance, Life Insurance, Short-Term and Long-Term Disability Insurance, On Job Insurance and SIMPLE IRA.

2. Continuing education and training :

IET provides three to six months of on-board training and evaluation to new hires, courses includes professional technique and the introduction of business vision and core

values. Employees are encouraged to take continuing trainings via internal training website or other internal and external courses.

3. Retirement systems, and the status of their implementation :

Intelligent Epitaxy Technology, Inc. abides by US Social Security Program Rules and the regulations of Medicare, continuously appropriates 12.4% of employee salary for to the Social Security Tax (6.2% shared by employer and 6.2% shared by employee), and 2.9% of employee salary for to the Medicare's Hospital Tax (1.45% shared by employer and 1.45% shared by employee). Retirement plan includes pension fund, disability allowance, Medicare and other social security benefits.

4. The status of labor-management agreements and measures for preserving employees' rights and interests :

IET always values employee right, employees can communicate with HR department or appropriate senior manager via Open Door Policy. As of the sate of this Annual Report there is no great labor dispute case between the Company and employee.

5. Code of Conduct (員工倫理守則) outlines the appropriate behaviour IET employees are expected to follow; the policy is disclosed on IET official websire :

www.intelliepi.com.tw→Investor Relationship→Corporate Governance→Major Internal Policies→ Code of Conduct (員工行為及倫理守則。)

4-5-2. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

4-6. Cyber security management

4-6-1. Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management :

1. Cyber security risk management framework :

Cyber security of the Company is under the responsibility of the Information Department. The Department is staffed with professional information personnel. The department is responsible for establishing internal cyber security specifications and systems, regularly reviewing cyber security policies, planning and executing cyber security operations, and promoting and implementing cyber security policies, and make adjustments as needed. Internal auditors are responsible for checking the implementation of internal cyber communication security twice a year, and external auditors audit once a year. The human resources unit is responsible for the promotion of information security policy and education and training. The organizational operation model adopts the PDCA (Plan-Do-Check-Act) cycle management.

2. Cyber security policies :

The Company has amended Cyber Security Policy approved by the Audit Committee and the Board of Directors on November 9, 2022. The purpose of this Policy

and Procedure is to strengthen the Company's management of information security.

3. Concrete management programs :

Management programs	Concrete contents
Protection system	The cyber security protection system shall adopt a multi-layered network architecture design, including but not limited to NGFW/UTM (Unified Threat Management) firewalls, intrusion prevention systems, virus protection, system monitoring, and log management. Information systems such as VPNs require multi-factor authentication (MFA).
Equipment safety management	The production machines of the plant should be located in the network isolation area, the company's telephone system should be an isolated system, and the company's WiFi system should be an isolated system.
Network Security Management	The entrance connected to the external network is equipped with a corporate firewall to prevent illegal intrusions. To access the ERP system through remote login, employees are required to apply for a VPN account. They can only log in safely through VPN, and a usage record is kept for auditing purposes.
Virus protection and computer security management	All employees' computers shall be equipped with anti-virus software, and the IT Department shall conduct regular planning, evaluation, and implementation. When exchanging data with external parties, anti-virus software should be activated before using the data. Software installation and updates shall be centrally controlled by an automatic update system that automatically sends update and installation files to the Company's computers. Employees shall use software with legal copyrights and shall not download software from unknown sources online. Before receiving emails, users need to confirm the result of anti-virus software scanning to avoid opening unsafe attachment files, phishing emails, and spam.
Email Security Control	The system is equipped with automatic email scanning and threat protection to prevent unsafe attachment files, phishing emails, and spam before users receive emails, and expand the scope of protection against malicious links. Anti-virus software also scans emails received on personal computers for unsafe attachments.
High availability mechanism	All important information systems of the Company shall have a high availability mechanism established to ensure that the system can be restored in the shortest time in case of a system failure. The backup IT room should be located in a different plant area from the main IT room. The computer room shall be powered by a stabilized UPS. The information equipment room shall be powered by dual power sources. The computer room shall be equipped with comprehensive fire safety and temperature control facilities.
Business sustainability operation plan planning and management	The information system shall be fully backed up once a day and there shall be multiple backup nodes. Servers and various IT system backup files shall be stored in separate IT rooms at two different sites. The important files of each department of the Company shall be uploaded to the server for storage, and the backup shall be kept by the IT Department. The Company currently has three IT rooms for remote storage and one offline backup server.
Regular information security risk assessment	The Company shall conduct annual information security risk assessment to ensure the effectiveness of the management system. Regularly review the IT system and establish a core system information asset list to identify the value of its information assets.

4. Investments in resources for cyber security management :

Manpower	The chief information security officer and two senior information and communication technicians, all of them have more than 20 years of work experience in information and communication security.
Budget for continuing education	Approximately USD 5,000 is estimated each year
Hours of external training	Approximately 30 hours per person per year in the IT department
Hours of on job training (OJT)	Approximately 40 hours per person per year in the IT department
Other information	The cyber security policy and framework are established in accordance with CIS, NIST 800-171, CMMC and other guidelines.

4-6-2. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

None

4-7. Important contracts

Nature of contract	Contracting parties	Beginning and end dates of contract	Major content	Restrictive clauses
IP transfer	Paul Pinsukanjana	Since 2000/9/27	Patent Agreement	None
Procurement	Air Gas	2024/3/8~2029/8/31	Procurement Agreement	None
Sales	Company A	Since 2008/6/2	Sales Agreement	None
Sales	IET-IR	2023/11/11~2026/11/10	Subcontract Agreement	None
Agency	Paul Material	Since 2011/1	Agency Agreement	None
Agency	ATN-Japan	Since 2001/6	Agency Agreement	None

5. Analysis on financial position, financial performance and risk assessments

5-1. Financial position

Unit : NTD thousand

Fiscal year	2023	2024	Change	
Item			Amount	%
Current asset	719,985	694,577	(25,408)	(3.53%)
Property, Plant and Equipment	1,204,487	1,263,133	58,646	4.87%
Right-of-use assets	3,198	2,652	(546)	(17.07%)
Intangible assets	780	419	(361)	(46.28%)
Deferred Tax Assets	8,628	14,275	5,647	65.45%
Other Non-Current Assets	14,994	47,886	32,892	219.37%
Total assets	1,952,072	2,022,942	70,870	3.63%
Current liabilities	288,379	260,590	(27,789)	(9.64%)
Non-current liabilities	2,438	1,584	(854)	(35.03%)
Total liabilities	290,817	262,174	(28,643)	(9.85%)
Share capital	367,857	380,065	12,208	3.32%
Capital surplus	648,664	736,254	87,590	13.50%
Retained earnings	622,267	490,547	(131,720)	(21.17%)
Other equity	21,793	153,284	131,491	603.36%
Non-controlling interests	674	618	(56)	(8.31%)
Total equity	1,661,255	1,760,768	99,513	5.99%

Source : Consolidated Financial statement reviewed by CPA

Main reasons for any material change :

1. The decrease of intangible asset is mainly due to amortization.
2. The increase of deferred income tax is primarily caused by the rise of tax-deductible losses.
3. The increase of mom-current assets is caused by the increase in prepayments for equipment.
4. The decrease of non-current liability is primarily caused by the decrease of non-current lease liability.
5. The decrease of retained earnings is mainly due to the loss of the current period.

5-2. Financial performance

5-2-1. Performance analysis

Unit : NTD thousand

Fiscal year	2023	2024	Change	
Item			Amount	%
Operating revenue	662,355	717,235	54,880	8.29%
Gross profit	154,547	113,488	-41,059	-26.57%
Operating loss	-32,577	-92,942	-60,365	185.30%
Non-operating income and expenses	-1,005	-43,728	-42,723	4,251.04%
Loss before income tax	-33,582	-136,670	-103,088	306.97%
Net income (loss) for the period	8,360	-131,776	-140,136	-1,676.27%

Fiscal year	2023	2024	Change	
Item			Amount	%
Net income (loss) attributable to owners of parent	8,343	-131,720	-140,063	-1,678.81%
Diluted earnings(loss) per share	0.23	-3.58	-3.81	-1,656.52%

Main reasons for any material change :

1. Gross profit decreased, primarily due to a less increase in sales revenue compared to the rise in costs of raw materials, labor, and various manufacturing expenses associated with the company's expanded production capacity. Additionally, the previous period's recognition of employee retention subsidies as a cost reduction item contributed to the decrease.
2. Operating loss increased, mainly due to the decline in gross profit.
3. Non-operating income and expenses increased, primarily due to other losses recognized from the financial liabilities measured at fair value, which related to the convertible bonds,
4. Loss before income tax, net loss for the period, net loss attributable to owners of parent and diluted loss per share, were primarily due to the decrease in operating gross profit and the increase in non-operating other losses.

5-2-2. Sales volume forecast and the basis therefor

Please refer to Chapter 4-2. Analysis of the market and the production and marketing situation.

5-2-3. The effect upon the company's financial operations and measures to be taken in response

Please refer to Chapter 4-1-4. Long- and short-term business development plans.

5-3. Cash flow

5-3-1. Analysis on cash flow changes during the most recent fiscal year

Unit : NTD thousand

Fiscal	2023	2024	Amount of increase (decrease)	Percentage of increase (decrease)
Item				
Net cash inflow (outflow) of operating activities	90,792	17,157	(73,635)	(81.10)
Net cash inflow (outflow) of Investing activities	(253,724)	59,114	312,838	(123.30)
Net cash inflow (outflow) of capital raising activities	120,551	(1,172)	(121,723)	(100.97)
Main reasons for any material change :				
(1) Cash inflow decrease on operating activities, mainly caused by the decrease of net operating revenue.				
(2) Cash inflow increase on investing activities, due to the transfer from Certificate of Deposit to cash in 2024.				
(3) Cash inflow decrease on capital raising activities, because of issuing CB.				

5-3-2. Corrective measures to be taken in response to illiquidity, and provide a liquidity analysis for the coming year :

There is no liquidation issue on the Group. Operating activities inflow would support investing

and raising activities.

5-4. The effect upon financial operations of any major capital expenditures during the most recent fiscal year

The Company's Capital Expenditure on acquisition of property, plant and equipment in 2022, 2023 and 2024 are NTD 196,495,000, NTD 166,432,000 and NTD 171,405,000-. The fixed assets turnover and total assets turnover in recent years remain stable.

Turnover (times)	2022	2023	2024
Property, plant and equipment turnover (times)	0.74	0.55	0.58
Total asset turnover	0.48	0.35	0.36

5-5. The company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

5-5-1. Reinvestment policy

The Company's equity investment focus on related industry, the implementation abided by the Company's internal audit control regulations of *investment cycle* and *Procedures for Handling the Acquisition and Disposal of Assets*, the policy and regulations aboved were all approved by BOD or Shareholders' meeting.

5-5-2. The main reasons for the profits/losses generated thereby

Unit : NTD thousand

Name of Investor	Name of Subsidiary	Ownership	Main business activities	Profits /losses generated in 2024	Main reason	Improvement plan
IET(Cayman)	IET-US	100%	Manufacturing and selling epitaxy	(57,848)	Lower demand from customer.	Look for more customers
IET-US	IET-Japan	51%	Provision of sales assistance and technical support services	(58)	Limited customer numbers and revenue, slightly loss after deducting operating and personnel costs.	None
IET-US	IET-IR	40%	Provision of Semiconductor technical service	2,919	Limited customer numbers and revenue, slightly profit after deducting operating and personnel costs.	None

5-5-3. Investment plans for the coming year

None.

5-6. Risk analysis and assessment

5-6-1. The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. Interest rate

The Company's equity capital is sufficient and has no financial loan, the exposure

to interest rate risk is low. IET's financial department always keeps connection with financial institutions and have close tracking on the interest rate trend in order to obtain a favorable term to reduce the potential risk for any loaning demands in futures.

2. The effect upon the company's profits (losses) of exchange rate fluctuations

The Company's major operation body is IET-US, the functional currency is USD, and both sales and procurements are settled by USD. The exchange rate risk mainly incurred when the parent company IntelliEPI Inc. (Cayman) issues cash dividend to shareholders in NTD, or transfer the NTD funds generated by financing activities to USD; the solution of reducing risk incurred by exchange rate fluctuation includes :

- (1) The Company shall hold appropriate position of foreign currency to reduce the impact incurred by exchange rate volatility, the financial department is responsible for the evaluation of trade time and hold position.
- (2) Financial department shall keep connection with financial institutions and have close tracking on the exchange rate trend

3. Inflation/Deflation Situation

Up to now, the company's profit and loss have not been significantly affected by inflation. If inflation leads to an increase in procurement costs in the future, the company will moderately adjust the selling prices of different customized products accordingly, in order to mitigate the impact of inflation on its financial performance.

5-6-2. The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

As of the publication date of the annual report, IET made no high-risk and highly leveraged investment activities, and no lending, endorsements and guarantees for other parties. *Procedures for Lending Funds to Others* and *Procedures of Funds and Making of Endorsements/Guarantees* are set up as guidance for activities in future. *Procedures for Handling the Acquisition and Disposal of Assets* is set up as guidance for financial derivative transaction when hinging is necessary.

5-6-3. Research and development work to be carried out in the future, and further expenditures expected for research and development work

Unit : NTD thousand				
Period	R&D plan	Expenditures expected	Source of capital	Product Application
2022-2024	1.3um GaAs DN-VCSEL Epitaxy	30,000	Equity Fund and IIIV Photoelectric Device Company	5G/LiDAR/5G mobile phone
2022-2025	n-type, p-type and other GaN growing technique	15,000	Equity Fund	RF/power/5G infrastructure
2024-2026	InP quantum dot laser	30,000	Equity Fund and IIIV Photoelectric Device Company	Si Photonics

5-6-4. Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The Company registered in Cayman and the operation center locates in US, the

company has no operating activities in Cayman, meanwhile US has no exchange control. The epitaxy wafers the company develops and sells are applied to wireless RF devices and high speed opto-fiber communication devices, which are not franchised or restricted industry. As of the date of annual report, there were no governmental policies or regulatory changes would materially impact the company's operation or financial condition.

IET's business activities strictly abide by the domestic and foreign policies and regulations. To reduce the negative impact on the Company's business or financial performance, IET closely monitors all domestic and foreign government policies and regulation changes that might impact IET's business, solutions will be proposed timely and, if necessary, reviewed or evaluated by law firm or CPA firm before implementation.

- 5-6-5. Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response

IET has long experience in producing III-V semiconductor epitaxial wafers by MBE technique, both products and hardware technique earn worldwide recognition, the risk associated with technology or industry changes is low. Meanwhile, IET participates in InfraRed detection Defense projects, II-VI and III-V material included. By monitoring industry trend and competitors' strategies, and keeping close relationship with customers, the Company's management develops R&D and market strategies to reduce negative impact on the Company's business and financial performance. Besides, IET continues increasing capacity and R&D ability to develop more and more advanced products, creating more shareholder profit.

Regarding the cyber security management, related policies and regulation were set up and implemented, annual evaluation is executed to ensure the management system effectiveness, cyber security management risk is not the Company's major operation risk.

- 5-6-6. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response

IET has established excellent reputation based on business integrity and sure-footed spirit, focuses on the improvements of product quality, efficiency and internal management, abides by related policies and regulations and maintains good relationship with labor and community. There was no negative changes in the Company's Corporate Image in recent years.

- 5-6-7. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

IET currently has no merger or acquisition plan. If there is any in the future, the merger or acquisition plan shall be evaluated by the Company's management and other related professional parties, and approved by BOD and shareholders' meeting before implementation to ensure the right of shareholders.

- 5-6-8. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

IET issued NTD 200,000,000 of convertible bond in 2023 to generate the fund for the expansion of plants and the purchase and upgrade of production machines. Once the funds are fully raised, the Company does not need to rent MBE machine operation and storage space, which saves the Company in rent. After the plant expansion, the space can also be used for the sales of MBE hardware components. The purchase and upgrade of production machines is expected to increase the operating revenue from 2025. Therefore, this fund utilization plan is expected to save the Company's rental expenses and increase the net

operating profit, which is beneficial to the overall operation and development of the Group.

The possible risk of plant expansion includes overcapacity and machine idling that increase production cost and causing lower ROA. The Company works closely with customer to co-develop new product and get product qualification, currently has no overcapacity problem.

5-6-9. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

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

The major material of IET's product is substrate, which counts for over 90% of total product cost. Substrate quality, pricing, leadtime and customer specification are the criteria when choosing substrate suppliers. From 2022 to 2024, the purchasing ratio of top 1 supplier to total purchasing amount are 66.65%, 53.16% and 51.55% respectively. The high consolidation of purchasing operation is inevitable since the number of substrate suppliers is limited and sometimes source specified by customers. As a way to increase the Company's bargain power, IET keeps two or more qualified suppliers to those customers with no specified substrate supplier, and for those specify material sources, IET requires them to specify a second or third source to ensure the supply stability.

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

From 2022 to 2024, the sales ratio of top 1 customer to total sales amount are 16%, 15% and 12% respectively. The consolidation of sales is caused by the high entry barrier of compound semi-conductor supply chain. In compound semi-conductor supply chain, the tier 1 communication and high frequency transmission companies used to outsource the wafer epitaxy process to professional MOCVD or MBE epitaxy foundries, with the booming of compound semi-conductor (such as GaAs and InP) applications and the maturity of epitaxy foundry industry, MBE foundries have built up high entry barrier with their long experience and state-of-art technique, the limited number of epitaxy foundries and IDM companies makes consolidated sales a common phenomenon in compound semi-conductor industry.

Wafers qualification before production is necessary for IET's customers, which build up the cost of shifting wafer suppliers. IET has acquired the product qualifications from major customers and keeps stable relationship with them, meanwhile IET continues to diversify business by developing new products and markets, currently the risk of consolidated sales operation is low.

5-6-10. Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken

As of the publication date of the annual report, IET has no shareholder holding greater than 10% stake, either any directors transfer or change hands a major quantity of shares. The risk upon such event is low.

5-6-11. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:

As of the date of annual report there is no change in governance personnel. The independent directors elected by shareholders' meeting and the Audit Committee and

Compensation Committee are set up to enhance the corporate governance and to protect the right of shareholders. IET's management team make high contribution to the Company's business performance and keep good reputation among shareholders. The measures reduce the impact on company if there is any governance change in future.

5-6-12. Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that : (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities:

None

5-6-13. Other important risks, and mitigation measures being or to be taken

5-6-13-1. The information regarding the place of registration

1. Place of registration : Cayman Islands (British Overseas Territory)

A. Changes in the political and economic environments

Cayman Islands is a British Overseas Territory in West Indies, 167 miles northwest of Jamaica and 460 miles south of Miami in the western Caribbean Sea. The capital city is Georgetown, which is the political and economic center of Cayman Islands. The major industry of Cayman Islands is financial services. The territory is politically stable, official language is English.

The types of companies most commonly registered in Cayman Islands are Ordinary Resident Company, Ordinary Non-Resident Company, Exempted Company, Exempted Limited Duration Company and Foreign Company. IET registered as exempted company, which may not carry on business within the Cayman Islands. In 1990, Cayman Islands signed the Mutual Legal Assistance Treaty with US and United Kingdom to enhance its offshore banking system, preventing the use of financial system for the purpose of illegal transactions.

B. Foreign exchange controls, taxes and relevant laws

There is no exchange control in Cayman Islands, except the annual renewal fee for company registration, there are no income or capital gain taxes for exempted company. IET has acquired the tax exemption undertaking, which in accordance with Tax Concessions Law (1999 revision) that no law enacted in the Cayman Islands imposing any tax to be levied on profits, income, gain or appreciations shall apply to IET within twenty years since the date of the approval of the application, either no taxes of profit, income, gain or appreciation or other payment relevant to Tax Concessions Law shall apply to the stock shares, bonds or other debts of IET.

The key regulations of exempted company includes :

- a. The company is not approved to carry on business in the Islands, unless its operation is likely to bring direct benefit to the Islands.
- b. An exempted company is prohibited from making any invitation to the public in the Islands to subscribe for any of its securities or bonds, nor have power to hold land in the Islands unless with the consent of the Financial secretary of the Cayman Islands.
- c. The Cayman Companies Act make no regulation on the annual general meeting and board of directors meeting of exempted company, the

exempted company shall hold the general meeting and board of directors meeting pursuant to the company's Memorandum and Articles of Association, at any place which not limited in Cayman Islands. Meanwhile, pursuant to IET's Memorandum and Articles of Association (the Article of Association), IET shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year, and the general meetings shall be held at such time and place as the Directors shall appoint provided that unless otherwise provided by the Statute, the general meetings shall be held in Taiwan.

- d. Pursuant to the Cayman Companies Act, new shares may be issued by the resolution of board of directors meeting and/or general meeting. And pursuant to IET's Articles of Association, the issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company, and be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors, and shall not issue Shares to bearer.
- e. In the Cayman Companies Act, a special resolution is a resolution which has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, except that its articles of association specify that the required majority shall be a number greater than two-thirds. And the matters required to be approved by a special resolution shall be include but not limited to : (1) change of name, (2) alter or add to its articles, (3) alter or add to its association with respect to any objects, powers or other matters specified therein, (4) reduce share capital or capital redemption reserve. and (5) voluntarily wind up except because it is unable to pay its debts as they fall due.
- f. The register of member of exempted company is not required to be open to the inspection of any member. However, pursuant to IET's Articles of Association, the principal register and the branch register(s) shall be open to any members for the inspection of his/her register status, during business hours. Any of the Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review, make copies or duplicate of the foregoing documents gratis.
- g. The shareholder list of exempted company is not required to be open to the public. However, according the company's *Article of Association*, that the shareholder list shall be open to the shareholder who requests to review the shareholder information, after submit the proof of stake and state the scope of information, at anytime during the business house except the transfer suspension period, with no additional charge.
- h. Pursuant to the Cayman Companies Act article 232, merger means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company; "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company. And a plan of merger or consolidation shall be authorised by a special resolution of general meeting and other authorisation, if any, as may be specified in company's articles of association. If the shares issued by the

surviving company or consolidated company to the shareholders have the same right and value as the constituent companies, the resolution of merger or consolidation may follow the regulation of special resolution of each constituent companies. The article of requirement on resolution is different from the Checklist for Matters Related to Shareholders' Equity Protection of Foreign Issuers or Overseas Registered Companies, issued by R.O.C. on 01/08/2020.

- i. No dividends shall be paid otherwise than out of profits or share premium.
- j. The Cayman Islands Companies Act has no restrictions on proxy. IET follows the R.O.C. Checklist for Matters Related to Shareholders' Equity Protection of Foreign Issuers or Overseas Registered Companies to formulate the regulation on proxy agent and solicitor in Memorandum and Articles of Association.
- k. An exempted company may apply to the Government of Cayman Islands for a permission that no tax shall be applicable to the company, to a period of twenty years. The company may apply for an extension before the expiration of the period.
- l. An exempted company may apply to be de-registered in the Islands, and transfer the place of registration to other countries.
- m. An exempted company may registered as an exempted limited duration company. The exempted limited duration company has at least two members, and the company duration limited to a period of thirty years or less.

Since the laws of the Cayman Islands are not the same as the laws of the Republic of China, the Company has amended the Articles of Incorporation in accordance with the relevant laws and regulations of the Republic of China and the requirements of the competent authorities to protect the shareholders' rights and interests of Taiwanese investors. Matters not provided for in the Articles of Incorporation will be handled in accordance with the relevant Cayman laws and the laws of the Republic of China applicable to foreign issuers.

However, the differences in the laws of Cayman Islands and the Republic of China and the securities exchange system may still cause conflicts of laws applicable or doubts about the interpretation. The resolution of the conflicts of laws applicable or doubts about the interpretation of laws is still pending on the court's decision. Therefore, investors are reminded if the Company wishes to request the Cayman Court to enforce a judgment of the R.O.C., file a lawsuit in the Cayman Court, or enforce its rights, the Cayman Court will not recognize the laws and transaction practices of the R.O.C. for sure (including the transfer of shares and the record of the shareholders), therefore, this may result in the risk of not being able to exercise rights against the Company.

- C. Whether to recognize the validity of civil judgments made by R.O.C. courts
- a. Risks associated with litigation claims:

Since the Company is a company registered in the British Cayman Islands and has not been recognized in accordance with the Company Law of our country, notwithstanding the express provisions of the Articles of Incorporation of the Company, nothing in the Articles of Incorporation shall prevent any shareholder from initiating a lawsuit in a court of competent jurisdiction for convening proceedings or passing a resolution improperly,

and for any dispute arising out of the aforesaid matters, the Taiwan Taipei District Court shall be the court of first instance for the jurisdiction. However, if an investor files a lawsuit against the Company or its responsible person in a court of the Republic of China, the court may still have jurisdiction over the case and the method of service of notice on the Company based on the nature and circumstances of the case. The court may also require investors to explain the case, therefore, not all types of cases are guaranteed to obtain substantive judgments in the courts of the Republic of China.

b. Risks associated with recognition and enforcement of judgments:

According to the legal opinion issued by the Cayman Law Firm (hereinafter referred to as the “Cayman’s legal opinion”), although the laws of the British Cayman Islands do not expressly provide that a civil judgment made by a foreign court can be enforced in Cayman. According to the Act, a foreign court definitive civil judgment may be recognized and enforced by the court of the Cayman Islands, and there is no need for the court of the Cayman Islands to re-examine the substance of the foreign judgment. However, the judgment must meet the following conditions: (1) is entered into a foreign court with competent jurisdiction; (2) the debtor is obligated to pay the liquidated sum of the judgment; (3) the judgment is final; (4) no tax, penalty or penalty is involved; and (5) the manner in which the judgment is obtained does not violate the principles of fairness and justice or Cayman’s public policies, and the execution of the judgment does not violate the principles of fairness and justice or Cayman’s public policies. In summary, according to the laws of the British Cayman Islands, if a definitive civil judgment made by a court in the Republic of China meets the above requirements, it should be recognized and enforced in the British Cayman Islands; otherwise, it is not. Therefore, the Republic of China cannot be completely ruled out. The civil judgment made by the court is not recognized and enforced by the court of the British Cayman Islands. Investors should be aware of the legal risks associated with purchasing securities issued by foreign issuers.

2. Country of major operations: USA

The Company and its subsidiaries (collectively, the “Group”) have their major operations located in Texas, USA, including sales, procurement, R&D and Administrative functions, and the risks associated with the Group’s operations in the USA are summarized as follows:

A. Changes in macroeconomics and the political and economic environment

In recent years, the United States has experienced significant inflation, severely impacting the overall economy. In March 2025, the Consumer Price Index (CPI) increased by 2.4% year-over-year, a slowdown from February's 2.8%, indicating a reduction in inflationary pressure. Despite this, market expectations for future inflation remain high. According to a survey by the Federal Reserve Bank of New York, consumer expectations for short-term inflation rose to 3.6% in March, primarily due to rising food and rent prices. Additionally, President Trump's announcement of a new round of tariffs could exert upward pressure on inflation in the coming months. These policies have not yet affected March's data but have already influenced market expectations.

Regarding Gross Domestic Product (GDP), the U.S. Bureau of Economic Analysis reported a 2.8% annual growth in 2024, driven mainly by increased

consumer spending. In the labor market, the unemployment rate peaked at 14.8% during the 2020 pandemic but gradually declined after the second half of 2021. In 2023, it remained between 3.4% and 3.8%, rising slightly to 3.7% to 4.2% in 2024, and reaching 4.2% in March 2025. The new trade policies are expected to impact the labor market, potentially leading to higher unemployment and inflation rates.

As for the economic outlook, the Institute for Supply Management (ISM) reported that the Manufacturing Purchasing Managers' Index (PMI) for March 2025 was 49.0, indicating a contraction in manufacturing activity. This reflects a cautious business sentiment, primarily due to the uncertainties caused by recent trade policies.

B. Risks associated with foreign exchange control, taxation, and other related laws and regulations

a. Fluctuations in exchange rates may affect its financial performance

The United States does not have foreign exchange control policies. The financial statements of the group to which the Company belongs are prepared in New Taiwan Dollars. However, the main revenues, costs, operating expenses and capital expenditures of the Group are all transacted in U.S. dollars. As a whole, there is no significant exchange rate fluctuation risk, which has no significant impact on the Company's profitability; however, fluctuations in the exchange rate between USD and NTD may partially affect the cumulative translation adjustment and total shareholders' equity presented in the Company's consolidated statements in NTD.

b. Taxation

The Company, IntelliEPI Inc.(Cayman), a company organized under the Cayman Act, acquired all of the shares of Intelligent Epitaxy Technology, Inc., a Texas corporation, through a share exchange. Therefore, before the Group's reorganization, the shareholder structure of the Company was the same as that of Intelligent Epitaxy Technology, Inc.. The shareholder structure of the Company is the same as that of the former U.S. enterprise, Intelligent Epitaxy Technology, Inc. Therefore, based on U.S. Federal Income Tax Law and the Company shall be treated as a U.S. company and shall file U.S. federal tax on its income calculated in accordance with the U.S. federal income tax principles. If the Company distributes cash dividends to non-U.S. citizens shareholders in subsequent years, the Company is taxed in the same manner as a U.S. corporation and must file a U.S. corporate income tax return, i.e. the Company remits cash dividends to non-U.S. citizens shareholders, 30% of the tax withheld and paid on behalf of the investor is generally one of the investment risks.

C. Whether to recognize the validity of civil judgments made by R.O.C. courts

Currently, the U.S. relationship with Taiwan is reflected in the Taiwan Relations Act-, the U.S.-China Joint Communiqué on Taiwan, and various executive orders. Although the U.S. and Taiwan lacks diplomatic relations or recognizes Taiwan, the lack of diplomatic relations or recognition under the Taiwan Relations Act does not ipso facto affect the application of U.S. law to Taiwan. Therefore, civil judgments rendered in Taiwan courts may be recognized and enforced by U.S. courts in the same manner as any other foreign judgments.

When the jurisdiction is based on the civil jurisdiction between the parties, the foreign judgments and judgments rendered in the Texas Court shall be

governed by the laws of Texas. Texas by State Law , usually adopt “Uniform Foreign-Country Money Judgment Recognition Act” (Uniform Foreign-Country Money Judgment Recognition Act, hereinafter referred to as "UFCMJRA") to regulate the recognition and enforcement of foreign money judgments. In Texas, the UFCMJRA does not apply to judgments made before June 17, 1981. If the foreign judgment is grant or disapprove of money payment collection in reply, and the judgment shall be final under the laws of the country in which it is made, and determinative, and is enforceable, , however, not for the purpose of taxation, fines or other penalties, or in support of marriage or family-related matters , foreign currency judgment in compliance with the Texas UFCMJRA under the prescribed procedures, could be executed.

Although enforceable in principle, under the UFCMJRA of Texas, a foreign money judgment is still subject to three statutory grounds for non-recognition and several discretionary reasons for non-recognition. Subject to statutory grounds, such as where the foreign judgment is rendered in a foreign judicial system without an impartial court or an equivalent due process of law, or where the foreign court’s adequacy of jurisdiction rights or lack of personal jurisdiction, the foreign judgment shall not be recognized.

Foreign money judgments may not be recognized under discretionary reasons, such as: (1) Failure of defendant to receive notice of foreign action with sufficient time to answer, (2) The judgment was made due to fraud, (3) Basis of determination of cause of action of conflicts with Texas public policy; (4) The judgment is in conflict with other final judgments, (5) A foreign court proceeding is inconsistent with the parties’ agreement to resolve the dispute by means other than in the foreign court, (6) Jurisdiction arises out of the service on the person because it was served on the person and the proceedings in that court trial procedures are extremely inconvenient or, (7) The court did not recognize the Texas determination.

If a Texas court decides that a foreign money judgment should be recognized under Texas state law above, the judgment will be within the bounds of the Full Faith and Credit Clause as it is entitled to be honored and enforced in other states of the United States, the judgment is final as between parties and enforceable in the same manner and to the same extent as a Texas judgment.

The measures taken by the Company to respond to the risks of changes in the general economy, political and economic environment, related laws and regulations, foreign exchange controls and taxes, and the recognition of the validity of civil judgments by the courts of the R.O.C. in the countries where the Company is domiciled and its principal place of operation are reasonable.

5-6-13-2. Other important risks, and mitigation measures being or to be taken.

- (1) For other important risks of the Company’s operation and the countermeasures, please refer to the favorable and unfavorable factors of the Company’s development prospect and countermeasures in this annual report.
- (2) Cash dividend distribution and tax liability

The Company is a company incorporated in accordance with the Cayman Law. When the Company carried out the organizational and investment restructuring, it acquired the shares of IET-US by share exchange. Therefore, the shareholders’ structure of the Company is the same as that of the former U.S. company IET-US before the reorganization. According to the U.S. federal income tax regulations, the Company should be treated as a U.S. company, and file a U.S. federal tax return on its income computed in accordance with U.S.

federal income tax principles. If the Company distributes cash dividends to non-U.S. shareholders, the taxation method shall be treated as that of a U.S. company and must file U.S. corporate income tax. Generally, 30% of the tax will be withheld on behalf of the investor, which may be considered as one of the risks to the investor.

(3) The Group relies on the services of senior managers

Since the establishment of the Group, the technology development, business strategies and accumulated customer relationships of the senior management have enabled the Group to successfully expand its business. Most of the senior managers of the Company have been involved in the Company's operations for more than ten years and have remained unchanged. Any major turnover in senior managers may cause operational risks. Therefore, the Group is committed to the improvement of the internal working environment, and supplemented by the employee stock option plan, so that the achievements of senior management are linked to the company's performance to minimize the risk of losing senior management talent.

(4) Certain circumstances may not provide sufficient protection.

There are many risks and dangers in the Company's operations, including failure, damage or abnormality of machinery and equipment, delayed delivery of equipment, labor strikes, fires, natural disasters and environmental disasters, occupational disasters, and so on, all of which may have a material and adverse impact on the Group's operations. Although the Group has purchased fixed asset and inventory insurances in accordance with the practices of the countries where the Group operates, such insurances may not be sufficient protection under specific circumstances. If the Group suffers a loss as a result, it may have an adverse impact on the Group's operations.

(5) Shareholders' equity guarantee

There are many differences in the Company Act between the Cayman Islands and the R.O.C. Although the Company has amended its Articles of Incorporation in accordance with the "Checklist for Protection of Shareholder Rights at the Place of Registration of Foreign Issuers" published by Taipei Exchange, there are still many differences in the laws and regulations governing the operation of companies in the two places. The legal rights and interests of investors in Taiwan companies cannot be protected in the same way as in the Cayman Islands companies in which they invest. Investors should ascertain and seek expert advice as to whether an investment in a Cayman Islands company provides effective protection of shareholders' interests.

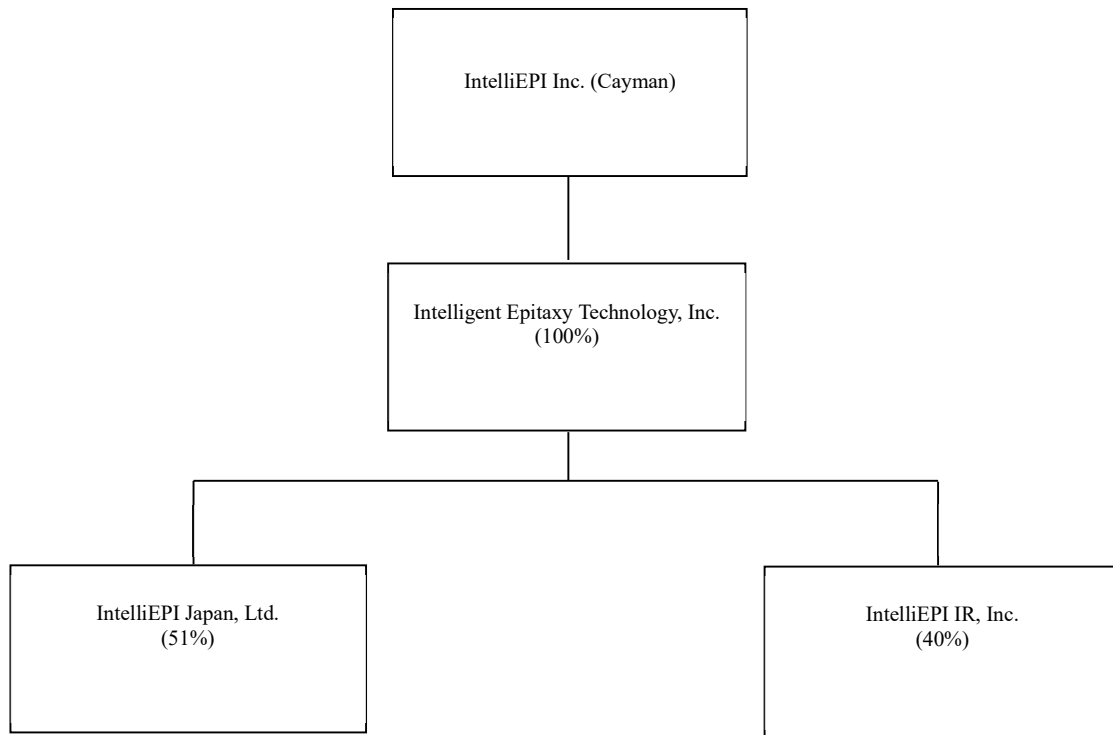
5-7. Other important matters

None.

6. Special items to be included

6-1. Information related to the company's affiliates

6-1-1. Organization Chart



6-1-2. Information of the company's affiliates

Unit : thousand

Company name	Date of Register	Address	Paid-in Capital	Business or major product
IntelliEPI Inc.(Cayman)	2011.04.26	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	NTD 367,857	Investment holding company
Intelligent Epitaxy Technology, Inc.	1999.01.01	1250 E. Collins Blvd., Richardson, TX 75081,USA	USD 200	Epitaxy wafer foundry and sales
IntelliEPI Japan, Ltd	2010.10.26	1-chōme-35-16 Nakagawachūō, Tsuzuki Ward, Yokohama, Kanagawa Prefecture, Japan	JPY 2,000	Semiconductor wafers and material sales and technical support
IntelliEPI IR, Inc.	2011.09.01	201 E. Arapaho Rd., Suite 210, Richardson, TX 75081,USA	USD 10	Semiconductor technical support

6-1-3. Information of shareholds who invests the companies having controlling and subordinate relation with the company

None.

6-1-4. The business operated by the affiliates

R&D, growth and sales of the epitaxy wafers grew by Molecular Beam Epitaxy (MBE) technique.

6-1-5. Directors and managers information of the affiliates

Company name	Job title	Name or company representative	Shareholding	
			Number of shares	Percentage
Intelligent Epitaxy Technology, Inc.	Director	Yung-Chung Kao	0	0%
	Director	Kang-Lung Wang	0	0%
	Director	George Wang	0	0%
IntelliEPI Japan, Ltd.	Director and President	Yasuaki Miura	0	0%
	Director	Yung-Chung Kao	0	0%
IntelliEPI IR, Inc.	Director and President	Paul Pinsukanjana	150,000	15%

Status of affiliates

2024.12.31 ; Unit : USD thousand

Company name	Capital amount	Asset amount	Liability amount	Net value	Operating income	Operating profit	Profit(Loss) after tax	EPS after tax (Note1)
Intelligent Epitaxy Technology, Inc.	200	60,737	3,179	57,558	21,278	(2,565)	(1,804)	-
IntelliEPI Japan, Ltd.	25	32	3	29	5	(1)	(4)	-
IntelliEPI IR, Inc.	10	2,212	816	1,396	1,562	38	91	-

Note1 : The consolidated financial statement of the company is the main financial statement; the subsidiaries with no share listed has no EPS.

6-1-6. Consolidated Financial Statements Covering Affiliated Enterprises

See the consolidated financial reports disclosed on Market Observation Post System.

6-1-7. Reports on Affiliations

The company is not the affiliate of other company, not applicable.

6-2. Information on the private placement of securities carried out during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

None.

6-3. Other matters that require additional description

When the Company applied for the initial listing of stocks on the Taipei Exchange, the Company made the following commitments and the current implementation is as follows

Commitments made for TPEX listing	Progress of commitments
1. The Company undertakes to add to the “Procedures for the Acquisition or Disposal of Assets” the phrase “The Company shall not waive its rights to Intelligent Epitaxy Technology, Inc. (hereinafter referred to as IET-US) for capital increase in future years; IET-US shall not give up its rights to IntelliEPI Japan, Ltd., Tianjin Intelligent Epitaxy Technology Co., Ltd., and IntelliEPI IR, Inc. (hereinafter referred to as IET-IR) for capital increase in future years; if the Company has to give up on raising capital or dispose of a company listed above due to strategic alliance considerations or other matters approved by the Center, the special resolution must be approved by the Company’s Board of Directors.” In case of subsequent amendments to the regulations, it shall be entered into the Market Observation Post System (MOPS) for disclosure of material information and reported to the Taipei Exchange for future reference.	<p>1. Such commitment has been added to the “Procedures for the Acquisition or Disposal of Assets”.</p> <p>2. On November 8, 2023, the Board of Directors of the Company approved to increase the capital of subsidiary IET-US by USD 5.9M in cash, with 100% of the capital increase by the Company. The capital increase was completed on November 24, 2023, so the capital increase in IET-US was not abandoned.</p> <p>3. As of the publication date of the annual report, IET-US has not increased the capital of IntelliEPI Japan, Ltd., Tianjin Intelligent Epitaxy Technology Co., Ltd. or IntelliEPI IR, Inc.</p>
2. The Company undertakes that under the current agreement between IET-US and its 40%-owned subsidiary, IET-IR, (1) IET-US has veto power over IET-IR’s Board of Directors and shareholder meetings, (2) IET-IR will not pay dividends to shareholders if it has a surplus in the future; (3) IET-IR will pay IET-US 90% of the contract amount for processing or manufacturing under U.S. government or defense contracts, and any changes in this amount in the future will be subject to the approval of the Audit Committee of the Company and a special resolution of the Board of Directors of the Company, and the content of the change will be entered into the MOPS for material disclosure and reported to us for future reference.	<p>1. The Company was approved by the Audit Committee on November 11, 2014, and on the same day, the Board of Directors passed a special resolution to change the commitment (3), from the current 90% to no less than 80% of the contract revenue after deducting the IET-IR self-incurred expenses. The details of the changes have been entered into the MOPS on November 11, 2014. The minutes of Audit Committee and Board meetings have been published on November 12, 2014 and sent to Taipei Exchange.</p> <p>2. The rest (1) (2) remained unchanged as of the date of publication of the annual report.</p>

6-4. Description of the material deviation from the national shareholder rights protection regulations

(Version as of 2024.06.25)

Important Matters Concerning the Protection of Shareholders’ Rights and Interests	Articles of Incorporation	Reason for difference	Effect on shareholders’ equity
(list items on the checklist for important matters in the protection of shareholders’ rights and interests)	(set out the contents of the articles in the Company’s Articles of Incorporation corresponding to the matters below)	(Explanation of the difference between the contents of the checklist and the Articles of Incorporation)	(Counsel’s opinion may be quoted)
<p>1. A company shall not cancel its shares, unless a resolution on capital reduction has been adopted by its shareholders’ meeting; and capital reduction shall be effected based on the percentage of shareholding of the shareholders pro rata, unless otherwise provided for in this Act or any other governing laws.</p> <p>2. A company reducing its capital may return share prices (or the capital stock) to shareholders by properties other than cash; the returned property and the amount of such substitutive capital contribution shall require a prior</p>	<p>Compare 1. and 3. on the left. Article 10.7 of the Articles of Incorporation stipulates: Notwithstanding anything to the contrary contained in Article 10.1 to 10.6, and subject to the Statute and the Applicable Public Company Rules, the Company may, with the approval of an Ordinary Resolution, compulsorily redeemed or repurchase Shares, provided that such Shares shall be cancelled upon redemption or repurchase and such redemption or repurchase will be effected pro rata based on the percentage of shareholdings of the Members,</p>	<p>This regulation is slightly different from the important matters concerning the protection of shareholders’ rights and interests listed below, because under the Company Act of the British Cayman Islands, the issued shares can only be written off after going through the procedure of buyback of shares and the Company does not have the right to cancel the shares still held by the shareholders. In view of this discrepancy, Article 14.1 and 10.7 of the Articles of Incorporation of the Company stipulate that the procedure for the company to reduce capital is</p>	<p>The Articles of Incorporation of the Company does not substantially impose restrictions on the procedures for capital reduction by the Company under Article 168 of the Company Act, which does not cause adverse effects on shareholders’ equity.</p>

<p>approval of the shareholders' meeting and obtain consents from the shareholders who receive such property.</p> <p>3. The board of directors shall first have the value of such property and the amount of such substitutive capital contribution set forth in the preceding Paragraph audited and certified by a certified public accountant before the shareholders' meeting.</p> <p>Reference : Company Act, Article 168</p>	<p>unless otherwise provided for in the Statute or the Applicable Public Company Rules. Payments in respect of any such redemption or repurchase, if any, may be made either in cash or by distribution of specific assets of the Company, as specified in the Ordinary Resolution approving the redemption or repurchase, provided that (a) the relevant Shares will be cancelled upon such redemption or repurchase and will not be held by the Company as Treasury Shares, and (b) where assets other than cash are distributed to the Members, the type of assets, the value of the assets and the corresponding amount of such substitutive distribution shall be (i) assessed by an R.O.C. certified public account before being submitted to the Members for approval and (ii) agreed to by the Member who will receive such assets.</p> <p>2. Article 14.1(d) of the Articles of Incorporation provides: " Subject to the provisions of the Statute and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:reduce its share capital and any capital redemption reserve fund; (omitted)".</p> <p>In addition, Article 10.1 of the Articles of Incorporation of the Company stipulates: "Subject to the provisions of the Statute, the Memorandum, and the Articles, the Company may purchase its own shares listed on the TPEx (or TWSE, as applicable) on such terms as are approved by resolutions of the Directors passed at a meeting of the board of Directors attended by more than two-thirds of members of the board and approved by a majority of the Directors present at such meeting, provided that any such repurchase shall be in accordance with the Applicable Public Company Rules. In the event that the Company proposes to purchase any Shares listed on the TPEx (or TWSE, as applicable) pursuant to this Article, the approval of the board of Directors and the implementation thereof shall be reported to the Members at the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall apply even if the Company does not implement the repurchase proposal for any reason.</p>	<p>through share repurchase. This discrepancy is due to the provisions of the Company Act of the British Cayman Islands, except the Company's Articles of Incorporation do not impose restrictions on the procedures for reducing the Company's capital.</p>	
<p>Any or a plural number of shareholder(s) of a company who has (have) continuously held 3% or more of the total number of outstanding shares for a period of one year or a longer time may, by filing a written proposal setting</p>	<p>Article 16.8 of the Articles of Incorporation states: " If the Directors do not within fifteen days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may</p>	<p>The regulation is slightly different from the following important matters concerning the protection of shareholders' rights and interests on the left, but is based on the description in the "Question and Answer Collection for Foreign</p>	<p>Except for the provisions of the Company's Articles of Incorporation, the qualifications for the shareholders to request and the procedures for convening a convening of shareholders are not different from the provisions in</p>

<p>forth therein the subjects for discussion and the reasons, request the board of directors to call a special meeting of shareholders. If the board of directors fails to give a notice for convening a special meeting of shareholders within 15 days after the filing of the request under the preceding Paragraph, the proposing shareholder(s) may, after obtaining an approval from the competent authority, convene a special meeting of shareholders on his/their own.</p> <p>Reference : Company Act, Article 173-1, 173-2</p>	<p>themselves convene an extraordinary general meeting in accordance with the Applicable Public Company Rules.</p>	<p>Enterprises Applying for the First Listing of Shares in Taiwan”, as explained in item 26, paragraph 1 on June 21, 2012, “A foreign issuer shall, subject to the laws of the place of registration, stipulate in its articles of incorporation the right of a minority shareholder to convene a special shareholders’ meeting at the request of the part about the authority should be allowed to be deleted.”</p>	<p>Section B. The requirements for the approval of the competent authorities, which are not identical with the protection of shareholders’ rights and interests listed in the left. The meaning of the description of Item 3, Paragraph 1, Question 26 of the “Question and Answer Collection for Foreign Enterprises Applying for the First Listing of Shares in Taiwan” announced on June 21, 2012 did not cause adverse impact on shareholders’ equity.</p>
<p>In case the procedure for convening a shareholders’ meeting or the method of adopting resolutions thereat is in contrary to any law, ordinance or the company’s Articles of Incorporation, a shareholder may, within 30 days from the date of adoption of the said resolution, enter a petition in the court for annulment of such resolution. Designate Taiwan Taipei District Court to exercise jurisdiction.</p> <p>Reference : Company Act, Article 189</p>	<p>Article 18.7 of the Articles of Incorporation states: “Nothing in the Articles shall prevent any Member from issuing proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the improper convening of any general meeting or the improper passage of any resolution. The Taipei District Court, R.O.C., shall be the court of competent jurisdiction for adjudicating any disputes arising out of the foregoing.</p>	<p>This regulation is slightly different from the important matters concerning the protection of shareholders’ rights and interests on the left. The important matters concerning the protection of shareholders’ rights and interests listed on the left are in fact the statutory right of revocation for shareholders, and the legal effect thereof is not achieved by the provisions of the Articles of Incorporation. There needs to be legal provisions to give shareholders such right of revocation. Although the provisions of Article 18.7 of the Company’s Articles of Incorporation are slightly different from the provisions of the following important matters concerning the protection of shareholders’ rights and interests, the Company’s Articles of Incorporation does not restrict shareholders from filing the right to file a lawsuit or remedy. As to whether or not the court before which the matter is brought shall set aside a resolution of a shareholders’ meeting in respect of which the convening proceeding or the method of resolution is in violation of the Act or the Articles of Association, it shall be for the court (whether it be a court of the R.O.C. or of the British Cayman Islands or of any other country of competent jurisdiction) to determine whether or not the applicable laws of the R.O.C. have conferred on shareholders the right to set aside the resolution of a shareholders’ meeting and to make judgment according to the terms of its jurisdiction. These differences are due to the nature of shareholders’ withdrawal of litigation rights. The Articles of Incorporation of the Company do not restrict the shareholders’ rights to file litigation or relief in court.</p>	<p>The Company’s Articles of Incorporation does not restrict the shareholders’ right to file lawsuits or seek remedies in court, and does not cause adverse impact on shareholders’ equity.</p>
<p>A company shall not do any of the following acts, which has had a significant impact on shareholders rights, without a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares, if</p>	<p>1. In accordance with Article 1.1 of the Company’s Articles of Incorporation, special resolution: “ means a resolution passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, where proxies are</p>	<p>1. The reason for the deviation from Article 1.1 of the Company’s Articles of Incorporation: According to the Company Act of the Cayman Islands, special resolutions are the provisions of the Company Act of the Cayman Islands, and the matters that shall</p>	<p>Except for Article 14.3 of the Company’s Articles of Incorporation, the Company does not set a lower resolution threshold for matters involving significant shareholders’ interests that require special resolutions under the laws of Taiwan, and does not cause</p>

<p>the total number of shares represented by the shareholders present at shareholders' meeting is not sufficient to meet the criteria specified in the preceding paragraph, the resolution to be made thereto may be adopted by two-thirds or more of the attending shareholders who represent a majority of the total number of its outstanding shares:</p> <p>Enter into, amend, or terminate any contract for lease of the company's business in whole, or for entrusted business, or for regular joint operation with others; transfer the whole or any essential part of its business or assets; or accept the transfer of another's whole business or assets, which has great bearing on the business operation of the company.</p> <p>Modify or alter its Articles of Incorporation</p> <p>Any modification or alteration in the Articles of Incorporation prejudicial to the privileges of special shareholders shall also be adopted by a meeting of special shareholders.</p> <p>Have the surplus profit distributable as dividends and bonuses in whole or in part distributed in the form of new shares.</p> <p>A resolution for dissolution, consolidation or merger, or split-up.</p> <p>A private placement of its securities.</p> <p>Convert of shares.</p> <p>Reference Company Act, Article 185 Company Act, Article 209 Company Act, Article 227 Company Act, Article 277 Company Act, Article 240-1 Company Act, Article 316 Securities and Exchange Act, Article 43-6 Business Mergers and Acquisitions Act, Article 29</p>	<p>allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as special resolution has been duly given."</p> <p>Subject to the Company Act of the British Cayman Islands, as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution: change its name; alter or add to these Articles; alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; reduce its share capital and any capital redemption reserve fund; and (v) those who resolve to dissolve voluntarily due to reasons other than the inability to pay off its debts on maturity.</p> <p>In addition, in accordance with Article 18.1 of the Company's Articles of Incorporation: "No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided in the Articles, Members present in person or by proxy, representing more than one-half of the total outstanding Shares, shall constitute a quorum for any general meeting</p> <p>" In other words, to pass the special resolution of the Company, at least a majority of the total number of issued shares of the Company shall be present in person or by proxy, and shall be represented and be agreed by more than two-thirds of the total number of voting rights who exercised the voting rights.</p> <p>2. According to Article 14.3 of the Company's Articles of Incorporation: "Subject to the provisions of the Statute, the provisions of these Articles, and the quorum requirement under the Applicable Public Company Rules, with regard to the dissolution procedures of the Company, the Company shall pass: "an Ordinary Resolution, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 14.3(a) above.</p> <p>" differs slightly from the important matters concerning the protection of shareholders' rights and interests listed in the following in that the Articles of Incorporation of the Company has different requirements for "ordinary resolution" and "special resolution" depending on the reasons for the dissolution of the</p>	<p>be subject to a special resolution according to the Company Act of the Cayman Islands which shall be made by the shareholders in accordance with the Articles of Incorporation. Any resolution in respect of these matters that is lower than the special resolution threshold of the Company Act of the Cayman Islands shall be void under the Company Act of the Cayman Islands. Therefore, among the special (substantial) resolutions on important matters concerning the protection of shareholders' rights and interests in the Company's Articles of Incorporation, those that shall be subject to a special resolution in accordance with the Company Law of the British Cayman Islands are still listed as "Special resolutions". Other special (substantial) resolution matters required by the material matters are added to the "Supermajority Resolution" matters in the Articles of Incorporation of the Company.</p> <p>2. The reason for the deviation from Article 14.3 of the Company's Articles of Incorporation: According to the Company Act of the British Cayman Islands, where a company decides to dissolve voluntarily for reasons other than the inability to pay off its debts when they fall due, a special resolution shall be adopted. For voluntary dissolution, an ordinary resolution shall be adopted. The difference is due to the Company Act of the British Cayman Islands. Notwithstanding that "the company is unable to pay off its debts upon maturity and resolves to dissolve voluntarily", the company may make only an ordinary resolution with a lower threshold than important matters concerning the protection of shareholders' rights and interests, this is a requirement under the laws of the British Cayman Islands and only applies to specific situations.</p> <p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in January, 2020 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>adverse effects on shareholders' equity; as far as Article 14.3 of the Articles of Incorporation is concerned, which stipulates that "a company being dissolved voluntarily due to its inability to pay off its debts" may be dissolved by an ordinary resolution, it is intended to comply with the Company Act of the British Cayman Islands, which is applicable only in specified circumstances and to a limited extent so as not to materially affect shareholders' interests.</p> <p>The shareholder protection matters have been added to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in January, 2020. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p>
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	<p>Company, and all the important matters to protect the rights and interests of shareholders listed on the left shall be resolved by “Special (Supernatural) Resolution.”</p> <p>According to Article 14.2 of the Company’s Articles of Incorporation: “Subject to the provisions of the Statute and the Applicable Public Company Rules, the Company shall not, without a Supermajority Resolution: sell, transfer or lease of whole business of the Company or other matters which has a material effect on the Members’ rights and interests; discharge or remove any Director; approve any action by one or more Director(s) who is engaging in business conduct for him/herself or on behalf of another person that is within the scope of the Company’s business; effect any capitalization of distributable Dividends and/or bonuses and/or any other amount prescribed under Article 35 hereof; effect any Merger, Spin-off or Private Placement, provided that any Merger which falls within the definition of “merger and/or consolidation” under the Statute shall also be subject to the requirements of the Statute; enter into, amend, or terminate any agreement for lease of the Company’s whole business, or for entrusted business, or for frequent joint operation with others; transfer its business or assets, in whole or in any essential part, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; acquire or assume the whole business or assets of another person, which has material effect on the Company’s operation; or Share Swap.</p>		
<p>In case a director has, in the course of performing his/her duties, committed any act resulting in material damages to the company or in serious violation of applicable laws and/or regulations, but not discharged by a resolution of the shareholders’ meeting, the shareholder(s) holding 3% or more of the total number of outstanding shares of the company may, within 30 days after that shareholders’ meeting, institute a lawsuit in the court for a judgment in respect of such matter. Designate Taiwan Taipei District Court to exercise jurisdiction.</p> <p>Reference : Company Act, Article 200</p>	<p>Article 28.2(i) of the Articles of Incorporation states: “ in the event that he has, in the course of performing his duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or the Memorandum and the Articles, but has not been removed by the Company pursuant to a Supermajority Resolution vote, then any Member(s) holding 3% or more of the total number of outstanding Shares shall have the right, within thirty days after that general meeting, to petition the Taipei District Court, R.O.C. as the competent court for the removal of such Director, at the Company’s expense and such Director shall be</p>	<p>As the courts of the Cayman Islands may not recognize and enforce foreign judgments other than monetary judgments without substantive trial of the dispute, even if the important matters for the protection of shareholders’ rights and interests listed on the left are stipulated in the Company’s Articles of Incorporation, the dismissal of directors’ judgments made by the courts of competent jurisdiction in R.O.C. may not be recognized and enforced by the courts of the British Cayman Islands directly. In view of this, the Company’s Articles of Incorporation stipulates that shareholders should file a lawsuit in a court of competent jurisdiction. Such difference is due to the</p>	<p>The Company’s shareholders may dismiss directors in accordance with the procedures stipulated in the Company’s Articles of Incorporation, without causing adverse impact on shareholders’ equity.</p>

	removed upon the final judgement by such court. For clarification, if a relevant court has competent jurisdiction to adjudicate all of the foregoing matters in a single or a series of proceedings, then, for the purpose of this paragraph (i), final judgement shall be given by such competent court;」	provisions of the laws of the Cayman Islands in relation to the recognition and enforcement of foreign judgments. However, shareholders may still dismiss directors in accordance with the procedures stipulated in the Articles of Incorporation of the Company.	
<ol style="list-style-type: none"> Supervisors of a company shall be elected by the meeting of shareholders, among them at least one supervisor shall have a domicile within the territory of the Republic of China. The term of office of a supervisor shall not exceed three years, but he may be eligible for re-election. In case all supervisors of a company are discharged, a special meeting of shareholders for election of supervisors shall be convened by the board of directors within 60 day. Supervisors shall supervise the execution of business operations of the company, and may at any time or from time to time investigate the business and financial conditions of the company, inspect, transcribe or make copies of the accounting books and documents, and request the board of directors or managerial personnel to make reports thereon. Supervisors shall audit the various statements and records prepared for submission to the shareholders' meeting by the board of directors, and shall make a report of their findings and opinions at the meeting of shareholders. In performing their functional duties under the preceding Paragraph, the supervisors may appoint a certified public accountant and a practicing lawyer to conduct the auditing in their behalf. Supervisors of a company may attend the meeting of the board of directors to their opinions. In case the board of directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of the laws, regulations, the Articles of Incorporation or the resolutions of the shareholders' meeting, the supervisors shall forthwith advise, by a notice, to the 	The Articles of Incorporation do not require supervisors.	According to the first paragraph of Article 14, Paragraph 2 of the TPEx Review Guidelines for Foreign Securities Traded by the Taipei Exchange: "The applicant company shall establish an Audit Committee or supervisors."The Company has established an Audit Committee consisting of all independent directors, and there is no need to establish another supervisor. Therefore, the Company has not included the following important matters on the important matters for the protection of shareholders' rights and interests listed on the left in the Company's Articles of Incorporation.	According to the first paragraph of Article 14, Paragraph 2 of the TPEx Review Guidelines for Foreign Securities Traded by the Taipei Exchange, and did not cause adverse impact on shareholders' equity.

<p>board of directors or the director, as the case may be, to cease such act.</p> <p>8. Supervisor may each exercise the supervision power individually.</p> <p>9. A supervisor shall not be concurrently a director, a managerial officer or other staff/employee of the company.</p> <p>Reference : Company Act, Article 216 to 222</p>			
<p>1. In case a director or a supervisor of a company that has transferred, during the term of office as a director or a supervisor, more than one half of the company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of director.</p> <p>2. If any director or supervisor of a company, after having been elected and before his/her inauguration of the office of director, has transferred more than one half of the total number of shares of the company he/she holds at the time of his/her election as such; or had transferred more than one half of the total number of shares he/she held within the share transfer prohibition period fixed prior to the convention of a shareholders' meeting, then his/her election as a director shall become invalid.</p> <p>Reference : Company Act, Article 197, 227; Securities and Exchange Act, Article 14-2</p>	<p>Article 28.3 of the Articles of Incorporation of the Company stipulates: "For so long as the Shares are listed on TPEx or TWSE, subject to the Statute and Applicable Public Company Rules, if during the term of office of a Director, any Director (not including Independent Directors) transfers some or all of his Shares such that he holds less than one half of the total number of Shares held by him at the time of his election as a Director, he shall, ipso facto, be vacated from the office of Director automatically"</p> <p>1.1 Article 28.4 of the Articles of Incorporation of the Company stipulates: " For so long as the Shares are listed on TPEx or TWSE, subject to the Statute and Applicable Public Company Rules, if any person is proposed for appointment as a Director (each such person a "proposed director") (not including Independent Directors) at a general meeting (the "relevant general meeting"), such proposed director's appointment shall not become effective (regardless of whether such appointment is purportedly approved at the relevant general meeting, and any resolution which purports to approve such appointment, to the extent it relates to the proposed director's appointment, shall be invalid and ineffective):</p> <p>(a) if the proposed director sells or transfers more than one half of the total number of Shares which he holds (or held) at the time of the relevant general meeting, during the period after the relevant general meeting, but prior to the commencement of such proposed director's term of office; or</p> <p>(b) if the proposed director sells or transfers more than one half of the total number of Shares which he holds (or held) at the commencement of the relevant Register Closure Period, during the relevant Register Closure Period.</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in November, 2015 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>The shareholder protection matters have been <u>added</u> to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in November, 2015. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p>

	<p>For the purpose of this Article 28.4, the "Register Closure Period" means, in relation to any general meeting, the period during which the Register of Members is closed for transfers of Shares prior to such general meeting up to and including the date of such general meeting."</p>		
<p>The company's dividend policy shall specify the company's circumstance, its stage of investment process, the conditions, timing, amount, type of dividends and other details, and shall specify a certain ratio of which the profit have to be distributed as dividends, ambiguous wording such as "in general" shall be avoided.</p> <p>Reference : Tai-Cai-Zheng (I) No. 100116 letter dated January 3, 2000 (89) Tai-Cai-Zheng (I) No. 00371 letter dated February 1, 2000 (89) Tai-Cai-Zheng (I) No. 00891 letter dated March 28, 2000(89)</p>	<p>According to Article 34.1 of the Company's Articles of Incorporation: "</p> <p>The Company shall reserve no less than 3% of its annual profit as employee bonuses, and no more than 3% of its annual profit as director bonuses, provided that the annual profit be used to offset the Company's accumulative deficits first.</p> <p>The "annual profit" in the preceding paragraph shall be a sum equal to the Company's pre-tax profit before deduction of the aforementioned employee bonuses and director bonuses. The reservation of employee bonuses and director bonuses shall be approved by a majority of the board of Directors at a meeting attended by at least 2/3 of the Directors, and the decision of the Directors shall be reported to the Members at the general meeting. Employee bonuses may be distributed in shares (which may be distributed under an incentive programme approved pursuant to Article 11) or cash, and its distribution may include distribution to certain qualified employees of the Company's Subsidiaries. Any Director who also serves as an executive officer of the Company may receive a bonus in his capacity as a Director and a bonus as an employee.</p> <p>If the Company records profit in any given year, it shall, in the following order, pay taxes for the relevant financial year, offset its losses in previous years that have not been previously offset, set aside a legal capital reserve at 10% of the profit left over, until accumulated legal capital reserve has equalled the total capital of the Company, and set aside a special capital reserve, if one is required, in accordance with the Applicable Public Company Rules or as requested by the authorities in charge. Any profit left over may be distributed, along with accumulative profits not yet distributed, pursuant to the distribution plan proposed by the board of Directors and approved by the Members by an Ordinary Resolution ("distributable profit"), provided that for the distribution of cash dividends, the board of Directors are authorized to approve according to subparagraph (d) below. Any such distributable</p>	<p>The Company amended Article 34.1 of the Company's Articles of Incorporation with reference to the amendment to Article 235 and Article 235-1 of the Company Act of the Republic of China regarding remuneration to employees.</p> <p>Company has revised Article 34.1(c) of its Articles of Incorporation concerning the dividend policy. This revision outlines the conditions for dividend distribution and incorporates shareholder protection measures, in line with the 'Checklist of Shareholder Rights Protection Items at the Place of Registration of the Foreign Issuer' issued by the Securities and Futures Bureau of the Republic of China. The amendment was approved through a special resolution at the shareholders' meeting to safeguard shareholder interests</p> <p>Furthermore, with reference to the amendment to Paragraph 5 of Article 240 of the Company Act of the Republic of China, the allocation or distribution of cash dividends is added to the Articles of Incorporation, and the Board of Directors is authorized to make a special resolution and report to the shareholders, amending Article 34.1 (d) of the Company's Articles of Incorporation.</p> <p>Appropriate textual revisions were made since the Cayman Islands Companies Law has been defined as 'law' in our company's Articles of Incorporation.</p>	<p>1. In reference to the amendments to Articles 235 and 235-1 of the Company Act, the company has revised Article 34.1 of its Articles of Incorporation concerning the allocation and distribution of employee compensation. The portion of the original dividend policy in Article 34.1 remains unchanged. Additionally, the company has considered the "Checklist of Shareholder Rights Protection Items at the Place of Registration of the Foreign Issuer" issued by the Securities and Futures Bureau of the Republic of China to clarify the conditions for dividend distribution. A special resolution at the shareholders' meeting was proposed to amend Article 34.1(c) regarding the dividend policy, ensuring no significant adverse impact on shareholder interests.</p> <p>2. In reference to the amendment of Article 240, Paragraph 5 of the Company Act, which simplifies the procedure for publicly listed companies to distribute cash dividends and bonuses, the company's Articles of Incorporation authorize the board of directors to make special resolutions for such distributions and report to the shareholders' meeting. The company retains the practice of seeking shareholder approval after the board's resolution, ensuring no significant adverse impact on shareholder interests.</p>

	<p>profit may be distributed as Dividends (including cash dividends or stock dividends) in accordance with the Statute and the Applicable Public Company Rules and after the board of Directors taking into consideration financial, business and operational factors with the amount of Dividends distributed to Members not lower than 10% of distributable profit of the then current year, and the amount of cash dividends distributed thereupon shall not be less than 10% of the profits proposed to be distributed as Dividends of the then current year.</p> <p>The Company may, upon approval by a majority of the Directors present at a meeting attended by two thirds or more of total number of the Directors, pay Dividends/bonus, in whole or in part, by cash, and the board of Directors shall then report such distribution to the subsequent general meeting.</p>		
<p>Where a company is listed on TPEX but is involved in a merger, general transfer, share conversion or split that results in termination of its listing on TPEX, and the surviving, transferee, existing or newly established company is an unlisted company, shall be subject to the consent of two-thirds of the total number of issued shares of the company. (*Different from Chinese, but both refer to “surviving company” in English)</p> <p>A resolution for the termination of trading of shares on OTC market, because the company carries on the merger/consolidation and dissolution thereafter, general transfer, the share exchange or division, and the surviving, transferee or the newly incorporated company is not a listed or OTC company, shall be adopted by a majority vote at the general meeting attended by shareholders representing two-thirds or more of the total number of the issued shares of the company.</p> <p>Reference : Business Mergers and Acquisitions Act, Article 18, 27, 28, 29, 35</p>	<p>According to Article 14.4 of the Company’s Articles of Incorporation: “ Subject to the provisions of the Statute and the Applicable Public Company Rules, without a supermajority resolution passed by the Memebers holding two-thirds or more of the total issued and outstanding Shares at a general meeting attended in person or by proxy by Members who represent two-thirds or more of the total issued and outstanding Shares, the Company shall not effect any Merger where the Company is dissolved, general transfer of all assets and liabilities of the Company, Share Swap or Spin-off whereby (a) such transaction will cause the Shares to be delisted under the Applicable Public Company Rules, and (b) the surviving, transferee, existing or newly incorporated company, as applicable, participating in such transaction is not a TPEX (or TWSE, as applicable) listed company.</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in March, 2018 (detailed in the far left column) of the Checklist for Foreign Issuers’ Registration of Shareholders’ Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>The shareholder protection matters have been <u>added</u> to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders’ rights and interests of foreign issuers in the places of registration of the Taipei Exchange in March, 2018. Therefore, there is no reduction in the protection of shareholders’ rights and interests.</p>
<p>A company shall not issue bearer shares. A company choosing to issue no par value shares shall not convert its shares into par value shares. Reference : Article 137 of the Company Act (non-affiliation), Company Act, Article 156-1-6</p>	<p>According to Article 3.2 of the Articles of Incorporation: “ The Company shall not issue Shares to bearer.</p> <p>Amendment to the Company’s Articles of Incorporation and the restatement of Point 5 of the Memorandum: “ The authorised capital of the Company is NT\$400,000,000 divided into 40,000,000 shares of NT\$10.00 each provided always</p>	<p>According to Article 3.2 of the Company’s Articles of Incorporation, no bearer shares shall be issued. Amendment and restatement of Point 5 of the Memorandum of Incorporation for the Company’s issuance of par value shares. Therefore, there is no need to specify the rule of “shares without par value shall not be converted to par value shares.”</p>	<p>Article 3.2 of the Articles of Incorporation and Point 5 of the Amendment and Restatement of the Memorandum are still maintained, and therefore do not reduce the protection of shareholders’ interests.</p>

	that subject to the provisions of the Companies Act (As Revised) as amended and the Articles of Association, the Company shall have power to redeem or purchase any or all of such shares and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.		
When conducting its business, every company shall comply with the laws and regulations as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities. Reference : Company Act, Article 1-2	Article 2.3 of the Articles of Incorporation stipulates: "In the course of conducting its business, the Company shall comply with the Applicable Public Company Rules and business ethics and may take corporate actions to promote public interests in order to fulfill its social responsibilities.	The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in December, 2019 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.	The shareholder protection matters have been <u>added</u> to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in December, 2019. Therefore, there is no reduction in the protection of shareholders' rights and interests.
<p>Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal, in writing or by way of electronic transmission, for discussion at a regular shareholders' meeting.</p> <p>Unless any of the following circumstances is satisfied, the board of directors of the company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a regular meeting of shareholders:</p> <ol style="list-style-type: none"> 1. Where the number of shares of the company in the possession of the shareholder making the said proposal is less than one percent (1%) 2. Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a meeting of shareholders 3. Where the said proposal is submitted on a day beyond the deadline fixed and announced by the company for accepting shareholders' proposals; 4. Where the said proposal containing more than 300 words or more than one matters in a single proposal. <p>A shareholder proposal proposed under Paragraph Two for urging a company to promote public interests or fulfill its social</p>	<p>According to Article 16.10 of the Company's Articles of Incorporation: "</p> <p>The board of Directors or any person who is entitled to call or convene a general meeting under these Articles may demand the Company or the Company's securities agent to provide the Register of Members.</p> <p>According to Article 18.9 of the Company's Articles of Incorporation: "</p> <p>Member(s) holding 1% or more of the total number of outstanding Shares immediately prior to the relevant book closed period may propose to the Company a proposal for discussion at an annual general meeting in writing or by electronic transmission to the extent and in accordance with the rules and procedures of general meetings proposed by the Directors and approved by an Ordinary Resolution. Proposals shall not be included in the agenda where (a) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (b) where the matter of such proposal may not be resolved by a general meeting, (c) the proposing Member has proposed a proposal containing more than 300 words, or more than one proposal, or (d) such proposal is submitted on a day beyond the deadline announced by the Company for accepting the Member's proposals; provided however, if any of proposal from such Member(s) is</p>	The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in December, 2019 and January, 2020 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.	The shareholder protection matters have been <u>added</u> to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in December, 2019 and January, 2020. Therefore, there is no reduction in the protection of shareholders' rights and interests.

<p>responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors.</p> <p>Shareholders continuously holding 50% or more of the total number of outstanding shares of a company for a period of three months or a longer time may convene a special shareholders' meeting.</p> <p>The calculation of the holding period and holding number of shares in the preceding paragraph shall be based on the holding at the time of share transfer suspension date</p> <p>Matters pertaining to the following circumstances shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice:</p> <p>Election or discharge of directors and supervisors.</p> <p>Alteration of the Articles of Incorporation.</p> <p>Reduction of capital.</p> <p>Application for the approval of ceasing its status as a public company</p> <p>Dissolution, merger, share exchange or spin-off.</p> <p>Enter into, amend, or terminate any contract for lease of the company's business in whole, or for entrusted business, or for regular joint operation with others.</p> <p>Transfer the whole or any essential part of its business or assets.</p> <p>Accept the transfer of another's whole business or assets, which has great bearing on the business operation of the company.</p> <p>Private placement of any equity-type securities .</p> <p>Approval of competing with the company by directors.</p> <p>Have the surplus profit distributable as dividends and bonuses in whole or in part distributed in the form of new shares.</p> <p>Distribute its legal reserve and the capital reserves of the income derived from the issuance of new shares at a premium or the income from endowments received by the company, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash</p>	<p>to urge the Company to promote public interests or fulfill its social responsibilities, the board of the Directors may accept such proposal to be discussed at a general meeting.</p> <p>According to Article 17.5 of the Company's Articles of Incorporation: “</p> <p>Matters pertaining to (a) election or discharge of Directors, (b) alteration of the Articles, (c) reduction of share capital, (d) application for de-registration as a public company, and (e) (i) dissolution, Merger, Share Swap, or Spin-off, (ii) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer of the whole or any material part of the business or assets of the Company, (iv) acceptance of the transfer of the whole business or assets of another person, which has a material effect on the business operation of the Company, (f) ratification of an action by Director(s) who engage(s) in business for him/herself or on behalf of another person that is within the scope of the Company's business, (g) distribution of the whole or a part of the surplus profit of the Company in the form of new Shares, capitalization of statutory reserve and any other amount in accordance with Article 35, and (h) the Private Placement of any equity-type securities issued by the Company, shall be indicated in the notice of general meeting, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion. The material contents may be uploaded onto the website designated by the FSC or the Company, and such website shall be indicated in the notice of general meeting.</p>		
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Reference : Company Act, Article 172, 172-1, 173-1-2			
<p>1. The board of directors shall keep, at the business office of the company's shareholder service agent in R.O.C., copies of the Articles of Incorporation, the minutes of every meeting of the shareholders, the financial statements, the shareholders roster and the counterfoil of corporate bonds issued by the company. Any shareholder of the company may request at any time, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect, transcribe and to make copies of the records referred to in the preceding paragraph; the company shall make such agent to provide with the access.</p> <p>2. The board of directors or other authorized conveners of shareholders' meetings may require a company or its shareholder service agent to provide with the roster of shareholders.</p> <p>Reference : Company Act, Article 210, 210-1</p>	<p>Article 17.6 of the Articles of Incorporation of the Company provides: "The board of Directors shall keep the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the office of the Company's registrar (if applicable) and the Company's securities agent located in Taiwan. Any of the Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review, make copies or duplicate of the foregoing documents. The Company shall cause the Company's securities agent to provide such Member(s) with access to above documents.</p> <p>According to Article 16.10 of the Articles of Incorporation: "</p> <p>The board of Directors or any person who is entitled to call or convene a general meeting under these Articles may demand the Company or the Company's securities agent to provide the Register of Members.</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in December, 2019 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>The shareholder protection matters have been added to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in December, 2019. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p>
<p>A person who is under any of the following circumstances shall not act as a director of a company. If he has been appointed as such, he shall certainly be discharged:</p> <p>1. Having committed an offence as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon.</p> <p>2. Having committed the offence in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon.</p> <p>3. Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion</p>	<p>According to Article 28.2 of the Company's Articles of Incorporation: "</p> <p>In the event of any of the following events having occurred in relation to any Director, such Director shall be vacated automatically:</p> <p>he gives notice in writing to the Company that he resigns the office of Director;</p> <p>he dies, becomes bankrupt, or had liquidation proceeding commenced against him by a court, or makes any arrangement or composition with his creditors generally;</p> <p>an order is made by any competent court or official on the grounds that he is or will be suffering from mental disorder or is otherwise incapable of managing his affairs, or his/her legal capacity is restricted according to the applicable laws;</p> <p>he commits the offense under the Organized Crime Prevent Act of the R.O.C. and is subsequently adjudicated guilty by a final judgment, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term or less than five years have elapsed from the date of completion of the full sentence, expiry of probation period or date</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in December, 2019 and January, 2020, and the amendment dated in May 31, 2021 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>The shareholder protection matters have been amended to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in December, 2019 and January, 2020, and May 31, 2021. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p>

<p>of serving the sentence, expiration of the probation, or pardon.</p> <p>4. Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges.</p> <p>5. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet.</p> <p>6. Having no or only limited disposing capacity.</p> <p>7. Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.</p> <p>Reference : Company Act, Article 192-6, 30</p>	<p>in which he has been pardoned; he commits any criminal offence of fraud, breach of trust or misappropriation and is subsequently sentenced with imprisonment for a term of more than one year, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term or less than two years have elapsed from the date of completion of the full sentence, expiry of probation period or date in which he has been pardoned; he is adjudicated guilty by a final judgment for committing the offense as specified in the Anti-corruption Act of R.O.C., misappropriating Company or public funds during the time of his service, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term or less than two years have elapsed from the date of completion of the full sentence, expiry of probation period or date in which he has been pardoned; he is dishonoured for unlawful use of credit instruments, and the term of such sanction has not expired yet;</p> <p>the Members resolve by a Supermajority Resolution that he should be removed as a Director; in the event that he has, in the course of performing his duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or the Memorandum and the Articles, but has not been removed by the Company pursuant to a Supermajority Resolution vote, then any Member(s) holding 3% or more of the total number of outstanding Shares shall have the right, within thirty days after that general meeting, to petition the Taipei District Court, R.O.C. as the competent court for the removal of such Director, at the Company's expense and such Director shall be removed upon the final judgement by such court. For clarification, if a relevant court has competent jurisdiction to adjudicate all of the foregoing matters in a single or a series of proceedings, then, for the purpose of this paragraph (i), final judgement shall be given by such competent court;</p> <p>is vacated from his office automatically in accordance with Article 28.3; or</p> <p>he becomes subject to the order of commencement of assistance due to incapacity pursuant to relevant Taiwan law and the order has not yet been revoked.</p> <p>In the event that the foregoing events described in any of clauses (b), (c), (d), (e), (f), (g) and (k) has occurred in relation to a Director</p>		
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	elect, such Director elect shall be disqualified from being elected as a Director.		
<p>1. In case a director (independent directors not included) or a supervisor of a company that has transferred, during the term of office as a director or a supervisor, more than one half of the company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of director.</p> <p>2. If any director (independent directors not included) or supervisor of a company, after having been elected and before his/her inauguration of the office of director, has transferred more than one half of the total number of shares of the company he/she holds at the time of his/her election as such; or had transferred more than one half of the total number of shares he/she held within the share transfer prohibition period fixed prior to the convention of a shareholders' meeting, then his/her election as a director shall become invalid.</p> <p>Reference : Company Act, Article 197, 227; Securities and Exchange Act, Article 14-2</p>	<p>Article 28.3 of the Articles of Incorporation of the Company stipulates: "For so long as the Shares are listed on TPEX or TWSE, subject to the Statute and Applicable Public Company Rules, if during the term of office of a Director, any Director (not including Independent Directors) transfers some or all of his Shares such that he holds less than one half of the total number of Shares held by him at the time of his election as a Director, he shall, ipso facto, be vacated from the office of Director automatically.</p> <p>According to Article 28.4 of the Company's Articles of Incorporation: "For so long as the Shares are listed on TPEX or TWSE, subject to the Statute and Applicable Public Company Rules, if any person is proposed for appointment as a Director (each such person a "proposed director") (not including Independent Directors) at a general meeting (the "relevant general meeting"), such proposed director's appointment shall not become effective (regardless of whether such appointment is purportedly approved at the relevant general meeting, and any resolution which purports to approve such appointment, to the extent it relates to the proposed director's appointment, shall be invalid and ineffective): if the proposed director sells or transfers more than one half of the total number of Shares which he holds (or held) at the time of the relevant general meeting, during the period after the relevant general meeting, but prior to the commencement of such proposed director's term of office; or if the proposed director sells or transfers more than one half of the total number of Shares which he holds (or held) at the commencement of the relevant Register Closure Period, during the relevant Register Closure Period. For the purpose of this Article 28.4, the "Register Closure Period" means, in relation to any general meeting, the period during which the Register of Members is closed for transfers of Shares prior to such general meeting up to and including the date of such general meeting."</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in December, 2019 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>The shareholder protection matters have been added to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in December, 2019. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p>
<p>1. A director who has a personal interest in the matter under discussion at a board meeting shall explain to the board meeting the essential contents of such personal interest. In</p>	<p>According to Article 30.5 of the Company's Articles of Incorporation: "</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in December, 2019</p>	<p>The shareholder protection matters have been added to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of</p>

<p>the merger/consolidation and acquisition by a company, a director who has a personal interest in the transaction of merger/consolidation and acquisition shall explain to the Board meeting and the general meeting the essential contents of such personal interest and the cause of approval or dissent to the resolution of merger/consolidation or acquisition. Under the circumstances of the preceding paragraph, the company shall itemize the essential contents of a director's personal interest and the cause of approval or dissent to the resolution of merger/consolidation or acquisition in the notice to convene a meeting of shareholders; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and the address of such website shall be indicated in the above notice.</p> <p>2. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</p> <p>Reference: Company Act, Article 206-3, 206-4; Business Mergers and Acquisitions Act, Article 5-3, 5-4</p>	<p>Notwithstanding anything to the contrary contained in this Article 30, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with the interest of the Company, shall disclose to the meeting his or her interest and the material information of such interest, and shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. In the event the Company is engaging in any Merger, Acquisition, or Spin-off, each Director shall disclose the material information of his or her personal interest with such transaction, and his or her reason(s) to vote for or against the proposed resolution of such transaction in the relevant meeting of the Directors and the meeting of the Members, and the Company shall accordingly disclose the material information of the Director's personal interest and his or her reason(s) to vote for or against the proposed resolution of such transaction in the notice of the relevant general meeting (as the part of the proposal in the agenda); such contents may be uploaded onto the website designated by the Taiwan competent authorities or by the Company, and the address of such website shall be indicated in the above notice.</p> <p>Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director, has a personal interest in the matter under discussion at a meeting of the Directors in the preceding paragraph, such Director shall be deemed to have a personal interest in such matter.</p>	<p>and January, 2020 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p> <p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the amendment in January 17, 2023 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>registration of the Taipei Exchange in December, 2019 and January, 2020. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p> <p>The shareholder protection matters have been <u>added</u> to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in January 17, 2023. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p>
<p>Where all directors of a company are re-elected, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance.</p> <p>Reference : Company Act, Article 199-1</p>	<p>According to Article 28.1 of the Company's Articles of Incorporation: “ The Company may from time to time remove any Director from office before the expiration of his term of office notwithstanding anything in the Articles to the contrary and may elect new Director to fill such vacancy in accordance with Article 27.1, and unless the resolution approving such removal and election provides otherwise, the retiring Director's office shall be deemed discharged upon the passing of such resolution prior to the expiration of such Director's</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in December, 2019 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>The shareholder protection matters have been <u>added</u> to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in December, 2019. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p>

	applicable term of office.		
<p>1. Shareholder(s) who has/have been continuously holding 1% or more of the total number of the outstanding shares of the company over six months may request in writing the supervisors of the company to institute, for the company, an action against a director of the company. Designate Taiwan Taipei District Court to exercise jurisdiction.</p> <p>In case the supervisors fails to institute an action within 30 days after having received the request made under the preceding Paragraph, then the shareholders filing such request under the preceding Paragraph may institute the action for the company; designate Taiwan Taipei District Court to exercise jurisdiction.</p> <p>2. In addition to the condition that the board of directors does not or is unable to convene a meeting of shareholders, the supervisors may, for the benefit of the company, call a meeting of shareholders when it is deemed necessary</p> <p>Reference : Company Act, Article 200, 214, 220, 227</p>	<p>According to Article 25.6 of the Company's Articles of Incorporation: “</p> <p>Any Member(s) holding 1% or more of the Company's issued capital for at least six months may in writing request the Audit Committee to bring action against the Directors in the Taipei District Court, R.O.C., as the court of competent jurisdiction. If the Audit Committee failed to bring such action within thirty days after the request by the Member, such Member may bring the action in the Taipei District Court, R.O.C., as the court of competent jurisdiction in the name of the Company.</p> <p>Article 16.9 of the Company's Articles of Incorporation originally stipulates that “Independent directors of the Audit Committee may, when necessary, convene a shareholders' meeting for the interest of the Company, unless the Board of Directors does not convene or is unable to convene a shareholders' meeting.” Such provision is deleted at this time.</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in December, 2019 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p> <p>The Company has deleted the wording from the “Regulations Governing the Protection of Shareholders' Rights and Interests of Foreign Issuers at the place of registration of the Taipei Exchange” on May 31, 2021 (please refer to the left column), and deleted the original Article 16.9 of the Company's Articles of Incorporation.</p>	<p>The shareholder protection matters have been added to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in December, 2019. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p> <p>In accordance with the provisions of the “Checklist for Protection of Shareholders' Rights and Interests of Foreign Issuers in the Place of Registration of the Taipei Exchange” dated May 31, 2021, the protection of shareholders' rights and interests has been amended and deleted in the Articles of Incorporation. There is no reduction in the protection of shareholders' equity.</p>
<p>The regulations on the company's capital increase by issuing new shares, surplus profit or reserve distributed in the form of new shares, and the time limit set forth on subscription and payment on new shares.</p> <p>Reference : Company Act, Article 142, 156, 266</p>	<p>According to Article 8.9 of the Company's Articles of Incorporation: “</p> <p>The Company shall notify each subscriber the deadline to pay the consideration of such subscription. If the new Shares are issued at a premium (higher than the par value), the share premiums shall be paid together with par value of the shares simultaneously. In the event that the subscriber fails to pay the full consideration of the new Shares before such deadline, the Company shall notify such subscriber to pay the consideration within a cure period no less than one month and that any failure to pay the consideration in full within the given cure period will result in such subscriber's right to subscribe the New Shares been forfeited. The subscribers who fail to pay according to the Company's notice shall be deemed to have forfeited their rights, and the New Shares subscribed by them could be offered and sold to others by the Company. Under the aforesaid circumstances, the Company is still entitled to claim</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in January, 2020 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>The shareholder protection matters have been added to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in January, 2020. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p>

	against such defaulting subscribers for the compensation for loss or damage, if any.		
<p>1. A shareholder, who has raised his objection to the adoption of a resolution regarding the following matters at a shareholders' meeting, may request the company to buy back all of his shares:</p> <p>(1) Split-up, consolidation or merger, acquisition or share exchange plan of the company</p> <p>(2) Enter into, amend, or terminate any contract for lease of the company's business in whole, or for entrusted business, or for regular joint operation with others; transfer the whole or any essential part of its business or assets; or accept the transfer of another's whole business or assets, which has great bearing on the business operation of the company.</p> <p>2. The shareholder filing a request under the preceding paragraph shall make it in writing within 20 days since the resolution of the general meeting was made, specify the price for buying back; if the company and shareholder reach an agreement about the price of buying back, the company shall pay for the shares within 90 days since the resolution of the general meeting was made. In case no agreement is reached, the company shall pay the fair price it has recognized to the dissenting shareholder who asks for a higher price within 90 days since the resolution of the general meeting was made. If the company did not pay, the company shall be considered to be agreeable to the price requested by the shareholder.</p> <p>3. The shareholder voted against or waived her voting right to the adoption of a resolution under Paragraph 1 at the shareholders' meeting, may request the company to buy back all of his shares. In case no agreement is reached within 60 days since the resolution of the general meeting was made, the company shall apply to the court for a ruling on the fair price against all the dissenting shareholders as the opposing party within 30 days after that duration. Designate Taiwan Taipei District Court to exercise jurisdiction.</p> <p>4. Shares for which voting right has been waived in the preceding Paragraph shall not be counted in the number of votes of shareholders present at the meeting.</p> <p>Reference : Company Act, Article 317, 186</p> <p>1. Business Mergers and</p>	<p>According to Article 22.1 of the Company's Articles of Incorporation: “</p> <p>In the event any of the following resolutions is adopted at general meetings, any Member who has notified the Company in writing of his objection to such a resolution prior to the meeting and has raised again his/her objection at the meeting, may request the Company to buy back all of his/her Shares at the then prevailing fair price: The Company enters into, amends, or terminates any agreement for any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to other or the regular joint operation of the Company with others; The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or The Company accepts the transfer of the whole business or assets of another person, which has a material effect on the Company's business operations.</p> <p>According to Article 22.2 of the Company's Articles of Incorporation: “</p> <p>In the event any part of the Company's business is Spun Off or involved in any Merger, Acquisition, or Share Swap, the Member, who has voted against or abstained from voting on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to buy back all of his/her Shares at the then prevailing fair price. The Shares for which voting right has been abstained in accordance to this Article 22.2 shall not be counted in the number of votes casted by the Member at a general meeting.</p> <p>According to Article 22.3 of the Company's Articles of Incorporation: “</p> <p>The request prescribed in the preceding two Articles shall be delivered to the Company in writing, stating therein the types and numbers of Shares to be repurchased and the requested purchase price, within twenty days commencing from the date on which the resolution was adopted. In the event the Company has reached an agreement in regard to the purchase price with the dissenting Member in regard to the Shares of such Member (the</p>	<p>Checklist for Shareholder Rights Protection of Foreign Issuers in Places of Registration of the Taipei Exchange newly added in January, 2020 (please refer to the left column), Clause 3 thereof concerns the exercise of dissenting shareholder fails to reach an agreement within a certain period of time due to a dissenting shareholder's request to buy-off its shares in accordance with the matters set forth in Subparagraph 1 of Clause 1, there is a provision that the company should apply to the court for a price ruling. To protect the rights and interests of shareholders, Article 22.4 of the Articles of Incorporation of the Company has incorporated the situations referred to in Subparagraph 1 and Subparagraph 2 of Clause 1 of Checklist of the Shareholder Rights Protection.</p> <p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the amendment in January 17, 2023 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>The shareholder protection matters have been added to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in January, 2020. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p> <p>The shareholder protection matters have been added to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in January 17, 2023. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p>

Acquisitions Act, Article 12	<p>“appraisal price”), the Company shall pay such price within ninety days commencing from the date on which the resolution was adopted. In the event the Company fails to reach such agreement with the dissenting Member, the Company shall pay the fair price determined by the Company to such Member within ninety days commencing from the date on which the resolution was adopted, and the Company will be deemed to have agreed to the purchase price requested by the Member if the Company fails to pay within such ninety days.</p> <p>According to Article 22.4 of the Company’s Articles of Incorporation: “ The request prescribed in the preceding two Articles shall be delivered to the Company in writing, stating therein the types and numbers of Shares to be repurchased and the requested purchase price, within twenty days commencing from the date on which the resolution was adopted. In the event the Company has reached an agreement in regard to the purchase price with the dissenting Member in regard to the Shares of such Member (the “appraisal price”), the Company shall pay such price within ninety days commencing from the date on which the resolution was adopted. In the event the Company fails to reach such agreement with the dissenting Member, the Company shall pay the fair price determined by the Company to such Member within ninety days commencing from the date on which the resolution was adopted, and the Company will be deemed to have agreed to the purchase price requested by the Member if the Company fails to pay within such ninety days.</p>		
1. Before any resolution of merger/consolidation and acquisition by the Board of Directors, the company shall have audit committee or a special committee (applied to the companies with Supervisors) to review the fairness and reasonableness of the plan and transaction of the merger/consolidation or acquisition, and then to report the review results to the Board of Directors and the general meeting. However, if the resolution by the general meeting is not required in accordance with the laws and regulations of its contry of registration, the company may not need to report the review results to the general meeting.	<p>According to Article 32.8 of the Company’s Articles of Incorporation: “ Before the Company convenes a meeting of the Directors to approve any Merger, Acquisition, or Spin-off, the audit committee shall convene a meeting to review the plan and the fairness and reasonability of such transaction, and adopt a resolution on such proposed plan and transaction as the conclusion of such review, the audit committee shall report their resolution to the meeting of the Directors and the meeting of the Members (to the extent that such transaction requires the approval of the meeting of the Members under the Statute or these Articles). During the audit committee’s review, the audit committee shall seek a fairness</p>	The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the new addition in January, 2020 (detailed in the far left column) of the Checklist for Foreign Issuers’ Registration of Shareholders’ Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.	The shareholder protection matters have been added to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders’ rights and interests of foreign issuers in the places of registration of the Taipei Exchange in January, 2020. Therefore, there is no reduction in the protection of shareholders’ rights and interests.

<p>2. When a audit committee or special committee reviews matters, it shall seek opinions from an independent expert on the justification of the share exchange ratio or distribution of cash or other assets.</p> <p>3. The company shall send the review results of audit committees or special committees and opinions of independent experts to the shareholders with the notice of the general shareholders' meeting. However, if the resolution of merger/consolidation and acquisition adopted by the Board of Directors is excluded from a resolution by the general meeting in accordance with the laws and regulations of its country of registration, the Board of Directors shall submit reports for matters of the merger/consolidation and acquisition at the next closest general meeting.</p> <p>4. A company shall send the preceding documents to shareholders. If the company announced the same content as in those documents on a website designated by the competent securities authority of R.O.C. and those documents are prepared in the company and at the venue of the general meeting by a company, those documents shall be deemed as having been sent to shareholders:</p> <p>Reference : Business Mergers and Acquisitions Act, Article 6, 7, 22, 22-3, 31-4, 38-2</p>	<p>opinion from the independent expert advisor with respect to the share exchange ratio, or the amount of cash or other assets to be distributed to the Members. The resolution made as the conclusion of the audit committee's review, and such independent expert advisor's opinion shall be given to the Members along with the notice of meeting of the Members (to the extent that such transaction requires the approval of the meeting of the Members under the Statute or these Articles). If the approval of the meeting of the Members under the Statute or these Articles is not required, the Company shall report such transaction in the next meeting of the Members. In the event that the Company has disclosed the same contents on the website designated by the FSC, and make above documents available at the place of the meeting of the Members for review, the documents shall be deemed having been given to the Members.</p>		
<p>The company shall adopt the electronic transmission as one of the methods for exercising the voting power in a shareholders' meeting. Reference Company Act, Article 177-1 Company Act, Article 177-2</p>	<p>According to Article 19.6 of the Company's Articles of Incorporation: “</p> <p>The voting right of a Member may be exercised by way of an electronic transmission (which shall be indicated on the notice of the general meeting). Where the methods of exercising voting power by way of written ballot or electronic transmission are to be available at a general meeting, they shall be described in the general meeting notice given to the Members in respect of the relevant general meeting, and the Member voting by written ballot or electronic transmission shall submit such vote to the Company two days prior to the date of the relevant meeting. In case that there are duplicate submissions,</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the amendment in May 31, 2021 and March 15, 2022 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>The shareholder protection matters have been amended to the Articles of Incorporation in accordance with the Checklist for the protection of shareholders' rights and interests of foreign issuers in the places of registration of the Taipei Exchange in December, 2019 and May 31, 2021, and March 15, 2022. Therefore, there is no reduction in the protection of shareholders' rights and interests.</p>

	<p>the first received by the Company shall prevail. A Member exercising voting power by way of a written ballot or by way of an electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Public Company Rules. The chairman, acting as proxy of a Member, shall not exercise the voting right of such Member in any way not stipulated in the written or electronic document, nor exercise any voting right in respect of any resolution revised at the meeting or any impromptu proposal at the meeting. A Member voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc resolution or amendment to the original agenda items to be resolved at the said general meeting. Should the chairman not observe the instructions of a Member in exercising such Member's voting right in respect of any resolution, the Shares held by such Member shall not be included in the calculation of votes in respect of such resolution but shall nevertheless be included in the calculation of quorum for the meeting.</p>		
<p>1. Regular meeting of shareholders shall to be held at least once every year, within six months after close of each fiscal year. A shareholders meeting shall be convened by the Board of Directors.</p> <p>2. A company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. Under the circumstances of calamities, incidents, or force majeure, the central competent authority may promulgate a ruling that authorizes a company, which has no above provision in its Articles of Incorporation, within a certain period of time can hold its shareholders' meeting by means of visual communication network or other promulgated methods.</p> <p>3. In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.</p>	<p>According to Article 16.4 of the Company's Articles of Incorporation: “The general meeting may be held by video conference or any other permissible manner announced by the Taiwan competent authority of the R.O.C. Company Law. The general meetings shall be held at such time and place as the Directors shall appoint provided that unless otherwise provided by the Statute or this Article 16.4, the physical general meetings shall be held in Taiwan. For physical general meetings to be held outside Taiwan, the Company shall comply with the relevant procedures and approvals prescribed by the relevant authority in Taiwan. Where a physical general meeting is to be held outside Taiwan, the Company shall engage a professional securities agent in Taiwan to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members). Where a general meeting is held by video conference, the participation by a Member in such video conference is treated as presence in person at</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the amendment in March 15, 2022 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>In accordance with the provisions of the “Checklist for Protection of Shareholders' Rights and Interests of Foreign Issuers in the Place of Registration of Foreign Issuers of the Republic of China” after amendments on March 15, 2022, the Articles of Incorporation have been added to stipulate that the shareholders' meeting may be held by videoconference or other effective means announced by the Ministry of Economic Affairs is related to the protection of shareholders' rights and interests, so there is no part where it reduces the protection of shareholders' rights and interests.</p>

<p>4. For the preceding two paragraphs, the company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters of R.O.C..</p> <p>5. The company shall convene physical shareholders' meeting within the territory of R.O.C.. If the physical shareholders' meeting is convened outside the territory of R.O.C., the company shall report to Taipei Exchange for approval within two days upon the resolution by Board of Directors was made or the permission of convention was issued by the competent authority to the shareholder who apply for a general meeting.</p> <p>Reference Company Act, Article 172-2</p>	<p>that meeting, and the Company shall comply with the relevant qualifications, procedures and other requirements as prescribed by the Applicable Public Company Rules.</p>		
<p>When a company will convene a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook; 21 days before a company is to convene a regular shareholders' meeting, or 15 days before it convenes a special shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials, and upload it to the information disclosure website specified by the FSC.</p> <p>However, in the case of a TWSE or TPEx listed company with paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.</p> <p>Reference Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies, Article 5, 6</p>	<p>According to Article 17.4 of the Company's Articles of Incorporation: “</p> <p>The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials available for inspection by the Members, which will be placed at the office of the Company's registrar (if applicable) and the Company's securities agent, distributed at the meeting venue, and transmitted to the Market Observation Post System in accordance with and within the period required by the Applicable Public Company Rules.</p>	<p>The Company has taken the meaning of the amendment to the Cayman Islands Articles of Incorporation and relevant legal terminology for the meaning of the amendment in March 15, 2022 (detailed in the far left column) of the Checklist for Foreign Issuers' Registration of Shareholders' Rights and Interests. These Articles of Association have been amended with reference to the Cayman Articles and the relevant legal terms.</p>	<p>After reviewing the provisions of the “Checklist for the Protection of Shareholders' Rights and Interests of Foreign Issuers in the Place of Registration of the Taipei Exchange” on March 15, 2022, the Company has stipulated in Article 17.4 of the Articles of Incorporation that the Board of Directors shall prepare the meeting handbook and supplementary information for the shareholders' meeting in accordance with the Company Act and shall transmit the meeting handbook and supplementary information to the Market Observation Post System (MOPS) in accordance with the time limit stipulated by the Company Act, and therefore there is no reduction in the protection of the shareholders' rights and interests.</p>

6-5. If there has been any event list on Securities and Exchange Act, Article 36-3-2, which has a material effect on shareholder equity or securities prices, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, the annual report

shall disclose the matter

None

7. Company Overview

7-1. Our Story

The Company, IntelliEPI Inc.(Cayman) (hereinafter referred to as the “Company”) was incorporated in the Cayman Islands on April 26, 2011 mainly for the organizational structure reorganization of Taipei Exchange’s TPEx applications. After the reorganization, the Company became Intelligent Epitaxy Technology, Inc. (hereinafter referred to as “IET-US”) and issued 25,930,440 common shares with a face value of USD 0.01 on May 31, 2011 in exchange for their shares with IET-US shareholders at a stock exchange ratio of 1.5:1 the common shares and preferred shares of IET-US (i.e. 1 IET-US share for 1.5 shares of the Company) for consolidation into IET-US and its directly-held subsidiaries, including Tianjin Intelligent Epitaxy Technology Co., Ltd. (hereinafter referred to as “IET-China”, liquidation was completed in October 2022), IntelliEPI Japan, Ltd. (hereinafter referred to as “IET-Japan”) and IntelliEPI IR, Inc. (hereinafter referred to as “IET-IR”).

The main business of IET-US and its subsidiaries is the production and sale of compound semiconductor epitaxy wafers for wireless communication, data transmission and U.S. national defense application.

7-2. Milestones

Date	Important events in the history of the Group and the Company
January, 1999	IET-US commenced operation, mainly engaged in high value-added Pseudo-type High Electron Migration Transistors (pHEMT), Heterojunction Bipolar Transistors (HBT), and epitaxy wafers for fiber optic communication.
August, 2000	Vitesse Semi successfully produced the first commercial IC using the 4-inch InP epitaxy wafers grown by IET-US.
June, 2001	IET-US built a new plant in Richardson, Texas, USA.
February, 2002	IET-US was awarded the 2001/2002 Supplier of the Year Award from Vitesse Semi, the world’s largest III-V semiconductor company, in 2001 (and subsequently won this honor in 2002, 2003 and 2004).
September, 2003	IET-US built the world’s largest multi-wafer mass production Molecular Beam Epitaxy machine (MBE, 7 pieces x 6-inch wafers), reaching a monthly capacity of 10,000 pieces of 4-inch wafers.
July, 2004	IET-US successfully passed M/A-COM’s pHEMT product certification and became a qualified supplier.
May, 2006	IET-US successfully passed Company A’s pHEMT product certification, becoming the only qualified supplier.
February, 2007	IET-US acquired ISO 9001-2000 quality management system certification.
January, 2009	IET-US awarded with the U.S. government plan to develop III-V semiconductor infrared detection epitaxy structure with Molecular Beam Epitaxy (MBE) technology.
April, 2009	IET-China successfully produced GaSb/InSb epitaxy grade substrates for the parent company to grow IR epitaxial wafers with MBE.
December, 2009	IET-China was established in Tianjin, China to develop GaSb/InSb crystal growth and 2 inch/3 inch GaSb/InSb epitaxial substrates.
October, 2010	Established IET-Japan to serve major customers.
October, 2010	Awarded the IET-US Award by the U.S. Government for the development of cutting-edge GaSb infrared detection for epitaxial structure on large-size substrates.
January, 2011	IET-US was awarded the 2010 Best Supplier Award by Company A, the world’s largest III-V semiconductor integrated design and manufacturing company, (for its punctual supply of pHEMT, zero defects, and excellent customer support).
March, 2011	IET-US MBE growth high-speed surface emitting laser (VCSEL) passed 14GHz reliability test.
April, 2011	The Company was established as the holding company of the Group.
July, 2011	IET-US rented a large cleanroom in Allen, Texas for Plant 2, and successfully grew 4-inch GaSb

Date	Important events in the history of the Group and the Company
	ingots.
September, 2011	IET-China also successfully grown the first 4-inch GaSb ingot.
May, 2012	Signed a long-term supply contract with Company H.
June, 2012	MBE growth high-speed surface emitting laser (VCSEL) passed 28GHz reliability test.
July, 2013	The Company was listed on TPEx first in Taiwan.
August, 2013	Successfully developed technologies for crystal pulling, grinding and polishing for GaSb substrates.
December, 2013	Signed a cooperation agreement with French firm Soitec, including technology licensing and transfer of production machines.
February, 2014	IET-US leased the Plant 3 in Richardson, Texas for the development of new substrate materials.
July, 2014	Issued the first domestic unsecured corporate bond totaling NTD 300 million.
September, 2014	IET-US signed and completed the GaAs business and machine transfer contract with Soitec's GaAs Epitaxy Division.
September, 2014	IET-US purchases the land in Allen, Texas, USA for building a new plant.
November, 2014	IET-US signed and completed the GaAs MBE business and machine transfer contract with the GaAs MBE department of Company A.
January, 2015	IET-China successfully grown the first 4-inch InSb ingot.
March, 2015	Completed the construction of IET-US's Plant 3 in Arapho, Richardson. MBE-11 began to produce InP epitaxy wafers.
April, 2015	IET-US awarded with several awards of the U.S. government's plan to develop multi-chip epitaxy technology for large-size GaSb infrared detectors.
May, 2015	IET-China successfully grown the first 5-inch InSb ingot.
August, 2015	IET-US and Company H successfully developed the advanced InP HBT technology and started mass production and delivery.
December, 2015	Developed 5-inch InSb ingot with low doping concentration ($<1E15\text{ cm}^{-3}$) from IET-China plant.
February, 2016	Issued the first domestic unsecured corporate bond totaling NTD 300 million with full conversion.
March, 2016	It was the first time that Company A completed the complete manufacturing process of 6-inch InP HBT using the Epitaxial wafers provided by IET-US.
July, 2016	IET-US successfully developed high homogeneity ($<3\text{nm}$) 6-inch VCSEL.
September, 2016	IET-US Ridgemont, Allen had groundbreaking ceremony for new plant and began construction of 70,000 square feet of plant.
October, 2016	Company E launched 56 Gbps Data Center high-speed components using the InP PIN mass produced by IET-US.
January, 2017	IET-China started the second production line for crystal pulling of 2, 3 and 4 inch GaSb substrates.
January, 2017	Lease of US Allen Plant 2 extended until the completion of new plant in Allen.
February, 2017	Started mass production of IET-US 5-inch GaSb substrate and completed the development of 6-inch InSb substrate.
April, 2017	IET-US Ridgemont, Allen new plant road (Ridgemont Drive) expansion started.
September, 2017	IET-China Plant successfully grown the first n+ GaSb ingot.
December, 2017	IET-US Ridgemont Allen new plant was completed, and the relocation of MBE and crystal puller began.
February, 2018	Company B completed the manufacturing process of 1.5-2 μm InP biometric laser with epitaxial wafers provided by IET-US.
March, 2018	An APD team in Japan used IET-US epitaxial wafers and won the Company's Device Innovation Center award.
March, 2018	Signed a cooperation agreement with a French company, Riber, to develop the next-generation MBE mass production machines.
October, 2018	Company B used the GaSb epitaxial wafers provided by IET-US to develop the 2-2.4 μm biometrics

Date	Important events in the history of the Group and the Company
	laser process.
January, 2019	Company C has successfully developed ultra-high-speed wireless optical devices using the 6-inch GaAs epitaxy wafer provided by IET-US.
March, 2019	IET-US breaks through the wavelength limit of InP laser and launches ultra-long wavelength epitaxy wafers.
June, 2019	Signed a cooperation agreement with Company R to develop MBE GaN epitaxy wafers and mass production machines.
September, 2019	Signed a cooperation with a U.S. Company S to develop the next-generation high-density VCSEL epitaxial wafers.
January, 2020	Joint venture with a U.S. company to develop 1.3 μm VCSEL epitaxial wafers.
March, 2020	Signed a contract with Company H to install an in situ metal vapor deposition machine and jointly develop the next generation of InP HBT technology.
July, 2020	IET-IR awarded the U.S. government project to develop MBE epitaxy technology for automotive GaN high-power components.
October, 2020	IET-US completed the assembly of MBE GaN epitaxy mass production machines and started R&D and production.
December, 2020	IET-US received an order from a U.S. Company O to supply GaSb MBE R&D machines for joint development of epitaxy products.
February, 2021	IET-US power supply was interrupted for more than a week after the ice damage in Texas; production quickly resumed after the disaster.
April, 2021	French company Riber delivered one MBE8000 8x6-inch mass production machines to IET-US, which is currently the world's largest MBE equipment.
May, 2021	All employees of IET-US completed the COVID-19 vaccination, and the Company is open to external customers with limited access.
September, 2021	Signed a cooperation agreement with Company R to develop 7x6 inch MBE GaN epitaxy mass production machines.
October, 2021	IET-IR awarded with the U.S. Government (Air Force) Phase II Project to develop GaSb infrared detector epitaxy technology.
April, 2022	IET-US and American E Company jointly developed GaAs substrate nitrogen-doped 1.3 μm VCSEL epitaxy wafer.
May, 2022	Company P successfully developed high-frequency GaN HEMT devices using the 8-inch GaN re-epitaxy wafer provided by IET-US.
August, 2022	IET-IR awarded the U.S. Government (Army) Program to develop short-wavelength infrared APD epitaxy technology.
September, 2022	IET-US signed an agreement with Company Q to purchase five 7x6 inch MBE machines and one 4x6 inch MBE machine.
March, 2023	IET-IR awarded with the U.S. Government (Air Force) Phase II Supplementary Project to develop GaSb infrared detector epitaxy technology.
June, 2023	IET-US launched the R&D project of IET-200 MBE (1x200 mm, 4x4 inch) machine.
October, 2023	MBE growth control software (NOVA) delivered to customer
December, 2023	Purchased the MBE8000 8x6 inch MBE production machine codeveloped with Riber and started production.
March, 2024	IET-US passed the CHIPS ACT pre-application, and was invited to submit full application

7-3. Group structure: Please refer to Special Matters in Chapter 6.

7-4. Risk assessment

The overall economy of the country of registration and the country of major operations,

changes in the political and economic environment, foreign exchange control, taxation and related laws and regulations, whether to recognize the effect of definitive civil judgments of the courts of the Republic of China, and other risk matters, please refer to description of Chapter 5 “Review and Analysis of Financial Position and Financial Performance and Risk Matters” in this annual report.