

M31 Technology Corporation

2024 ANNUAL REPORT

Annual report is available at

Market Observation Post System: <https://mops.twse.com.tw> and

M31 website: <https://www.m31tech.com>

Published on April 10, 2025

Notice to Readers

This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

1. Spokesperson

Name : Silvia Su

Title : Director

Tel : (03)560-1866

E-mail : ir@m31tech.com

2. Acting Spokesperson

Name : Kuang-Hua Ge

Title : Vice President

Tel : (03)560-1866

E-mail : ir@m31tech.com

3. M31 Address and Tel Number

Address : 9F., No. 8, Taiyuan 2nd St., Zhubei City, Hsinchu County, 302, Taiwan (R.O.C.)

Tel : (03)560-1866

4. Stock Transfer Agent

Name : SinoPac Securities, Register & Transfer Agency Department

Address : 3F, No.17, Boai Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)

Tel : (02)2381-6288

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

5. Independent Auditor

Accounting Firm : Deloitte & Touche

Auditors : Mei-Chen Tsai and Yu-Feng Huang

Address : 6F, Allied Association Industries No. 2, Zhanye 1st Rd., Hsinchu Science Park East
Dist., Hsinchu, Taiwan (R.O.C.)

Tel : (03) 578-0899

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

6. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities : N/A

7. M31 Technology Corporation Website : <https://www.m31tech.com>

Table of Contents

I. Letter to Shareholders	1
II. Corporate Governance Report	7
2.1 Directors, Supervisors, President, Vice President and Management Team	7
2.2 Remuneration Paid to Directors, Supervisors, the President, and Vice Presidents.....	15
2.3 Implementation of Corporate Governance.....	23
2.4 Information on CPA Fees	61
2.5 Replacement of CPA	61
2.6 The Chairman, President, or Chief Financial or Accounting Manager of the Company who has worked at the CPA firm or its affiliated companies within the past year.....	61
2.7 Changes in Shareholding and Pledged Shares by Directors, Supervisors, Managers, and Shareholders Holding More Than 10% of Shares During the Most Recent Year and up to the Date of the Annual Report"	61
2.8 Information on shareholders among the top 10 by shareholding percentage who are related parties, or who are spouses or relatives within the second degree of kinship.	62
2.9 The number of shares held in the same investee company by the Company, its directors, supervisors, managerial officers, and enterprises directly or indirectly controlled by the Company shall be combined to calculate the overall shareholding ratio	64
III. Capital Raising Status.....	65
3.1 Capital and Shares	65
3.2 Status of Corporate Bond Issuance	68
3.3 Status of Preferred Share Issuance.....	68
3.4 Status of Overseas Depositary Receipts (GDR/ADR)	68
3.5 Status of Employee Stock Option Issuance	68
3.6 Status of Restricted Employee Shares	68
3.7 Status of Share Issuance for Mergers or Acquisition of Shares in Other Companies	70
3.8 Execution Status of Capital Utilization Plan.....	70
IV. Business Overview	71
4.1 Business Activities.....	71
4.2 Market and Production/Sales Overview	87

4.3 Human Resources in the Past Two Years	92
4.4 Environmental Protection Expenditure Info	93
4.5 Labor-Management Relations.....	93
4.6 Cybersecurity Management	96
4.7 Material Contracts.....	99

V. Review and Analysis of Financial Condition and Performance, and Risk Management..... 101

5.1 Financial Condition.....	101
5.2 Financial Performance	102
5.3 Cash Flow	103
5.4 Impact of Major Capital Expenditures in the Most Recent Year on Financial and Business Operations.....	103
5.5 Investment Policy in the Most Recent Year, Primary Reasons for Gains or Losses, Improvement Plans, and Investment Plans for the Coming Year	104
5.6 Risk Analysis and Assessment.....	104
5.7 Other Important Matters	108

VI. Special Disclosure Items..... 109

6.1 Information on Affiliated Companies.....	109
6.2 Status of Private Placements of Securities in the Most Recent Year.....	111
6.3 Other Necessary Supplementary Explanations	111
6.4 Material matters that have had a major impact on shareholders' equity or securities prices during the most recent year, as stipulated in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act.....	111

I. Letter to Shareholders

Dear Shareholders,

In 2024, the global semiconductor industry faced numerous challenges, including market demand fluctuations, increased macroeconomic uncertainty, and adjustments across the industry supply chain, all of which impacted the Company's operations. Under these conditions, M31 also encountered various headwinds, resulting in revenue performance falling short of expectations and marking the first revenue decline since the Company's founding. Nevertheless, we actively responded to market changes by enhancing product competitiveness and strengthening our technological roadmap, while continuing to deepen relationships with customers and partners in hopes of quickly regaining growth momentum. We sincerely thank our shareholders for their trust and support, and we remain committed to continuous improvement. With steady and strategic planning, we aim to meet future challenges and build a stronger foundation for the Company's long-term development.

1. FY 2024 Operating Results

1.1 Business Plan Implementation Results

- (1) Operating revenue for the year was NT\$1,480,903 thousand, an annual decline of 8.15% compared to the operating revenue of NT\$1,612,337 thousand in 2023. The gross profit margin for both years was 100%; technical service revenue accounted for 83.83%, and royalty income accounted for 16.17% of the operating revenue in 2024, with a slight decrease in royalty income compared to 2023.
- (2) Net income after tax was NT\$126,922 thousand, with a net profit margin of 8.57%, an annual decrease of 70.83% compared to the net income after tax of NT\$435,170 thousand in 2023, mainly due to the decline in operating revenues and the increase in operating expenses; EPS for 2024 was NT\$3.05.

1.2 Financial Budget: M31 did not prepare the annual financial projection for the year 2024.

1.3 Analysis of Financial Income and Profitability

Item \ Year		2024	2023	Difference
Financial Income and Expenses (NT\$ in Thousands)	Net cash generated from operating activities	46,638	241,341	(197,703)
	Net cash used in investing activities	(93,018)	332,001	(425,019)
	Net cash used in financing activities	(289,200)	(258,691)	(30,509)

Item \ Year		2024	2023	Difference
Profitability (%)	Return on Assets	5.62	18.28	(69.26%)
	Return on Equity	6.37	22.20	(71.31%)
	Net income before tax as a percentage of paid-in capital	35.98	147.30	(75.57%)
	Net profit ratio	8.57	26.99	(68.25%)
	Earnings per share (NT\$)	3.05	10.50	(70.95%)

Note: The EPS for 2023 has been retrospectively adjusted to reflect the impact of the stock dividends issued in 2024.

M31's financial income and expenses decreased in 2024 compared to 2023, while profitability also declined compared to 2023.

1.4 Research and Development

– Deepen collaboration with foundries, focusing on FinFET processes below 16nm:

- **12nm process:** Launched standard cell libraries, memory compilers, and general-purpose I/O libraries to meet high-performance and low-power requirements.
- **6nm process:** Developed low-power memory compilers to enhance competitiveness.
- **3nm process:** Invested in Foundation IP R&D to strengthen technological capabilities.

– Mature and specialty process platforms:

- Expand 28nm and above mature process technologies through collaboration with global foundry partners.
- Expanded deployment in high-voltage (HV), embedded non-volatile memory (eNVM), and BCD technologies, successfully introducing specialized processes such as 28nm HPC, 40nm ESF3H, and 40nm HV.

– Advanced process memory segment:

- Completed design and validation of 3nm, 5nm, and 6nm ONFI I/O and PHY, with ongoing optimization.
- Developed integrated PHY and controller to expand into the AI and edge computing markets.

– High-Speed Interface IP:

- Development of 3nm eUSB2 PHY IP completed; 2nm eUSB2 PHY IP is under development.
- Development of 2nm PCIe PHY IP has been initiated.
- Successfully launched 6nm USB4 PHY IP & DisplayPort TX V2.1 PHY, supporting Type-C USB4 SoCs.
- MPHY Gear 4 & Gear 5 (5nm/7nm) development completed, supporting automotive electronics, AR/VR, and sensor applications.

– Memory Interface and Analog IP:

- Successfully developed 12nm LPDDR4 / LPDDR4X PHY IP.
- Completed 3nm DPLL development, demonstrating strong technological innovation.

In summary, in 2024, M31 continued to keep pace with the technological advancements of foundries, actively engaging in the development of high-performance, low-power foundation IP driven by market demand. This development spans process platforms from 12nm down to sub-7nm and further extends into foundation IP development for the advanced 3nm process. In the area of high-speed interface IP, we continued to refine our product portfolio and proactively addressed the growing performance demands of advanced applications. These products have been widely adopted across diverse markets, including automotive electronics, 5G, artificial intelligence (AI), edge computing, network communications, and cloud storage—helping customers accelerate innovation and product upgrades. Additionally, we have taken a forward-looking approach in advancing to the 2nm process node, which has already been certified and adopted by leading international institutions and major enterprises, showcasing our strong R&D capabilities and market competitiveness.

2. Business Plan Outline for 2024

In response to the growing demand for advanced process IP from IC design companies and foundries, M31 established an overseas R&D center in India in 2023, focused on advanced process IP development, and expanded the scale of its subsidiary in China while actively recruiting top global talent. In 2025, we will further strengthen our advanced process development strategy, expand our IP market presence, and enhance market share by deepening strategic partnerships. In addition, as more countries strengthen their local wafer supply chains, we will continue collaborating with leading global foundries and major IC design companies to develop a diversified portfolio of foundation IP and high-speed interface IP, delivering high-value IP solutions. Although revenue declined in 2024 due to weak demand in consumer electronics and project delays from foundry customers, looking ahead to 2025, M31 is fully

committed to reigniting growth momentum, pursuing steady development, and continuously enhancing market competitiveness.

2.1 Growth and Sales Expectation

With the accelerated development of artificial intelligence (AI), 5G, high-performance computing (HPC), and automotive electronics applications, the market is progressing toward a future driven by big data, high-speed transmission, and low latency. According to the latest industry research reports, the global semiconductor market is expected to grow by 13.8% in 2025, reaching a total value of USD 717 billion, which will further propelling Taiwan's semiconductor industry to new heights. Among this growth, the IP industry is projected to expand at a compound annual growth rate (CAGR) of 16.7% through 2026, with the top five high-speed interface IP segments seeing an even higher CAGR of 19%, highlighting the strong growth momentum and market potential in this field. Aligning with industry trends, M31 remains focused on high-frequency, high-speed designs, advanced process technologies, and cutting-edge innovation, continuously delivering high-quality, differentiated IP products and services. As our product portfolio becomes increasingly comprehensive, the company will leverage its industry-leading custom R&D capabilities to further enhance product performance. Overall sales and revenue in 2025 are expected to surpass those of 2024, marking a return to a growth trajectory.

2.2 Production and Marketing

M31's primary markets include Mainland China, the United States, and Taiwan, each with distinct IP demands. In China, government policies have accelerated the rapid growth of the IC design industry, with end applications covering high-, mid-, and entry-level markets. The industry is also actively investing in advanced process development, driving increased demand for high-speed interface IP. Additionally, domestic substitution policies aimed at improving self-sufficiency in IC products above 28nm have further boosted the need for foundation IP. In the U.S. market, the focus is on semiconductor manufacturing technologies and advanced chip R&D. Customers primarily demand IP for high-end applications such as mobile computing, artificial intelligence (AI), automotive electronics, high-performance storage, and cloud servers—all of which require high-performance IP solutions. In Taiwan, M31 works closely with leading foundries. After entering TSMC's sub-16nm FinFET process node in 2023, the company further expanded to the 6nm process in 2024, while also deepening its development of specialty process IP, including HV processes (for display driver ICs), BCD processes (for power management ICs), and eFlash processes (for microcontroller ICs). These applications are also key market segments for Taiwan-based consumer IC design companies. To meet the diverse IP needs of its core markets, M31 continues to invest in R&D, closely following advanced process trends and offering differentiated IP solutions. These efforts aim to increase the penetration of IP products across various application markets and foster the healthy development of the

industry ecosystem. As a professional IP development company, M31 adheres to its commitment not to compete with customers and does not develop its own IC products, ensuring long-term trusted partnerships and allowing the company to continue delivering value to its clients.

3. Future Development Strategies and External Competitive, Regulatory, and Overall Business Environment

As we enter 2025, macroeconomic and geopolitical uncertainties persist. Since the onset of the U.S.-China trade war, various measures such as export bans, import tariffs, and investment restrictions have been implemented. With the continued expansion of U.S. export control measures against China, M31 has maintained a cautious project selection approach since the beginning of the trade war. The company strictly complies with all applicable regulations and follows the most rigorous procedures to assess whether customers meet the relevant requirements, ensuring that services are provided to global clients only under fully lawful and compliant conditions. Looking ahead, M31 will continue to closely monitor U.S. regulatory developments and proactively mitigate geopolitical risks to safeguard the long-term interests of the company's shareholders and employees.

4. Environmental, Social, and Corporate Governance (ESG)

M31 is committed to sound corporate governance, values the rights and interests of stakeholders, and actively promotes the three aspects of ESG through the Sustainable Development Committee, striving toward long-term corporate sustainability.

In 2024, we published our first Sustainability Report, disclosing the company's strategies and responses to issues related to the economy, environment, society, and corporate governance, thereby enhancing information transparency. At the same time, M31 has been ranked among the top 5% of companies in the TPEX Corporate Governance Evaluation for three consecutive years and has been selected for Forbes' "Asia's 200 Best Under a Billion" for two consecutive years—recognition of our long-term commitment to improving corporate governance and the effectiveness of our efforts.

In terms of protecting shareholder rights and ensuring operational transparency, we have consistently held our shareholders' meeting before the end of May since 2018 (with the exception of 2021, which was postponed in accordance with regulatory guidelines due to the pandemic). Since the fourth quarter of 2019, we have also published bilingual (Chinese and English) financial statements immediately following each board meeting to ensure information symmetry. In addition, the company has obtained international certifications in quality management, information security, automotive electronics, and environmental protection, further enhancing operational quality and market competitiveness.

In terms of environmental protection, we actively promote energy reduction and green, low-carbon transformation, continuously working to reduce greenhouse gas emissions. We have set a target to achieve net-zero emissions by 2050. In 2024, the company received an “A” rating from MSCI ESG for the first time and was honored with the Taiwan Corporate Sustainability Awards (TCSA) in both the "Sustainability Reporting" and "Overall Performance" categories, demonstrating outstanding achievements in sustainable development.

Lastly, we sincerely thank our shareholders for their trust and support. All of our employees will continue to work diligently, driving growth through outstanding technology and innovation to deliver greater investment returns and create long-term value together.

II. Corporate Governance Report

2.1 Directors, Supervisors, President, Vice President and Management Team

2.1.1 Directors and Supervisors

(1) Directors and Supervisors

3/31/2025 Unit: shares; %																				
Title	Nationality / Place of Incorporation	Name	Gender / Age	Date Elected	Term	Date First Elected	Shareholding Upon Election		Current Shareholding		Spouse & Minor Children Shareholding		Shareholding Through a Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors, or Supervisors Who Are Spouses or Related Within the Second Degree of Kinship			Note
							Shares	(%)	Shares	(%)	Shares	(%)	Shares	(%)			Title	Name	Relation	
Chairman	R.O.C.	Huey-Ling Chen	Female / 61 to 65	05/24/2023	3 Years	08/05/2021	6,762,000	21.33	8,928,647	21.36	-	-	2,179,384	5.21	- Ph.D. in Information Engineering, Tsinghua University - M.S. in Computer Science, University of California, USA - B.S. in Information Engineering, National Taiwan University - Associate Professor, Minghsin University - Senior Soft Engineer, Cadence	- Chairman,Sirius Venture Ltd. - Chairman, Jui-Chun Investment Company Ltd.	-	-	-	-
Director	R.O.C.	Yuan-Hsun Chang	Male / 46 to 50	05/24/2023	3 Years	05/18/2015	187,000	0.59	154,926	0.37	-	-	-	-	- M.S. in Electronic Engineering, National Chiao Tung University - B.S. in Electronic Engineering, National Chiao Tung University - R&D Manager, Faraday Technology Corporation	- CEO, M31 Technology Corporation - Chairman, M31 Technology USA, Inc. - Chairman, M31 Technology (Shanghai), Inc. - Chairman, M31 Technology India Private Limited	-	-	-	-
Director	R.O.C.	Li-Kuo Liu	Male / 61 to 65	05/24/2023	3 Years	06/28/2016	-	-	-	-	-	-	-	-	- M.S. in Electrical Engineering, State University of New York at Stony Brook, USA. - B.S. in Electrical Engineering, National Cheng Kung University - R&D VP, Faraday Technology Corporation	- Chairman/CEO, JMicon Technology Corp. - Chairman, JMicon International (SAMOA) Ltd. - Chairman, KaiKutech Inc.	-	-	-	-

3/31/2025 Unit: shares; %

Title	Nationality / Place of Incorporation	Name	Gender / Age	Date Elected	Term	Date First Elected	Shareholding Upon Election		Current Shareholding		Spouse & Minor Children Shareholding		Shareholding Through a Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors, or Supervisors Who Are Spouses or Related Within the Second Degree of Kinship			Note
							Shares	(%)	Shares	(%)	Shares	(%)	Shares	(%)			Title	Name	Relation	
Director	R.O.C.	Chun-Hao Lai	Male / 61 to 65	05/24/2023	3 Years	05/24/2023	-	-	-	-	-	-	-	-	- M.S. in Electrical Engineering, University of California, Santa Barbara, USA - B.S. in Electrical Engineering, National Taiwan University - CEO, Global Unichip Corp.	- Director, Giga Solution Tech. Co., Ltd. - Chairman, Skymizer Taiwan Inc. - Independent Director, Silicon Optronics, Inc. - Independent Director, Andes Technology - Independent Director, FocalTech - Director, Wolley, Inc - Consultant, Xconn Technologies	-	-	-	-
Independent Director	R.O.C.	Jun-Ji Lin	Male / 61 to 65	05/24/2023	3 Years	08/18/2017	-	-	-	-	-	-	-	-	- M.S., in Chemistry, Tsinghua University - EMBA, National Taiwan University - B.S., in Chemistry, National Cheng Kung University - Executive VP, GUC - CEO, Xintec - CEO, VisEra Technology Ltd. - Senior Director, TSMC	- Chairman, TEMIC - Chairman, Chi Chi Investment Co. - Director, Taiflex Scientific Co., Ltd. - Director, Stek co., Ltd. - Director, Shui Mu Investment Co., Ltd. - Director, TEN Incubation Corporation - Independent Director, Silicon Optronics Inc. - Independent Director, Sciencetech Corp.	-	-	-	-
Independent Director	R.O.C.	Shih-Ying Huang	Female / 46 to 50	05/24/2023	3 Years	11/13/2018	-	-	-	-	-	-	-	-	- Ph.D. in Financial Management, School of Management, JINAN University, China - M.A. in Law, National Chengchi University - M.S., in Accounting, Chinese Culture University - B.S., in Accounting, Chinese Culture University - CPA, Partner, Diwan & Company	- CPA, Partner, Zhixin Co., CPAs - Independent Director, Alliance Material Co., Ltd. - Independent Director, Creative Sensor Inc. - Independent Director, PET Pharm Biotech Co., Ltd	-	-	-	-

Major shareholders of institutional shareholders: None.

(2) Disclosure of Professional Information of Directors and Supervisors, and Independence of Independent Directors

Criteria Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Huey-Ling Chen	Ms. Huey-Ling Chen holds a Ph.D. in Information Science from National Tsing Hua University. She previously served as a Senior Software Engineer at Cadence and as an Associate Professor at Minghsin University of Science and Technology. She possesses professional expertise in technology, finance, and business management, as well as experience in corporate governance. Additionally, she actively participates in various sustainability-related courses and advocacy events on environmental and social issues.	Except for being a major shareholder of the Company and holding the position of chairman at one subsidiary, there are no issues concerning the fulfillment of independence requirements.	0
Yuan-Hsun Chang	Mr. Yuan-Hsun Chang holds a master's degree in electrical engineering from National Chiao Tung University. He previously served as an R&D Manager at Faraday Technology. At the time of the Company's founding, he served as Vice President of R&D, overseeing the R&D department, and later concurrently took on the role of Head of Sales, managing the Company's sales and customer-related operations. He currently serves as the CEO of the Company and possesses professional expertise in both the industry and business management.	Except for serving as the CEO of the Company and as the chairman of three subsidiaries, there are no concerns regarding independence criteria.	0
Li-Kuo Liu	Mr. Li-Kuo Liu holds a master's degree in electrical engineering from the State University of New York. He previously served as Vice President of R&D at Faraday Technology. He is currently the Chairman and CEO of JMicron and Chairman of KaiKutech Inc. He possesses professional expertise and managerial experience in the industry.	Before and after his election, there was no employment or familial relationship with the Company, and he does not hold any shares of the Company.	0

Criteria Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chun-Hao Lai	Mr. Chun-Hao Lai holds a master's degree in electrical engineering from the University of California. He previously served as the CEO of Global Unichip Corp. and is currently the Chairman of Skymizer Taiwan, as well as an independent director of several companies. He has a strong professional background, extensive management experience, and a respected reputation in the semiconductor industry.	Before and after his election, there was no employment or familial relationship with the Company, and he does not hold any shares of the Company.	3
Jun-Ji Lin	Mr. Jun-Ji Lin holds a master's degree in applied chemistry from National Tsing Hua University and an EMBA from the School of Management, National Taiwan University. He previously served as Senior Director at TSMC, Executive Vice President at GUC, CEO of Xintec, CEO of VisEra Technology. He has also served as a director or independent director at multiple companies and is highly respected in the semiconductor industry.	Meets the independence criteria stipulated in Article 3-1, Paragraphs 1 to 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and does not hold any shares of the Company.	2
Shih-Ying Huang	Ms. Shih-Ying Huang holds a Ph.D. in financial management from Jinan University, a master's degree in law from National Cheng-Chi University and a master's degree in accounting from Chinese Culture University. She was formerly the CPA partner of Diwan & Company, and is currently the CPA partner of ZHIXIN CO. She also serves as an independent director for several companies and possesses professional expertise in finance and law.	Meets the independence criteria stipulated in Article 3-1, Paragraphs 1 to 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and does not hold any shares of the Company.	3

(3) Diversity and Independence of the Board of Directors

(3.1) Board Diversity: The "Corporate Governance Practice Principles" stipulates that the diversity of board composition should be taken into account. In addition to the fact that the number of directors who are also managers of the Company should not exceed one-third of the total number of directors, appropriate diversity guidelines should be formulated with respect to the Company's operation, business model and development needs, which should include but not limited to the following two major criteria:

(3.1.1) Basic criteria and values: gender, age, nationality and culture, etc.

(3.1.2) Expertise and skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members should generally possess the knowledge, skills and qualities necessary to carry out their duties. In order to achieve the desired objectives of corporate governance, the Board as a whole should possess the following competencies:

- A. Business judgment skills
- B. Accounting and financial analysis skills
- C. Business management skills
- D. Risk management skills
- E. Industry knowledge
- F. International market perspective
- G. Leadership skills
- H. Decision-making ability

The Company's six board members include five with industry backgrounds and one with an accounting background, each bringing expertise in areas such as business management, leadership and decision-making, industry knowledge, academia, and finance. Directors who are also employees account for 16.67% of the Board, while independent directors make up 33.33%.

The Company places emphasis on gender diversity within the Board. The target is to have at least one female director; currently, there are two female directors, accounting for 33.33% of the Board. Regarding age diversity, the Company aims to include at least one young or mid-career director. At present, there are two such directors, also accounting for 33.33%. A summary table is provided below:

Core Diversity Criteria		Basic Composition							Professional Background				Industry Experience and Competence			
Title	Name	Nationality	Gender	Employee	Age		Independent Directors Tenure		Technology	Management	Accounting/ Legal	Academics	Accounting/ Finance	Leadership/ Decision Making	IT/ Industry Knowledge	Operations / Crisis Management
					Below 50	Above 50	≤ 3 Terms	> 3 Terms								
Chairman	Huey-Ling Chen	R.O.C.	Female			V			V	V		V	V	V	V	V
Director	Yuan-Hsun Chang	R.O.C.	Male	V	V				V	V			V	V	V	V
Director	Li-Kuo Liu	R.O.C.	Male			V			V	V			V	V	V	V
Director	Chun-Hao Lai	R.O.C.	Male			V			V	V			V	V	V	V
Independent Director	Jun-Ji Lin	R.O.C.	Male			V	V		V	V	V		V	V	V	V
Independent Director	Shih-Ying Huang	R.O.C.	Female		V		V			V	V		V	V	V	V

(3.2) Board Independence: The Company's Board of Directors consists of six members, including two independent directors, accounting for 33.33% of the Board. There are no spousal or second-degree familial relationships among the directors. Only the Chairman, Huey-Ling Chen, and the Director Yuan-Hsun Chang, who also serves as CEO, hold shares in the Company and concurrently serve as responsible persons of subsidiaries. The other directors do not serve as managerial officers of the Company, do not hold any Company shares, and had no prior business dealings with the Company before their appointment. Therefore, the Board of Directors is deemed to possess independence.

2.1.2 President, Vice President and the Management Team

3/31/2025 Unit: shares; %

Title	Nationality	Name	Gender	Inauguration Date	Shareholding		Spouse & Minor Children Shareholding		Shareholding Through a Nominee Arrangement		Experience (Education)	Other Position	Managerial Officers Who Have Spousal or Second-Degree Kinship Relationships			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	R.O.C.	Yuan-Hsun Chang	Male	01/01/2021	154,926	0.37	-	-	-	-	- M.S. in Electronic Engineering, National Chiao Tung University - B.S. in Electronic Engineering, National Chiao Tung University - R&D Manager, Faraday Technology Corporation	- Chairman M31 Technology USA, INC. - Chairman, M31 Technology (Shanghai), Inc.M31 Technologies - Chairman, India Private Limited	-	-	-	-
Vice President of Fundamental IP	R.O.C.	Nan-Chun Lien	Male	02/11/2019	30,022	0.07	-	-	-	-	- Ph.D., in Telecommunications Engineering, National Chiao Tung University - B.S., in Electronic Physics, National Chiao Tung University - Senior Engineer, Faraday Technology Corporation - R&D Engineer, UMC - Product Engineer, TSMC	- Director/President, M31 Technologies India Private Limited	-	-	-	-
Vice President of Functional IP	R.O.C.	Chih-Chien Hung	Male	03/01/2023	5,000	0.01	-	-	-	-	- M.S. in Electrical Engineering, National Taiwan University - B.S. in Electrical Engineering, National Taiwan University - Head of Business Unit, M31 Technology Corporation - R&D Manager, MediaTek Inc. - R&D Engineer, Realtek Semiconductor Corp.	None	-	-	-	-
Vice President of Sales	R.O.C.	Kuan-Hua Ge	Male	03/01/2023	5,412	0.01	-	-	-	-	- B.S. in Electronic Engineering, Fu Jen Catholic University - Director of Asian and European Sales Division, M31 Technology Corporation - Head of Asia-Europe Sales Division, Faraday Technology Corporation - Deputy Technical Manager, Huikei Enterprise Co., Ltd.	- Supervisor, M31 Technology (Shanghai), Inc.	-	-	-	-

Title	Nationality	Name	Gender	Inauguration Date	Shareholding		Spouse & Minor Children Shareholding		Shareholding Through a Nominee Arrangement		Experience (Education)	Other Position	Managerial Officers Who Have Spousal or Second-Degree Kinship Relationships			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President of Business Executive Center and Corporate Governance Officer	R.O.C.	Wei-Ning Liu	Female	1/1/2021	16,280	0.04	-	-	-	-	- Master of Laws, University of Minnesota, USA - Bachelor of Law, Chung Hsing University - Chief Legal Officer, M31 Technology, Inc. - Deputy Director, IROC CO., LTD - Deputy Director, Faraday Technology - Chief Legal Office/ Special Assistant to President, Advantest Taiwan Inc.	- Director, M31 Technology USA, INC.	-	-	-	-
Associate Vice President of Functional IP	R.O.C.	Ting-Chun Huang	Male	12/21/2023	64,322	0.15	-	-	-	-	- M.S. in Electrical Engineering and Control, National Yang Ming Chiao Tung University - B.S. in Electronics Engineering, National Taipei University of Technology - Director, M31 Technology Corp. - R&D Engineer, Faraday Technology	None	-	-	-	-
Associate Vice President of IP Flow	R.O.C.	Yu-Yuan Huang	Male	11/06/2024	3,000	0.01	-	-	-	-	- M.S. in Control Engineering, National Chiao Tung University - B.S. in Electronics Engineering, National Taipei University of Technology - IP Flow Director, M31 Technology Corp. - FAE Manager, NanGate - Engineering Manager, Cadence Design Systems, Inc - Senior Application Consultant, Synopsys Inc.	None	-	-	-	-
Director of Finance	R.O.C.	Yen Chun Huang	Female	02/25/2025	-	-	-	-	-	-	- M.S. in Accounting, Virginia Polytechnic Institute and State University - B.A. in Accounting, National Chengchi University - Distributor, Nu Skin Enterprises (U.S.-based) - Finance Manager, Faraday Technology Corporation - Senior Accounting Specialist, Microelectronics Corporation - Audit Manager, PwC Taiwan - Auditor, Chien Yeh CPAs	None	-	-	-	-

2.2 Remuneration Paid to Directors, Supervisors, the President, and Vice Presidents

2.2.1 Remuneration of Directors and Independent Directors

12/31/2024 Unit: NT\$ thousands; %

Title	Name	Remuneration								Amount and Ratio of Total Remuneration (A+B+C+D) to Net Income (NT\$ thousand / %)		Relevant Remuneration Received by Directors Who are Also Employees								Amount and Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (NT\$ thousand / %)		Remuneration Paid to Directors from Non-consolidated Affiliates or Parent Company
		Base Compensation (A)		Severance Pay(B)		Directors Remuneration (C) (Note 1)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation(G)						
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
Cash	Stock															Cash	Stock					
Chairman	Huey-Ling Chen	2,958	2,958	-	-	292	292	14	14	3,264 /2.57	3,264 /2.57	-	-	-	-	-	-	-	-	3,264 /2.57	3,264 /2.57	-
Director	Yuan-Hsun Chang	-	-	-	-	292	292	12	12	304 /0.24	304 /0.24	7,037	7,037	108	108	-	-	-	-	7,449 /5.87	7,449 /5.87	-
Director	Li-Kuo Liu	-	-	-	-	292	292	12	12	304 /0.24	304 /0.24	-	-	-	-	-	-	-	-	304 /0.24	304 /0.24	-
Director	Chun-Hao Lai	-	-	-	-	292	292	10	10	302 /0.24	302 /0.24	-	-	-	-	-	-	-	-	302 /0.24	302 /0.24	-
Independent Director	Jun-Ji Lin	-	-	-	-	292	292	12	12	304 /0.24	304 /0.24	-	-	-	-	-	-	-	-	304 /0.24	304 /0.24	-
Independent Director	Shih-Ying Huang	-	-	-	-	292	292	12	12	304 /0.24	304 /0.24	-	-	-	-	-	-	-	-	304 /0.24	304 /0.24	-
Independent Director	Cheng-Wen Wu (Note 2)	-	-	-	-	101	101	-	-	101 /0.08	101 /0.08	-	-	-	-	-	-	-	-	101 /0.08	101 /0.08	-

- Please describe the policy, system, standards and structure for the remuneration of independent directors, and the relevance to the amount of remuneration based on the responsibilities, risks, and time commitment: The remuneration of independent directors shall be set at no more than 1.5% of the Company's profits in accordance with Article 23 of the Company's Articles of Incorporation. If the Company makes a profit in its annual accounts, the remuneration of the Company's directors shall be approved by the Board of Directors after consideration by the Compensation Committee based on the results of the Company's operations and the evaluation of individual directors.
- In addition to the above table, the remuneration received by the Company's directors for services rendered to all companies in the financial statement (e.g., serving as consultants to non-employees) in the most recent year: None.

Note 1: This column represents the remuneration of directors approved by the Board of Directors on February 25, 2025.

Note 2: Independent Director Cheng-Wen Wu resigned on May 19, 2024, due to his appointment as Minister of the National Science and Technology Council.

Directors' Remuneration Range Table

Remuneration Range	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All Companies Included in the Consolidated Financial Statement (H)	The Company	All Companies Included in the Consolidated Financial Statement (I)
Under NT1,000,000	Yuan-Hsun Chang, Li-Kuo Liu, Jun-Ji Lin, Shih-Ying Huang, Chun-Hao Lai, Cheng-Wen Wu (Note)	Yuan-Hsun Chang, Li-Kuo Liu, Jun-Ji Lin, Shih-Ying Huang, Chun-Hao Lai, Cheng-Wen Wu (Note)	Li-Kuo Liu, Jun-Ji Lin, Shih-Ying Huang, Chun-Hao Lai, Cheng-Wen Wu (Note)	Li-Kuo Liu, Jun-Ji Lin, Shih-Ying Huang, Chun-Hao Lai, Cheng-Wen Wu (Note)
NT\$1,000,000–NT\$1,999,999	-	-	-	-
NT\$2,000,000–NT\$3,499,999	Huey-Ling Chen	Huey-Ling Chen	Huey-Ling Chen	Huey-Ling Chen
NT\$3,500,000–NT\$4,999,999	-	-	-	-
NT\$5,000,000–NT\$9,999,999	-	-	Yuan-Hsun Chang	Yuan-Hsun Chang
NT\$10,000,000–NT\$14,999,999	-	-	-	-
NT\$15,000,000–NT\$29,999,999	-	-	-	-
NT\$30,000,000–NT\$49,999,999	-	-	-	-
NT\$50,000,000–NT\$99,999,999	-	-	-	-
NT\$100,000,000 or above	-	-	-	-
Total (People)	7	7	7	7

Note: The date is as of December 31, 2024. Independent Director Mr. Cheng-Wen Wu resigned on May 19, 2024, due to his appointment as Minister of the National Science and Technology Council.

2.2.2 Remuneration of Supervisors: N/A.

2.2.3 Remuneration of the President and Vice Presidents

12/31/2024 Unit: NT\$ thousands; %

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of Total Compensation (A+B+C+D) to Net Income (thousand / %)		Remuneration Paid to the President and Vice Presidents From Non-consolidated Affiliates or Parent Company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated Financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Yuan-Hsun Chang	20,895	20,895	756	756	13,456	13,456	-	-	-	-	35,107 /27.66	35,107 /27.66	-
Vice President of Fundamental IP	Nan-Chun Lien													
Vice President of Functional IP	Chih-Chien Hung													
Vice President of Sales	Kuang-Hua Ge													
Vice President of Business Executive Center and Corporate Governance Officer	Wei-Ning Liu													
Associate Vice President of Functional IP	Ting-Chun Huang													
Associate Vice President of IP Flow	Yu-Yuan Huang (Note)													

Note: Assistant Vice President Yu-Yuan Huang was newly appointed on November 6, 2024.

President and Vice Presidents Remuneration Range Table

Remuneration Range	Name of President and Vice Presidents	
	The Company	All Companies Included in the Consolidated Financial Statement (E)
Under NT\$1,000,000	-	-
NT\$1,000,000–NT\$1,999,999	-	-
NT\$2,000,000–NT\$3,499,999	Kuang-Hua Ge	Kuang-Hua Ge
NT\$3,500,000–NT\$4,999,999	Wei -Ning Liu, Ting-Chun Huang, Yu-Yuan Huang	Wei-Ning Liu, Ting-Chun Huang, Yu-Yuan Huang
NT\$5,000,000–NT\$9,999,999	Yuan-Hsun Chang, Nan-Chun Lien, Chih-Chien Hung	Yuan-Hsun Chang, Nan-Chun Lien, Chih-Chien Hung
NT\$10,000,000–NT\$14,999,999	-	-
NT\$15,000,000–NT\$29,999,999	-	-
NT\$30,000,000–NT\$49,999,999	-	-
NT\$50,000,000–NT\$99,999,999	-	-
NT\$ 100,000,000 and above	-	-
Total (People)	7	7

2.2.4 Employee Compensation Allocated to Executive Officers – Names and Details

12/31/2024 Unit: NT\$ thousands

Title		Name	Employee Compensation - in Stock	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	President	Yuan-Hsun Chang	0	0	0	0.00%
	Vice President of Fundamental IP	Nan-Chun Lien				
	Vice President of Functional IP	Chih-Chien Hung				
	Vice President of Sales	Kuang-Hua Ge				
	Vice President of Business Executive Center and Corporate Governance Officer	Wei-Ning Liu				
	Associate Vice President of Functional IP	Ting-Chun Huang				
	Associate Vice President of IP Flow	Yu-Yuan Huang (Note)				
	Finance Manager	Li-Mei, Lo (Note)				

Note: On February 25, 2025, the Company's Board of Directors resolved to allocate director remuneration and employee compensation. Assistant Vice President Yu-Yuan Huang was newly appointed on November 6, 2024; Manager Li-Mei, Lo was re-designated as a non-managerial employee on February 25, 2025.

2.2.5 A comparative analysis over the past two fiscal years of the total remuneration paid by the Company and all entities included in the consolidated financial statements to the Company's directors, supervisors, President, and Vice Presidents, expressed as a percentage of the net income after tax in the individual or separate financial statements. The explanation shall also include the Company's remuneration policies, standards, and composition, the procedures for determining such remuneration, and its correlation with operating performance and future risks.

- (1) Remuneration information for the Company's directors, supervisors, CEO, and vice presidents paid by the Company and all entities included in the consolidated financial statements in the most recent two years

12/31/2024; Unit: %

Item \ Year	2023		2024	
	The Company	All Companies Included in the Consolidated Financial Statements	The Company	All Companies Included in the Consolidated Financial Statements
Directors	3.83	3.83	9.47	9.47
President, Vice Presidents, and Associate Vice President	7.52	7.52	27.66	27.66

Note 1: The remuneration paid by the Company is the same as that paid by all companies included in the consolidated financial statements.

Note 2: The Company's President also serves as a director; therefore, the director's remuneration includes the compensation received as an employee.

- (2) The policies, standards, and structure of remuneration payments, the procedures for determining remuneration, and the correlation with business performance and future risks.

(2.1) Principles of remuneration for directors and supervisors

The remuneration policy of the Company's directors is in accordance with the Company's Articles of Incorporation. The remuneration of the Company's directors is based on their participation in the Company's operations and the value of their contributions, and is determined by the Board of Directors' meeting with reference to industry standards.

The Company's Articles of Incorporation also stipulate that the remuneration of the criteria Company's directors shall be no more than 1.5% of the Company's profit. In the event that the Company makes a profit in its annual accounts, the remuneration of the Company's directors will be based on the results of the Company's operations and individual directors' evaluations, which will be reviewed by the Compensation Committee and approved by the Board of Directors. In 2024, the results of both the Board of Directors (including the questionnaire for external evaluation) and the directors' self-assessment scored 90% or more, i.e., "exceeded the standard," therefore, the directors' remuneration was distributed in accordance with the profitability of the Company during the period of service, please refer to pages 15 to 16 of this annual report.

The following is a list of the items evaluated by the directors and rated on a 5-level scale:

Assessment Items
A. Knowing the Company's goals and missions
Directors have a solid understanding of the Company's core values (mission, vision, culture and other concepts)
B. Awareness of Directors' Duties
Directors are fully aware of the legal obligations of directors
C. Involvement in the operation of the Company
Actual attendance of directors at board meetings (excluding attendance by proxy)
Directors devote sufficient time to board-related matters
Directors contribute effectively at board meetings, such as making specific recommendations on motions, etc.
D. Internal Relationship Management and Communication
The directors and the CPA have had sufficient communication and interactions.
E. Professional and Continuing Education of Directors
The directors have the required expertise to make decisions on the board of directors.

(2.2) Remuneration for President and Vice Presidents (Level)

The appointment, dismissal and compensation of the President and Vice President (including AVP) shall be in accordance with the Company's regulations. The remuneration standards are determined by the Strategic Planning & Compensation Management Office in accordance with the relevant rules of the Company's personnel performance appraisal, individual performance and contribution to the Company's overall operations, and with reference to market peer group standards, after review by the Compensation Committee and approval by the Board of Directors.

The performance of the President is evaluated based on the achievement of the Company's overall annual goals, including the achievement of the Company's consolidated revenue, net profit after tax, development of new products and technologies, systematic process management, customer satisfaction, market competitiveness, talent cultivation, stakeholder satisfaction, and participation in sustainable management, etc., calculated based on the weighted average number of shares held.

The performance of Vice Presidents and Associate Vice Presidents is evaluated based on the achievement of their annual goals, including the departmental goal achievement rate, departmental management, establishment of systems, talent development, and participation in implementing company culture and sustainable management, calculated based on the weighted average number of shares held.

In order to implement the concept of sustainable management and achieve the goal of sustainable management, the Company has added the sustainable development indicators as part of the performance objectives for executive managers, so as to motivate executive managers to achieve the sustainable performance results, and to link with the salary and remuneration policy to achieve the vision of sustainable management.

Incorporate ESG items into executive managers' 2025 annual performance evaluations, as follows:

(2.2.1) Target: Executive managers of the Company

(2.2.2) ESG measurement indicators

- Green Products and Technologies: Promote the development of high-efficiency, low-energy-consumption products and technologies; encourage innovation and actively apply for patents.
- Risk Management: Review and assess the Company's risk management systems and processes, strengthen information security and trade secret protection, hold regular Risk Management Committee meetings, and continuously enhance risk response and management capabilities.
- Climate Adaptation: Conduct greenhouse gas inventories and obtain relevant certifications; prepare sustainability reports to disclose the company's sustainable development information.

- Friendly Workplace: Implement talent recruitment, development, and retention strategies; promote a culture of Diversity, Equity, and Inclusion (DEI); and actively encourage employees to participate in social welfare activities.

(2.2.3) Evaluation Method: In accordance with the Company's performance appraisal procedures, rewards are granted based on the assessment results of executive management's annual performance indicators, which include ESG-related metrics.

(2.3) Business performance and future risks

The Company's compensation policy is based on the individual's ability, contributions to the Company, accomplishment of goals and performance, and is positively correlated with the operating performance and is calculated based on the number of weights. In addition, the Company has a certain degree of control over future risks, and the compensation policy has a certain correlation with future risks. The overall compensation package consists of base salary, bonuses and employee compensation. The base salary is evaluated in accordance with the competitive market situation and the Company's policy for the position held by the employee; the bonus and employee compensation are determined in relation to the employee, the achievement of departmental goals and the Company's operating performance.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

A total of 8(A) meetings of the Board of Directors were held in 2024. The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Chairman	Huey-Ling Chen	8	0	100.00%	
Director	Yuan-Hsun Chang	8	0	100.00%	
Director	Li-Kuo Liu	8	0	100.00%	
Director	Chun-Hao Lai	8	0	100.00%	
Independent Director	Jun-Ji Lin	8	0	100.00%	
Independent Director	Shih-Ying Huang	8	0	100.00%	
Independent Director	Cheng-Wen Wu	3	0	100.00%	5/19/2024 Resigned Required to attend 3 times

Other matters to be recorded:

A1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:

(A1.1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee, and the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. For a description of the matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the operation of the Audit Committee on pages 28 to 30 of this annual report.

(A1.2) Other than the preceding matters, other matters resolved by the Board of Directors with the objection or reservation of the independent directors having records or written statements:
None

A2. Any recusal of Directors due to conflicts of interests shall include the name of the director, the content of the motion, the reason for the recusal and the participation in the vote:

Board Meeting Date (Term)	Content of Proposal and Subsequent Handling
Feb. 27, 2024 6 th Session of the 5 th Term	1. Distribution of director remuneration and employee compensation for 2023 2. Release of the non-competition restrictions for current directors (including independent directors) 3. Review the remuneration of directors and independent directors for 2023 4. Review of managerial officers remuneration for 2023
	Resolution: 1 & 3: Each director, due to his or her own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. The proposal was approved by other attending directors without any objection. 2: Director Yuan-Hsun Chang, Director Chun-Hao Lai, and Independent Director Cheng-Wen Wu, due to their own conflicts of interest, they recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. After the chairperson consulted with the other attending

Board Meeting Date (Term)	Content of Proposal and Subsequent Handling
Feb. 27, 2024 6 th Session of the 5 th Term	<p>directors, the proposal was approved without objection.</p> <p>4: Chairman Huey-Ling Chen, Directors Yuan-Hsun Chang, due to their own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. After the acting chairperson, Independent Director Jun-Ji Lin, consulted the other attending independent directors, the proposal was approved without any objections.</p>
Aug. 6, 2024 11 th Session of the 5 th Term	<p>1. Implementation of the employee stock ownership trust plan</p> <p>Resolution: Chairman Huey-Ling Chen, Directors Yuan-Hsun Chang, due to their own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. After the acting chairperson, Independent Director Jun-Ji Lin, consulted the other attending independent directors, the proposal was approved without any objections.</p>
Dec. 20, 2024 13 th Session of the 5 th Term	<p>1. Review the year-end bonus of managerial officers for 2024</p> <p>2. Investment proposal</p> <p>Resolution:</p> <p>1. Chairman Huey-Ling Chen, Directors Yuan-Hsun Chang, due to their own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. After the acting chairperson, Independent Director Jun-Ji Lin, consulted other attending independent directors, the proposal was approved without any objections.</p> <p>2. Director Chun-Hao Lai, due to his own conflicts of interest, recused himself from the meeting in accordance with the law and did not participate in the discussion or voting. After the chairperson consulted with the other attending directors, the proposal was approved without objection.</p>
Feb. 25, 2025 14 th Session of the 5 th Term	<p>1. Distribution of director remuneration and employee compensation for 2024</p> <p>2. Release of the non-competition restrictions for current directors (including independent directors)</p> <p>3. Review of Directors' (including Independent Directors) Remuneration for 2025</p> <p>4. Review of the Company and its subsidiary managerial officers remuneration for 2025</p> <p>Resolution:</p> <p>1&3. Each director, due to his or her own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. The proposal was approved by other attending directors without any objection.</p> <p>2. Director Chun-Hao Lai, Independent Director Jun-Ji Lin, and Independent Director Shih-Ying Huang, due to their own conflicts of interest, they recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. After the chairperson consulted with the other attending directors, the proposal was approved without objection.</p> <p>4. Chairman Huey-Ling Chen, Directors Yuan-Hsun Chang, due to their own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. After the acting chairperson, Independent Director Jun-Ji Lin, consulted the other attending independent directors, the proposal was approved without any objections.</p>

A3. Implementation Status of the Board of Directors Evaluation

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Result
Performed once a year	01/01/2024 to 12/31/2024	Board of Directors	Internal Self-Assessment of the Board of Directors	Board of Directors' Evaluation Items. 1. Involvement in the operation of the Company 2. Enhancement of the quality of board decisions. 3. Composition and structure of the board of directors. 4. Directors' election and continuing education 5. Internal control	98.96%
Performed once a year	01/01/2024 to 12/31/2024	Individual Board Members	Self-Assessment of Board members	Board Member Evaluation Items. 1. Understanding of the Company's objectives and tasks 2. Awareness of directors' responsibilities 3. Involvement in the operation of the Company 4. Internal relationship management and communication 5. Professional and continuing education 6. Internal control	98.84%
Performed once a year	01/01/2024 to 12/31/2024	Audit Committee	Internal Self-Assessment of Audit Committee	Audit Committee Evaluation Items. 1. Involvement in the Company's operation 2. Awareness of the Audit Committee's responsibilities 3. Enhancement of the quality of the Audit Committee's decision making 4. Composition and election of Audit Committee members 5. Internal control	98.64%
Performed once a year	01/01/2024 to 12/31/2024	Compensation Committee	Internal Self-Assessment of Compensation Committee	Compensation Committee Evaluation Items. 1. Involvement in company operations 2. Awareness of the Compensation Committee's responsibilities 3. Enhancement of the quality of Compensation Committee's decision making 4. Composition and election of Compensation Committee members 5. Internal control	99.25%
Performed once a year	01/01/2024 to 12/31/2024	Nomination Committee	Internal Self-Assessment of Nomination Committee	Nomination Committee Evaluation Items: 1. Involvement in the Company's operation 2. Awareness of the Nomination Committee 's responsibilities 3. Enhancement of the quality of the Nomination Committee 's decision making 4. Composition and election of Nomination Committee Members 5. Internal control	98.75%

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Result
Performed once a year	11/06/2024 to 12/31/2024	Sustainable Development Committee	Internal Self-Assessment of Sustainable Development Committee	Sustainable Development Committee Evaluation Items: 1. Involvement in the Company's operation 2. Awareness of the Sustainable Development Committee's responsibilities 3. Enhancement of the quality of the Sustainable Development Committee's decision making 4. Composition and election of Sustainable Development Committee members 5. Internal control	99.00%

In 2024, the performance evaluation results of the Board of Directors, the above-mentioned Committees and the members of the Board of Directors all scored more than 90%. All of them were "exceeding the standard", which means "effective operation" and were submitted to the Nomination Committee and the Board of Directors on February 25, 2025.

A4. Goals for enhancing the competence of Board of Directors in the current year and most recent year (e.g., establishing the Audit Committee, enhancing the information transparency etc.) and the evaluation of implementation status:

- (A4.1) In order to comply with the principle of corporate governance, the Company established an audit committee in 2017 to replace the supervisor, exercising the functions and powers stipulated in the Securities and Exchange Act, the Company Act and other laws and regulations.
- (A4.2) The Compensation Committee had been established by the Company in 2017, who takes charge of assisting the Board of Directors in assessing and establish the salary and remuneration of Directors and managers periodically, and on a regular schedule review the performance assessment of Directors and managers and the remuneration policy, system, standards and structure.
- (A4.3) In 2021, the Company established a nominating committee to assist the Board of Directors in setting the qualification standards for directors and managers, constructing and developing the organizational structure and performance evaluation operations of the board of directors and members, formulating and regularly reviewing the director training plan and the manager succession plan, and amending the Corporate Governance Practice Principles.
- (A4.4) In 2024, the Company established a Sustainable Development Committee composed of board members, responsible for formulating the Company's sustainable development policies and strategies, overseeing the implementation of sustainability initiatives, and ensuring the disclosure of sustainability-related information.
- (A4.5) The Company's corporate website has set up a corporate sustainability section and an investor section to provide important information on the Company's finance, business and corporate governance, and has also established contact channels for stakeholders.

2.3.2 The operation of the Audit Committee or the participation of supervisors in the operation of the Board of Directors

(1) Audit Committee annual priorities and operations:

In 2023, 3 independent directors were elected, and the 3rd Audit Committee was formed by these 3 independent directors. The Committee shall meet at least once a quarter for the purpose of overseeing the following matters:

- (1.1) Fair representation of the Company's financial reports.
- (1.2) Evaluation and appointment / dismissal of the independence and performance of certified public accountant (CPA).
- (1.3) Effective Implementation of internal control system.
- (1.4) Compliance with relevant laws and regulations.
- (1.5) Control over the existence or potential risks of the Company.

● Main duties and responsibilities are as follows:

- (a1) Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
 - (a2) Assessment of the effectiveness of the internal control system.
 - (a3) Establish or amend procedures for the acquisition or disposal of assets, derivative transactions, lending of funds to others, endorsement or guarantee of others in accordance with Article 36-1 of the Securities and Exchange Act.
 - (a4) Review of matters involving directors' own interests.
 - (a5) Review significant assets or derivative transactions.
 - (a6) Review significant loans, endorsements or guarantees of funds.
 - (a7) Review the raising capital, issuance or private placement of equity securities.
 - (a8) Review the appointment, dismissal or compensation of the CPA.
 - (a9) Review the appointment or removal the supervisor of finance, accounting or internal audit.
 - (a10) The annual financial statement (signed or stamped by the Chairman, manager, and accounting supervisor) and any quarterly financial statement are subject to approval by the CPA.
 - (a11) Review other significant matters stipulated by the Company or competent authorities.
- In 2024, a total of 8 meetings were held, with the following resolutions:
- (b1) Review and revise the annual budget and business plan proposals.
 - (b2) Formulate and amend the internal control system.
 - (b3) Assess the effectiveness of the internal control system.
 - (b4) Review and approval of the authorization for acquiring/disposing of marketable securities or financial product transactions.
 - (b5) Review and approve the cancellation process for restricted employee shares.
 - (b6) Review and approve capital increases and amendments to articles of incorporation of subsidiaries.
 - (b7) Review and approve bank credit limits.
 - (b8) Review and approve the appointment, dismissal, or compensation of the certifying CPA.
 - (b9) Review and approval of the annual financial report and quarterly financial reports that require CPA attestation.

(b10) Review and approve the annual audit plan.

(b11) Review and approve company investment projects and major expenditures.

In 2024, a total of 8 (A) Audit Committee meetings were held. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Convener (Independent Director)	Shih-Ying Huang	8	0	100.00%	
Member (Independent Director)	Jun-Ji Lin	8	0	100.00%	
Member (Independent Director)	Cheng-Wen Wu	3	0	100.00%	5/19/2024 Resigned Required to attend 3 times

Other matters to be recorded:

A1. If the Audit Committee operates under any of the following circumstances, it shall state the date and period of the Audit Committee's meeting, the content of the motion, the content of the independent directors' dissenting opinions, reservations or major proposed items, the results of the Audit Committee's resolutions, and the Company's handling of the Audit Committee's opinions.

(A1.1) Matters referred to in Article 14-5 of the Securities and Exchange Act:

Audit Committee's Meeting Date (Term)	Motion Contents	Resolution of the Audit Committee	Company's Handling of the Audit Committee's Opinion
Feb. 27, 2024 5 th Session of the 3 rd Term	1. Financial statements and business report for 2023 2. Earnings distribution for 2023 3. Release of the non-competition restrictions for current directors (including independent directors) 4. The Company propose to proceed with either a cash capital increase through the issuance of common shares for participation in a Global Depositary Receipt offering or a domestic cash capital increase through the issuance of common shares 5. Statement of Internal Control System for 2023 6. Evaluation and appointment of the CPA's independence and suitability 7. Cancellation of restricted employee shares of capital reduction for the fourth quarter of 2023 8. Authorization to acquire marketable securities	Approved by all members of the Audit Committee without objection.	Except for Proposals 2 and 4, which were deferred by resolution of all directors present at the Board meeting on February 27, 2024, all other proposals were approved without objection.
Mar. 06, 2024 6 th Session of the 3 rd Term	1. Earnings distribution for 2023 2. Issuance of new shares through capital increase by earnings for 2023	Approved by all members of the Audit Committee without objection.	Approved without objection by all directors present on March 06, 2024.

Audit Committee's Meeting Date (Term)	Motion Contents	Resolution of the Audit Committee	Company's Handling of the Audit Committee's Opinion
May 07, 2024 7 th Session of the 3 rd Term	1.Consolidated financial statements for the first quarter of 2024 2.Cancellation of restricted employee shares of capital reduction for the first quarter of 2024 3. Acquisition of money market funds 4. Investment proposal 5. M31 Technology (Shanghai) investment proposal	Approved by all members of the Audit Committee without objection.	Approved without objection by all directors present on May 07, 2024.
May 27, 2024 8 th Session of the 3 rd Term	1.Formulation of the ex-rights date for capital increase by earnings 2. Amendment of M31 Technology (Shanghai) Subsidiary Articles of Incorporation	Approved by all members of the Audit Committee without objection.	Approved without objection by all directors present on May 27, 2024.
Aug. 06, 2024 9 th Session of the 3 rd Term	1. Consolidated financial statements for the second quarter of 2024 2.Cancellation of restricted employee shares of capital reduction for the second quarter of 2024 3.Bank credit line 4.Budget amendments for 2024 5.Seychelle Subsidiary capital increase 6.Mainland China subsidiary capital increase 7.Mainland China subsidiary articles of incorporation amendment 8.Implementation of the employee stock ownership trust plan 9.Establishment of the “Sustainable Development Committee Charter”	Except for Proposal 8, which was deferred by unanimous resolution of all members of the Audit Committee, all other proposals were approved without objection.	Except for Proposal 8, which was deferred based on the resolution of the Audit Committee and by unanimous agreement of all directors present at the Board meeting on August 6, 2024, all other proposals were approved without objection.
Aug. 06, 2024 10 th Session of the 3 rd Term	1.Implementation of the employee stock ownership trust plan	Approved by all members of the Audit Committee without objection.	Approved without objection by all directors present at the Board meeting on August 6, 2024, except for Chairperson Huey-Ling Chen and Director Yuan-Hsun Chang, who recused themselves and left the meeting due to conflicts of interest.
Nov. 06, 2024 11 th Session of the 3 rd Term	1.Consolidated financial statements for the third quarter of 2024 2.Cancellation of restricted employee shares of capital reduction for the third quarter of 2024 3.Audit Plan for 2025 4.Internal control related regulations 5.Major R&D expenditure 6.Application for bank performance bond guarantee	Approved by all members of the Audit Committee without objection.	Approved without objection by all directors present on Nov. 06, 2024.

Audit Committee's Meeting Date (Term)	Motion Contents	Resolution of the Audit Committee	Company's Handling of the Audit Committee's Opinion
Dec. 20, 2024 12 th Session of the 3 rd Term	1.Budget and Operational Plan for 2025 2.Investment proposal	Approved by all members of the Audit Committee without objection.	Approved without objection by all directors present on Dec. 20, 2024.
Feb. 25, 2025 13 th Session of the 3 rd Term	1.Financial statements and business report for 2024 2.Earnings distribution for 2024 3.Amendment of “Articles of Incorporation” 4.Release of the non-competition restrictions for current and newly appointed directors (including independent directors) 5.Statement of Internal Control System for 2024 6.Evaluation and appointment of the CPA's independence and suitability 7.Cancellation of restricted employee shares of capital reduction for the fourth quarter of 2024 8.Appointment of the financial and accounting director	Except for Proposal 4, regarding the concurrent positions held by the current independent director, which was submitted to the Board of Directors for resolution due to a potential conflict of interest, all other proposals were approved without objection.	Approved without objection by all directors present at the Board meeting on February 25, 2025, (except for the director involved in Proposal 4, who recused themselves and left the meeting due to a conflict of interest.)

(A1.2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

A2. Any recusal of Directors due to conflicts of interests, shall state the name of the independent director, the content of the motion, the reasons for the recusal and the circumstances under which he/she participated in the vote: None.

A3. The communication situation between the independent directors and internal audit officer and CPA (shall include the communicated material matters, style and result in terms of financial, business status of the Company):

(A3.1) 2024 communication between the independent directors and the supervisor of internal audit:

Date	Communication Method	Matters of communication, opinions of independent directors and follow-up actions
Feb. 27, 2024	The 5 th Session of the 3rd Audit Committee Meeting	The audit supervisor reported the audit items and results for December 2023; the independent directors agreed with the contents of the report.
Mar. 06, 2024	The 6 th Session of the 3rd Audit Committee Meeting	The audit supervisor reported the audit items and results for January 2024; the independent directors agreed with the contents of the report.
May 07, 2024	The 7 th Session of the 3rd Audit Committee Meeting	The audit supervisor reported the audit items and results for February - March 2024; the independent directors agreed with the contents of the report.
May 27, 2024	The 8 th Session of the 3rd Audit Committee Meeting	The audit supervisor reported the audit items and results for April 2024; the independent directors agreed with the contents of the report.
Aug. 06, 2024	The 9 th Session of the 3rd Audit Committee Meeting	The audit supervisor reported the audit items and results for May - June 2024; the independent directors agreed with the contents of the report.
Nov. 06, 2024	The 11 th Session of the 3rd Audit Committee Meeting	The audit supervisor reported the audit items and results for Q3 of 2024; the independent directors agreed with the contents of the report.
Dec. 20, 2024	The 12 th Session of the 3rd Audit Committee Meeting	The audit supervisor reported the audit items and results for October - November 2024; the independent directors agreed with the contents of the report.
Nov. 06, 2024	Communication meeting between independent directors, internal audit supervisor and the CPA	The Independent Directors and the Internal Audit supervisor reviewed the process for establishing internal control systems in subsidiaries, as well as the management and audit practices of those subsidiaries. In response to issues recently emphasized by the competent authorities—as highlighted by the CPA—such as amendments to internal control systems for regulatory compliance, the implementation of internal controls, supervision of subsidiaries, and identification of related parties, the Internal Audit function was instructed to promptly revise the relevant internal control systems and audit their implementation accordingly.

(A3.2) Communication between independent directors and the CPA in 2024:

Date	Communication Method	Matters of communication, opinions of independent directors and follow-up actions
Feb. 27, 2024	The 5 th Session of the 3rd Audit Committee Meeting	The CPA reported on Deloitte's System of Quality Management (SQM), the significant risks and key audit matters related to the 2023 financial statements, a summary of audit conclusions, other communication matters, a statement of independence, and an introduction to the IFRS Sustainability Disclosure Standards—IFRS S1 and S2.
May 07, 2024	The 7 th Session of the 3rd Audit Committee Meeting	The CPA reported the results of the review of the consolidated financial statements for the first quarter of 2024, other communication matters, and a statement of independence.
Aug. 06, 2024	The 9 th Session of the 3rd Audit Committee Meeting	The CPA reported the results of the review of the consolidated financial statements for the second quarter of 2024, other communication matters, and a statement of independence.
Nov. 06, 2024	The 11 th Session of the 3rd Audit Committee Meeting	The CPA reported the results of the review of the consolidated financial statements for the third quarter of 2024, other communication matters, and a statement of independence.
Nov. 06, 2024	Communication meeting between independent directors, internal audit supervisor and the CPA	The CPA provided updates on key regulatory focus areas recently emphasized by the competent authorities, including amendments to internal control systems for regulatory compliance, implementation of internal control practices, supervision of subsidiaries, and guidelines for the identification of related parties. If deficiencies are found during regulatory inspections, companies may be subject to fines, special audits conducted by the CPA, or official letters requiring comprehensive amendments to internal control procedures. Considering that these matters involve operational aspects at the management level, the Independent Directors recommended that additional meetings be arranged to further discuss the issues and ensure the effectiveness of management practices.

(A3.3) Communication policy between independent directors, the internal audit supervisor, and the CPA

(A3.3.1) At least once a year, a separate meeting shall be held between the CPA and the Internal Audit Supervisor to discuss key issues and areas of special concern for the year.

(A3.3.2) The Internal Audit Supervisor shall regularly report to the Audit Committee on the implementation of the internal audit plan and any significant audit findings.

(A3.3.3) The CPA shall attend the Audit Committee meetings each quarter to report on the results of the financial statement audits or reviews.

(A3.3.4) When the Independent Directors, the Internal Audit Supervisor, or the CPA deem it necessary to communicate, they may do so at any time via phone or email for real-time communication.

(2) Supervisors' participation in the operation of the Board of Directors: N/A.

2.3.3 Corporate Governance Implementation Status and Deviations from the “Corporate Governance Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from the “Corporate Governance Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
1. Does the Company establish and disclose the Corporate Governance Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has formulated its "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". The relevant content has been disclosed on the Company's website and in the Market Observation Post System after being approved by the board of directors.	No significant differences.
2. Equity structure and shareholders' equity				
(1) Has the Company instituted an internal procedure for handling suggestions, questions, disputes of the shareholders and legal actions, and comply with the procedure properly?	✓		(1) The Company had formulated a "Corporate Governance Best-Practice Principles" with a spokesperson system and delegated specific person to take charge of shareholder services and handle the proposals submitted by shareholders, and further employed the legal counsel to assist replying and handling the legal inquiries from the shareholders.	No significant differences.
(2) Has the Company kept track on the major shareholders roster of the Company and the parties controlling these shareholders?	✓		(2) The Company appoints a professional stock agent to update the register of shareholders and the list of substantial shareholders on a regular basis, so as to fully grasp the list of substantial shareholders who actually control the Company and the ultimate controllers of the substantial shareholders.	
(3) Has the Company established and implemented the risk control mechanism and firewall between the corporate headquarters and the affiliates?	✓		(3) The business and financial transactions between the Company and its affiliates are governed by the relevant regulations of the competent authorities and are governed by written regulations.	
(4) Has the Company adopted internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	✓		(4) The Company has established the "Operating Procedures for Handling Internal Material Information and Preventing Insider Trading" and formulated written regulations in accordance with the relevant regulations of the competent authorities to effectively prohibit insiders from using	

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			<p>undisclosed information in the market to trade securities.</p> <p>※On December 20, 2024, the Board of Directors conducted an insider trading awareness session for all directors. Additionally, email reminders were sent to directors and managerial officers prohibiting the trading of the Company's stock within 30 days prior to the annual financial report announcement and 15 days prior to each quarterly financial report announcement. The report also covered the 2024 Ethical management implementation, including employee education and training on integrity management and insider trading regulations.</p>	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board established a diversity policy for the composition and specific management goals of its members and implemented it accordingly?</p>	✓		<p>(1) Among the Company's six directors, five have industry backgrounds and one has an accounting background, with each member bringing expertise in areas such as business management, strategic decision-making, industry knowledge, academia, and finance. Directors who are also employees account for 16.67% of the Board, while independent directors represent 33.33%.</p> <p>The Company places importance on gender diversity within the Board of Directors. The target is to have at least one female director; currently, there are two female directors, accounting for 33.33% of the Board. In terms of age diversity, the Company aims to have at least one young or mid-career director; currently, there are two such directors, also accounting for 33.33%. Please refer to pages 11 to 12 of this annual report for details under "Board Diversity."</p>	No significant differences.

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(2) Further to the establishment of the Compensation Committee and the Auditing Committee, has the Company voluntarily established other functional committees?	✓		(2) The Company established a Nomination Committee on July 6, 2021, and formed a Sustainable Development Committee composed of board members on August 6, 2024, to enhance corporate governance functions.	
(3) Has the Company established a methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the Board, and used such as a reference for individual director remuneration and renomination?	✓		(3) The Company has formulated the Board of Directors' performance evaluation method and its evaluation method. The performance evaluation of the Board of Directors and the members of the Board of Directors in 2024 was evaluated as "exceeded the standard", which is the result of "effective operation" and were reported to the Board of Directors and used as reference for individual directors' remuneration and nomination for reappointment.	
(4) Has the Company evaluated the independence of the commissioned CPA regularly?	✓		(4) The Company assessed the independence of the certifying CPA in both 2024 and 2025, with the evaluations approved by the Audit Committee and the Board of Directors on February 27, 2024, and February 25, 2025, respectively. The CPA was appointed accordingly. The certifying CPA provided Audit Quality Indicators (AQIs) in line with the Company's evaluation standards. For details on the AQI indicators, please refer to Note 1.	

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
4. Does the TWSE/TPEX Listed Company have an appropriate and appropriate number of corporate governance personnel, and has the Company designated a Corporate Governance Senior Officer to deal with corporate governance related affairs (including, but not limited to, providing directors and supervisors with information required for the execution of their duties; assisting directors and supervisors in complying with the laws and regulations; conducting board meeting and shareholders' meeting related matters; and preparing the minutes for board meetings and shareholders' meeting in accordance with the law, etc.)?	✓		<p>The Company has an interdepartmental corporate governance working group responsible for corporate governance related matters. On May 4, 2021, Ms. Wei-Ning Liu, Vice President, was appointed as the Officer of Corporate Governance to coordinate corporate governance related matters, including.</p> <p>A. Handling matters related to the board of directors, each committee (composed of directors) and shareholders' meetings in accordance with the law</p> <p>B. Preparing minutes of board meetings and shareholders' meetings</p> <p>C. Assisting directors in their appointment and continuing education</p> <p>D. Providing information necessary for directors to perform their duties</p> <p>E. Assisting directors in complying with laws and regulations</p> <p>In 2024, the officer of corporate governance performed business as follows:</p> <p>A. Organized 8 Board meetings, 8 Audit Committee meetings, 6 Compensation Committee meetings, 3 Nomination Committee meetings, 2 Sustainable Development Committee meetings, and the 2024 General Shareholders' Meeting under the direction of the Chairman and the respective committee conveners.</p> <p>B. Established and supported operations of the functional committee – Sustainable Development Committee.</p> <p>C. Provided directors with information for continuing education.</p> <p>D. Provided directors with necessary information for the execution of their duties.</p> <p>E. Provided directors with relevant updates on legal and regulatory compliance matters.</p> <p>F. Promptly handled requests from directors.</p> <p>Please refer to Table 2 for further continuing education details.</p>	No significant differences.

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
5. Has the Company established a communications channel and established a designated zone on its website for stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers), and has the Company properly responded to all CSR issues such stakeholders are concerned with?	✓		The Company has a spokesperson and a proxy spokesperson to handle related matters, and has set up an ESG section on the corporate website with management objectives, identification, issues of concern, communication and contact information for stakeholders (including, customers, employees, suppliers, community groups, investor and government agencies) so that the Company can better understand the issues of concern to stakeholders and respond appropriately.	No significant differences.
6. Has the Company appointed a professional shareholder services agent to deal with shareholder affairs?	✓		The Company has delegated a professional stockbroker, the "Brokerage Registry and Transfer Services Department of SinoPac Securities" to handle shareholder meetings and stock-related matters.	No significant differences.
7. Disclosures (1) Has the Company established a website for the disclosure of Company's financial and business, and corporate governance? (2) Has the Company adopted other means of disclosures (e.g., the installation of a website in English language, appointment of designated persons for the gathering and disclosure of information, the proper implementation of the spokesman system, and the minutes of the investor conference on record posted on the website)? (3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year? Does the Company announce and report the first, second, and third quarter financial reports and the monthly operating conditions well in advance of the required deadlines?	✓ ✓ ✓		(1) The Company has a corporate website to disclose both financial standings and the status of corporate governance. (2) The Company has established a spokesperson system and will disclose information about the Company's corporate presentation on the Company's corporate website and the "Market Observation Post System" in accordance with the regulations. (3) The financial statements for the year 2024 were announced and reported in February 2025, and the financial reports for the first, second and third quarters and the operations for each month were announced and reported by the prescribed deadline.	No significant differences.

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices(including, but not limited to, employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, status of directors' continuing education, implementation of risk management policies and risk assessment criteria, implementation of customer related policies, and purchase of liability insurance for directors and supervisors by the Company)?	✓		<p>A. In addition to the Employee Welfare Committee and the pension system, the Company also plans employee group insurance and arranges regular health checks for employees, and actively encourages employees to participate in various training courses.</p> <p>B. The Company has established various internal rules and regulations in accordance with the law to carry out various risk management and evaluation.</p> <p>C. The Company has purchased liability insurance for the directors.</p> <p>D. The directors' continuing education status is detailed in Table 1.</p> <p>E. The Company's corporate website has an ESG section, an investor section and a corporate governance section to provide important information.</p>	No significant differences.
9. State of corrective action taken for responding to the results of the corporate governance assessment announced by Taiwan Stock Exchange Corporation in the Corporate Governance Center the most recent fiscal year, and the priority for improvement on issues pending further corrective action and related measures: None.				

Note 1: The following is a list of the indicators of the accountants evaluated in accordance with the AQIs for 2024, and the results of the evaluations were in line with the expectations.

<p>Aspect 1: Professionalism</p> <p>Indicator 1-1: Auditing Experience</p> <p>Indicator 1-2: Training Hours</p> <p>Indicator 1-3: Turnover Rate</p> <p>Indicator 1-4: Professional Support</p>	<p>Aspect 2: Quality control</p> <p>Indicator 2-1: Accountant's responsibility</p> <p>Indicator 2-2: Audit input</p> <p>Indicator 2-3: Engagement Quality Control Review (EQCR) status</p> <p>Indicator 2-4: Quality control support capability</p>	<p>Aspect 3: Independence</p> <p>Indicator 3-1: Non-audit services</p> <p>Indicator 3-2: Customer familiarity</p>	<p>Aspect 4: Supervision</p> <p>Indicator 4-1: External inspection deficiencies and disciplinary actions</p> <p>Indicator 4-2: Improvement letters from regulatory authorities</p>	<p>Aspect 5: Innovation</p> <p>Indicator 5-1: Innovative planning or initiatives</p>
--	---	---	--	--

Table 1: Directors' Training Status in 2024

Title	Name	Date	Organizer	Course Name	Training Hours
Chairman	Huey-Ling Chen	05/07/2024	Taiwan Investor Relations Institute	Ethical Business Conduct and Insider Trading	3
Chairman	Huey-Ling Chen	07/03/2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Director	Yuan-Hsun Chang	05/07/2024	Taiwan Investor Relations Institute	Ethical Business Conduct and Insider Trading	3
Director	Yuan-Hsun Chang	07/03/2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Director	Li-Kuo Liu	03/01/2024	Taiwan Corporate Governance Association	How the Audit Committee interprets and applies the Audit Quality Indicators (AQIs)	3
Director	Li-Kuo Liu	08/16/2024	Taiwan Corporate Governance Association	Re-evolution of data centers: development trends of silicon photonics and artificial intelligence servers	3
Director	Chun-Hao Lai	08/06/2024	Taiwan Corporate Governance Association	ESG Corporate Actions and Opportunities in Energy Trends	3
Director	Chun-Hao Lai	08/06/2024	Taiwan Corporate Governance Association	Update on International Tax Trends and Brief Analysis of U.S.-Taiwan Tax Relief Legislation	3
Independent Director	Jun-Ji Lin	03/26/2024	Taiwan Corporate Governance Association	Legal Matters Board Directors Should Know About Ethical Corporate Management Best Practice Principles	3
Independent Director	Jun-Ji Lin	05/07/2024	Taiwan Investor Relations Institute	Ethical Business Conduct and Insider Trading	3
Independent Director	Jun-Ji Lin	08/08/2024	Taiwan Corporate Governance Association	Corporate Sustainability and Resilience Management Strategies	3
Independent Director	Shih-Ying Huang	05/07/2024	Taiwan Investor Relations Institute	Ethical Business Conduct and Insider Trading	3
Independent Director	Shih-Ying Huang	07/09/2024	Taipei Exchange	TPEX Group: "AI Strategy and Governance"	3
Independent Director	Shih-Ying Huang	11/22/2024	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3

Table 2: Corporate Governance Officer Training Status in 2024

Title	Name	Date	Organizer	Course Name	Training Hours
Corporate Governance Officer	Wei-Ning Liu	05/07/2024	Taiwan Investor Relations Institute	Ethical Business Conduct and Insider Trading	3
Corporate Governance Officer	Wei-Ning Liu	07/09/2024	Taipei Exchange	TPEX Group: "AI Strategy and Governance"	3
Corporate Governance Officer	Wei-Ning Liu	09/11/2024	Taipei Exchange	Briefing session for insiders on stock ownership, Hsinchu	3
Corporate Governance Officer	Wei-Ning Liu	11/08/2024	Taipei Foundation Of Finance	Corporate Governance – Sustainable Transformation in 2026: Strategic Planning for TNFD and Biodiversity Opportunities	3

2.3.4 Composition, Responsibilities and Operations of the Compensation Committee

(1) Information on Members of the Compensation Committee

Title	Name	Criteria		Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member
		Professional Qualifications and Experience	Independence Criteria	
Convener (Independent Director)	Jun-Ji Lin	Please refer to pages 9 to 12 of this annual report - Directors' Information	Please refer to pages 9 to 12 of this annual report - Directors' Information	2
Member (Independent)	Shih-Ying Huang	Same as above	Same as above	2
Member (Director)	Li-Kuo Liu	Same as above	Same as above	0
Member (Director)	Chun-Hao Lai	Same as above	Same as above	3

(2) Operations of the Compensation Committee

Scope of Compensation Committee:

- Periodically review the organizational procedures of the Compensation Committee and propose amendments.
- To establish and periodic review the performance evaluation standards and performance targets of directors and managers, and the policies, systems, standards and structures of compensation.
- Periodically evaluates the achievement of the performance goals for directors and managers, and sets the remuneration of directors and managers based on the evaluation results of the performance evaluation criteria.

The highlights of the work in 2024 are as follows:

- 2.1 Audit Distribution of director remuneration and employee compensation for 2023
- 2.2 Review of the Remuneration for Managerial Officers of the Company and Its Subsidiaries for 2024.
- 2.3 Review of the directors' remuneration (including independent directors) for 2024.
- 2.4 Review the year-end bonus of managerial officers for 2024
- 2.5 Review of the remuneration for new managerial officers of the Company.

(2.1) The Company's Compensation Committee consists of four members

(2.2) Term of office: May 24, 2023 to May 23, 2026. The most recent annual Compensation Committee met 6 times (A) and the qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate(%) 【B/A】	Remarks
Convener (Independent Director)	Jun-Ji Lin	6	0	100.00%	
Member (Independent Director)	Shih-Ying Huang	6	0	100.00%	
Member (Director)	Li-Kuo Liu	6	0	100.00%	
Member (Director)	Chun-Hao Lai	6	0	100.00%	
Original Convener (Independent Director)	Cheng-Wen Wu	1	0	100.00%	5/19/2024 Resigned Required to attend 1 time

Other matters to be recorded:

- A1. If the Board of Directors declines to adopt or modifies a recommendation of the Compensation Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Compensation Committee's opinion (e.g. the remuneration passed by the Board of Directors exceeds the recommendation of the Compensation Committee, the circumstances and cause for the difference shall be specified): None.

A2. Resolutions of the Compensation Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified:

Compensation Committee Date (Session)	Content of Proposal and Subsequent Handling
Feb. 27, 2024 3 rd Session of the 3 rd Term	<ol style="list-style-type: none"> 1. Distribution of director remuneration and employee compensation for 2023 2. Review of Directors' (including Independent Directors) Remuneration for 2024 3. Review of managerial officers remuneration for 2024 4. Review of Remuneration for Subsidiary Managerial Officers for 2024
	<p>Resolution of the Compensation Committee:</p> <p>1-2: The directors' and employees' remuneration for non-committee members was approved as proposed by all attending committee members. Each committee member, due to potential conflicts of interest (related to directors' and compensation matters), recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. The proposal was approved by other attending directors without any objection.</p> <p>3-4: After the chairperson consulted the other attending directors, the proposal was approved without any objections.</p>
	<p>The Company handling the resolution of the Compensation Committee: (Resolution of the Board of Directors on Feb. 27, 2024)</p> <p>1: The employees' compensation was approved as proposed without objection after the chairperson consulted the other attending directors. As for the directors' remuneration, each director, due to potential conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. The proposal was approved by other attending directors without any objection.</p> <p>2: Each director, due to his or her own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. The proposal was approved by other attending directors without any objection.</p> <p>3: Chairman Huey-Ling Chen, Directors Yuan-Hsun Chang, due to their own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. After the acting chairperson, Independent Director Jun-Ji Lin, consulted the other attending independent directors, the proposal was approved without any objections.</p> <p>4: After the chairperson consulted the other attending directors, the proposal was approved without any objections.</p>
May 27, 2024 4 th Session of the 3 rd Term	1. Nomination of the Convener for the Compensation Committee
	Resolution of the Compensation Committee: All attending committee members nominated Independent Director Jun-Ji Lin to serve as the convener.
	The Company handling the resolution of the Compensation Committee: The nomination result was reported and publicly announced in accordance with regulations.
Aug. 06, 2024 5 th Session of the 3 rd Term	1. Implementation of the Employee Stock Ownership Trust Plan
	Resolution of the Compensation Committee: All attending committee members resolved to defer this proposal.
	<p>The Company handling the resolution of the Compensation Committee: (Resolution of the Board of Directors on Aug 06, 2024)</p> <p>All attending directors, in accordance with the resolution of the Compensation Committee, resolved to defer this proposal.</p>
Aug. 06, 2024 6 th Session of the 3 rd Term	1. Implementation of the Employee Stock Ownership Trust Plan
	Resolution of the Compensation Committee: The proposal was approved with all members present.
	<p>The Company handling the resolution of the Compensation Committee: (Resolution of the Board of Directors on Aug. 06, 2024)</p> <p>After the chairperson consulted the other attending directors, the proposal was approved without any objections.</p>

Compensation Committee Date (Session)	Content of Proposal and Subsequent Handling
Nov. 06, 2024 7 th Session of the 3 rd Term	1. Appointment of managerial officers
	Resolution of the Compensation Committee: The proposal was approved with all members present.
	The Company handling the resolution of the Compensation Committee: (Resolution of the Board of Directors on Nov. 06, 2024) After the chairperson consulted the other attending directors, the proposal was approved without any objections.
Dec. 20, 2024 8 th Session of the 3 rd Term	1. Review the year-end bonus of managerial officers for 2024
	Resolution of the Compensation Committee: The proposal was approved with all members present.
	The Company handling the resolution of the Compensation Committee: (Resolution of the Board of Directors on Nov. 06, 2024) Chairman Huey-Ling Chen, Directors Yuan-Hsun Chang, due to their own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. After the acting chairperson, Independent Director Jun-Ji Lin, consulted the other attending independent directors, the proposal was approved in accordance with the resolution of the Compensation Committee without any objections.
Feb. 25, 2025 9 th Session of the 3 rd Term	1. Distribution of director remuneration and employee compensation for 2024 2. Appointment of the financial and accounting director 3. Review of Directors' (including Independent Directors) Remuneration for 2025 4. Review of the Company and its subsidiary managerial officers remuneration for 2025
	Resolution of the Compensation Committee: 1&3: The directors' and employees' remuneration for non-committee members was approved as proposed by all attending committee members. Each committee member, due to potential conflicts of interest (related to directors' and compensation matters), recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. The proposal was approved by other attending directors without any objection. 2&4: After the chairperson consulted the other attending directors, the proposal was approved without any objections.
	The Company handling the resolution of the Compensation Committee: (Resolution of the Board of Directors on Feb. 25, 2025) 1: The employees' compensation was approved as proposed without objection after the chairperson consulted the other attending directors. As for the directors' remuneration, each director, due to potential conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. The proposal was approved by other attending directors without any objection. 2: After the chairperson consulted the other attending directors, the proposal was approved without any objections. 3: Each director, due to his or her own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. The proposal was approved by other attending directors without any objection. 4: Chairman Huey-Ling Chen, Directors Yuan-Hsun Chang, due to their own conflicts of interest, recused themselves from the meeting in accordance with the law and did not participate in the discussion or voting. After the acting chairperson, Independent Director Jun-Ji Lin, consulted the other attending independent directors, the proposal was approved without any objections.

2.3.5 Information on Nomination Committee Members and Operations

(1) Qualifications and Responsibilities of Nomination Committee Members

The Nomination Committee shall consist of at least three directors elected by the Board of Directors, of which a majority of the independent directors shall participate.

Scope of Reference for the Nomination Committee:

- Define the standards for the professional knowledge, skills, experience, gender and other diverse backgrounds and independence required by board members and senior managers, and use them to find, audit and nominate candidates for directors and senior managers.
- Construct and develop the organizational structure of the board of directors and committees, conduct performance evaluation of the board of directors, committees, directors and senior managers, and evaluate the independence of independent directors.
- Formulate and regularly review the directors' continuing education plan and succession plans for directors and senior managers.
- Amend the Company's "Corporate Governance Practice Principles."

(2) The professional qualifications and experience of the nomination committee members and operations.

(2.1) The Company's Nominating Committee consists of four members.

(2.2) Term of the Current Committee: From May 24, 2023 to May 23, 2026. The Nominating Committee held three meetings (A) in the most recent year. The professional qualifications, experience, attendance, and discussion topics of the committee members are as follows:

Title	Name	Professional Qualifications and Experience	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Convener (Independent Director)	Jun-Ji Lin	Please refer to pages 9 to 12 of this annual report - Directors' Information	3	0	100.00%	
Member (Independent Director)	Shih-Ying Huang	Same as above	3	0	100.00%	
Member (Director)	Li-Kuo Liu	Same as above	3	0	100.00%	
Member (Director)	Chun-Hao Lai	Same as above	3	0	100.00%	
Convener (Independent Director)	Cheng-Wen Wu	Same as above	1	0	100.00%	5/19/2024 Resigned Required to attend 1 time

Other matters to be recorded:

Description of the main proposals of the Nomination Committee, including the meeting dates, meeting sessions, proposal content, any suggestions or objections raised by committee members, the resolutions adopted by the Nomination Committee, and the Company's handling of the Committee's opinions.

Nomination Committee Date (session)	Content of Proposal and Subsequent Handling
Feb. 27, 2024 3 rd Session of the 2 nd Term	1. Formulation of a director's continuing education program
	Nomination Committee Resolutions: The proposal was approved with all committee members present without objections.
	The Company's Handling of Resolutions of the Nomination Committee: To Execute the director training program operations according to the resolution results.
Nov. 06, 2024 4 th Session of the 2 nd Term	1. Appointment of managerial officers
	Nomination Committee Resolutions: The proposal was approved with all committee members present without objections.
	The Company's Handling of Resolutions of the Nomination Committee: (Resolution of the Board of Directors on 11/06/2024) After the chairperson consulted the other attending directors, the proposal was approved without any objections
Dec. 20, 2024 5 th Session of the 2 nd Term	1. Performance Evaluation of the Company's Directors, Board of Directors, and Committees for the Year 2024
	Nomination Committee Resolutions: The proposal was approved with all committee members present without objections.
	The Company's Handling of Resolutions of the Nomination Committee: To implement performance evaluation procedures for directors in accordance with the resolution.
Feb. 25, 2025 6 th Session of the 2 nd Term	1. Formulation of a director's continuing education program 2. Nomination list of independent director candidates 3. Appointment of the financial and accounting director
	Nomination Committee Resolutions: The proposal was approved with all committee members present without objections.
	The Company's Handling of Resolutions of the Nomination Committee: 1. To Execute the director training program operations according to the resolution results. 2&3: the chairperson consulted the other attending directors, the proposal was approved without any objections on 02/25/2025.

2.3.6 Information on the Members and Operation of the Sustainable Development Committee

(1) Qualifications and Responsibilities of the Members of the Sustainability Committee

The Committee shall consist of no fewer than three members, who shall be appointed by resolution of the Board of Directors. Members of the Committee shall possess professional knowledge and expertise in corporate sustainability, and at least one director shall participate in the oversight function.

In accordance with the Company's scale, industry characteristics, and the need for sound sustainability management, the Committee has established a part-time Sustainable Development Committee executive unit and may designate a senior executive to serve as Chief Sustainability Officer to ensure the effective promotion of the Company's sustainability-related initiatives.

The Chief Sustainability Officer, or an individual holding an equivalent position, may form cross-functional teams based on the sustainability needs of various departments to carry out sustainability-related tasks.

Scope of Authority of the Sustainable Development Committee:

- Formulate, promote, and strengthen the Company's sustainability policies, annual plans, and strategies.
- Review, track, and revise the implementation status and effectiveness of sustainability initiatives.
- Oversee the disclosure of sustainability-related information and review the Company's sustainability report.
- Supervise the execution of tasks related to the Company's Sustainability Code or other sustainability-related matters as resolved by the Board of Directors.

(2) The professional qualifications, experience, and operational status of the Sustainability Committee members.

(2.1) The Company's Sustainability Committee consists of five members.

(2.2) Term of the Current Committee: From August 6, 2025 to May 24, 2026. The Sustainability Committee held two meetings (A) in the most recent year. The professional qualifications, experience, attendance, and discussion topics of the committee members are as follows:

Title	Name	Professional Qualifications and Experience	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Convener (Chairman)	Huey-Ling Chen	Please refer to pages 9 to 12 of this annual report - Directors' Information	2	0	100.00%	
Member (Director)	Li-Kuo Liu	Same as above	2	0	100.00%	
Member (Director)	Chun-Hao Lai	Same as above	2	0	100.00%	
Member (Independent Director)	Jun-Ji Lin	Same as above	2	0	100.00%	
Member (Independent Director)	Shih-Ying Huang	Same as above	2	0	100.00%	

Other matters to be recorded:

Description of the main proposals of the Sustainable Development Committee, including the meeting dates, meeting sessions, proposal content, any suggestions or objections raised by committee members, the resolutions adopted by the Sustainable Development Committee, and the Company's handling of the Committee's opinions.

Sustainable Development Committee Date (session)	Content of Proposal and Subsequent Handling
Nov. 06, 2024 1 st Session of the 1 st Term	1. Nomination of the convener for the sustainable development committee 2. Formulation of the "Sustainability Information Management Procedures"
	Resolution of the Sustainable Development Committee: 1. All attending committee members elected Chairperson Huey-Ling Chen as the convener. 2. The proposal was approved without objection by all attending committee members.
	Resolutions of the Sustainable Development Committee: 1. The nomination result was reported and publicly announced in accordance with regulations. 2. Resolutions of the Board of Directors on November 6, 2024: After the chairperson consulted the other attending directors, the proposal was approved without any objections.
Dec. 20, 2024 2 nd Session of the 1 st Term	1. Ethical management plan for 2025 2. Sustainable development plan for 2025
	Resolutions of the Sustainable Development Committee: The proposal was approved without objection by all attending committee members.
	The Company's Handling of Resolutions of the Sustainable Development Committee: (Resolution of the Board of Directors on 12/20/2024) After the chairperson consulted the other attending directors, the proposal was approved without any objections.

2.3.7 Status of Sustainable Development Implementation and Explanations for Deviations from the “Sustainable Development Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from "the Sustainable Development Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
1. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or non-dedicated) unit to promote sustainable development, relevant affairs of which are handled by senior managerial officer under the Board's authorization and supervision?	✓		<p>On August 6, 2024, the Company established a Sustainable Development Committee composed of board members. Chairman Huey-Ling Chen leads the Committee, along with its cross-departmental executive units and working groups, in actively fulfilling the Company's commitments to society, employees, and shareholders. The Committee also ensures transparency and disclosure of sustainability-related information and reports its implementation progress to the Board of Directors annually.</p> <p>The executive units and working groups of the Sustainable Development Committee held quarterly meetings throughout 2024 to discuss various sustainability-related initiatives and the disclosure of sustainability information, including updates to the Company's official website and the 2023 Sustainability Report. These efforts were overseen and authorized by Chairman Huey-Ling Chen. The content of the Sustainability Report was subsequently approved by the Board of Directors on May 27, 2024.</p> <p>On December 20, 2024, the Company's Board of Directors approved the 2025 Sustainable Development Plan, which includes key initiatives such as annual materiality assessment, preparation and development of the Sustainability Report, greenhouse gas inventory, ESG education and advocacy activities, implementation of energy-saving actions, ESG performance disclosure on the official website, performance reporting (covering risk management, information security, intellectual property rights, and ethical business conduct), and participation in ESG-related award programs.</p>	No significant differences.

Evaluation Item	Implementation Status			Deviations from "the Sustainable Development Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
2. Did the Company conduct risk assessments of environmental, social and corporate governance issues for its operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>The Company's Risk Management Committee operates in accordance with the established "Risk Control and Management Procedures." Each department is responsible for regularly assessing and reviewing risk-related matters, reporting the results to the Risk Management Committee, and discussing major risks and corresponding solutions.</p> <p>In line with the materiality principle, the Company periodically assesses environmental, social, and corporate governance (ESG) risks related to its operations (for details on risk assessment and management strategies, please refer to the Company's corporate website). No risks with significant impact on the Company have been identified. Relevant factors are used as a reference for risk control and are regularly reported to the Audit Committee and the Board of Directors.</p> <p>On August 6, 2024, the Company reported to the Audit Committee and the Board of Directors on risk management and information security performance for the year.</p>	No significant differences.
3. Environmental Issues				
(1) Has the Company established an appropriate environmental management system in accordance with its industrial characteristics?	✓		(1) The Company operates in the IC design service industry, primarily engaged in licensing IP (intellectual property) and does not produce physical products. As a non-polluting enterprise, the Company has not undergone environmental management system certification.	No significant differences.
(2) Has the Company made effort to enhance the resources efficient use and used regenerated materials to mitigate the impact on the environment?	✓		(2) The Company complies with relevant environmental protection regulations. It monitors air conditioning temperatures to promote energy conservation and carbon reduction. A contract has been signed with a licensed cleaning company to conduct daily cleaning and resource waste recycling, in line with the Company's sustainable development policy on environmental protection and resource reuse.	
(3) Has the Company assessed the potential current and future risks and opportunities from climate change for the Company, and has the Company taken measures to address climate related issues?	✓		(3) The Company evaluates the potential risks and opportunities of climate change on its operations and has implemented responsive measures to address climate-related issues. For details, please refer to the Company's corporate website.	

Evaluation Item	Implementation Status			Deviations from "the Sustainable Development Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total volume of waste materials for the past two years, and has the Company formulated policies for greenhouse gas reduction, water use reduction, and other waste management?	✓		(4) The Company has established relevant environmental protection policies and has compiled statistics on greenhouse gas emissions, water consumption, and total waste volume over the past one to two years. Details are available on the Company's corporate website. In April 2024, the Company completed ISO 14064 certification and obtained the certificate.	
4. Social issues				
(1) Has the Company established related management policy and procedure in accordance with applicable legal rules and international conventions on human rights?	✓		(1) The Company protects employee rights in accordance with the United Nations Universal Declaration of Human Rights to establishes work rules, Complaint and Report Procedures, workplace sexual harassment prevention measures, complaint and disciplinary measures, and other related management policies and procedures in accordance with the Labor Standards Law and related labor laws and regulations to protect the legitimate rights and interests of employees.	No significant differences.
(2) Has the Company established and implemented reasonable employee benefit measures (including compensation, leave, and other benefits), and are operational performance and results appropriately reflected in employee compensation?	✓		(2) The Company has established a reasonable salary and compensation policy and a clear system of rewards and penalties. Annual salary adjustments, year-end bonuses, employee compensation and performance bonuses are based on the Company's operating conditions, individual employee and departmental performance, and other relevant factors to determine the amount of bonuses to be distributed.	
(3) Has the Company provided a safe and healthy work environment for the employees, and provided education on labor safety and health regularly?	✓		(3) The Company regularly promotes and implements labor safety and health measures for its employees and conducts regular inspections of the working environment, as described on pages 94 to 95 of this annual report.	
(4) Has the Company established the training program for the effective planning of career development for the employees?	✓		(4) The Company arranges on-the-job training from time to time according to the needs of employees and work. For details, please refer to pages 93 to 94 of this annual report and the Company's corporate website.	

Evaluation Item	Implementation Status			Deviations from "the Sustainable Development Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(5) Does the Company comply with laws, regulations, and international standards when managing customer health and safety, customer privacy, and marketing and labeling of products and services and relevant issues? Has the Company established a policy and complaint procedure to protect consumer rights?	✓		(5) The Company has established procedures for handling customer complaints and a customer-oriented quality system to assess customer satisfaction with the Company's products and services to achieve the goal of sustainable business operation.	
(6) Has the Company established a supplier management policy that requires suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights issues? Has the Company established an implementation method for such?	✓		(6) The Company is committed to ethical management, ethical behavior and sustainable development. To ensure that our supply chain is consistent with our values, we have formulated a supplier management policy. Through a rigorous implementation of the supplier management system, we emphasize supplier fulfillment in the areas of ethics, environmental protection, workplace safety, respect for labor rights, and other core values. Since 2020, we have required new suppliers to sign a "Supplier Commitment Letter." During the evaluation stage of new suppliers, our company requests them to provide relevant information and also requires them to comply with the laws and regulations of their respective countries and regions. Each year, we conduct comprehensive performance evaluations of new suppliers or suppliers who have already passed the qualification standards based on the "Supplier Evaluation Assessment Form." In 2023, we evaluated 20 suppliers whose procurement amounts exceeded specific thresholds, demonstrating that they met our company's standards and expectations in sustainable operations, quality management, timely delivery, and reasonable pricing.	
5. Does the Company refer to international standards / guidelines in the preparation of its reports, such as Sustainability Report, that disclose non-financial information? Has the Company obtained a third-party verification or assurance opinion on previously disclosed reports?	✓		The Company prepared its 2023 Sustainability Report with reference to the GRI and SASB Standards. The report was approved for publication by the Board of Directors, and an assurance statement was obtained from Great Certification in May 2024.	No significant differences.

Evaluation Item	Implementation Status		Deviations from "the Sustainable Development Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
6. If the Company has its own sustainable development practice principles formulated in accordance with the "Corporate Sustainable Development Practice Principles for TWSE/TPEx Listed Companies", please describe the differences between its operations and the said principles: The Company has formulated the "Sustainable Development Practice Principles." and there are no significant differences between actual operations and the established principles.			
7. Other important information to facilitate better understanding of the Company’s corporate social responsibility practices: ➤ Disclose investor-related issues in a timely manner and communicate effectively with investors through regular domestic and international institutional investor conferences. ➤ Continuously improve product energy efficiency and reduce power consumption. ➤ Make donations and provide supplies to social welfare organizations, and participate in community service activities: Mar. 2024 In collaboration with employees, the Company participated in the "Taiwan Native Tree Planting Project," with 46 colleagues collectively sponsoring and planting 90 saplings on the campus of Ming Chuan University. Mar. 2024 A total of 23 employees volunteered for the 10th "Good Day" charity walking event organized by the Syin-Lu Social Welfare Foundation. Additionally, 33 employees and their family members participated in the walk. May/Aug. 2024 The Company sponsored NT\$112,000 to the Hsinchu Building Love Association and jointly organized two Love Building Concerts. Jun. 2024 Employees participated in a year-long sponsorship and education fund support program for “Hsinchu Fang-Chi Kindergarten.” A total of 78 employees joined the initiative, providing monthly deliveries of NT\$20,650 worth of supplies and NT\$37,000 in education fund donations. Aug. 2024 Eleven employees were invited to join the volunteer team for the “Syin-Lu Foundation” graduation ceremony and helped prepare graduation gifts for the graduating students. Aug. 2024 Assisted Fang-Chi Kindergarten in completing summer disinfection of both indoor and outdoor areas of the campus. Sep. 2024 Collected 200 new and used books donated by employees and delivered them to the Eslite Cultural and Arts Foundation and Fang-Chi Kindergarten. In addition, the Company participated in the “SDGs Book Donation Project” organized by the Eslite Cultural and Arts Foundation by purchasing 176 new children’s books on related topics, which were donated to five under-resourced rural schools. Oct. 2024 The Company sponsored NT\$50,000 to the “Hsinchu Building Love Association” and jointly co-organized the "Love Building Aesthetic Festival x Dear Violin Story Festival."			

Evaluation Item	Implementation Status			Deviations from "the Sustainable Development Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
Nov. 2024 Purchased NT\$100,000 worth of charitable supplies and donated them to the “Huashan Social Welfare Foundation” and the “Genesis Social Welfare Foundation Hsinchu Branch.”				
Nov. 2024 In collaboration with the Society of Wilderness, the Company participated in the “Touqian River Cleanup – Hsinchu’s Mother River” activity, with 37 employees and their family members joining the effort.				
Dec. 2024 A total of 86 employees and their family members were invited to participate in the “ADA Charity Christmas Run.” The organizer donated the full registration fee of NT\$68,200 to "Children's Bookhouse" and "Little Grass Bookhouse."				
Dec. 2024 Employees sponsored 75 Christmas gifts for children in early intervention programs and underprivileged rural areas through the Syin-Lu Foundation. The Foundation was also invited to organize a charity sale event, with all proceeds donated back to the Foundation. In addition, children from Fang-Chi Kindergarten in Jianshi, Hsinchu, were invited to join the Christmas celebration and sing carols.				
Jan. to Dec. 2024 A total of 58 employees served as community volunteers for the Syin-Lu Foundation, contributing a combined total of 390 service hours.				
<p>➤ In support of environmental protection, the Company encourages employees to use electronic documents whenever possible to reduce paper consumption and to reuse the blank sides of discarded documents. The Company has also been deeply committed to social responsibility and public welfare over the long term, giving back to society in a timely and meaningful manner.</p> <p>➤ Campus–Industry Exchange Seminars: Senior executives from the Company delivered guest lectures at various universities to help students gain a better understanding of the IP industry and support their future career planning.</p> <p>For more details, please visit the Company’s corporate website.</p>				

2.3.8 Implementation of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Has the Company established an ethical corporate management policy that has been approved by the Board of Directors, and clearly stated the ethical corporate management policy and practices, as well as the commitment of the Board of Directors and the top management to actively implementing the management in the Articles of Incorporation and external documents?</p> <p>(2) Has the Company established a mechanism to assess unethical conduct risks? Does that Company regularly analyze and evaluate the business activities within its scope of business that have a higher risk of unethical conduct? Has the Company accordingly formulated a plan to prevent unethical conduct, covering at a minimum the preventive measures for the acts mentioned in Article 7-2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Whether the Company has stipulated the operating procedures, conduct guidelines, disciplinary actions against violations as well as grievance system in the plan to prevent unethical conducts, implemented the execution thereof, and regularly reviewed and revised the aforementioned plan?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established "Ethical Management Principles" approved by the Board of Directors to implement the Ethical Management Policy, which is publicly disclosed on the corporate website and the Market Observation Post System (MOPS), and all managerial officers and employees are required to comply with this code of conduct in any of the activities they engage in.</p> <p>(2) In the "Ethical Management Principles", has specific rules and regulations that specify the preventive measures for business activities with higher risk of unethical conduct, and internal audit teams regularly review the risk of unethical conduct and various internal control operations. The Company has also established the "Complaint and Reporting Procedures" to encourage internal and external personnel to report unethical or misconduct in order to implement ethical management and to ensure the legitimate rights and interests of the whistleblower and the other parties. In 2024, the Company made no political donations and did not engage in any prohibited conduct as defined by the Ethical Management Principles.</p> <p>(3) The Company has established the "Ethical Management Principles", "Work Rules" and "Complaint and Reporting Procedures" to specifically regulate the matters to which the employees should pay attention when performing business. The Company has also established rules for employee rewards and punishments to discipline employees for unethical behavior and provide a channel for employees to file complaints and handle opinions of employees who consider unfair and unreasonable treatment.</p>	No significant differences

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
<p>2. The Materialization of Ethical Management</p> <p>(1) Has the Company evaluated the record on ethical practices of its counterparties, and has specified the clause of business ethics in the agreements binding the Company and its counterparties?</p> <p>(2) Has the Company established a dedicated (concurrently) unit under the Board of Directors to promote ethical corporate management, and to report to the Board of Directors on a regular basis (at least once a year) regarding ethical corporate management policies and plans, in order to prevent unethical conduct and to monitor their implementation?</p> <p>(3) Has the Company mapped out the policy for the avoidance of the conflict of interest and has provided suitable channels for such purpose, and properly pursued the policy?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) Prior to the transaction, the Company conducts credit operations for the counter-parties in accordance with the internal control regulations and understands through various channels whether the counter-parties have engaged in dishonest transactions.</p> <p>(2) The Company's Board of Directors has approved the amendment of the "Ethical Corporate Management Practice Principles" as its policy on ethical management, and has set up an ethical management unit to promote ethical corporate management activities, and regularly reports to the Board of Directors on the Company's ethical management and the annual promotion plan approved by the Board of Directors.</p> <p>On December 21, 2023, the Company's Board of Directors approved the 2024 Ethical Corporate Management Plan. On December 20, 2024, the Board approved the 2025 plan and reviewed the 2024 implementation results, which included initiatives related to core values, education and training, internal controls and preventive measures, and whistleblowing mechanisms. No complaints or reports of unethical conduct were received.</p> <p>(3) The Company has established the "Complaint and Reporting Procedures" to implement the policy of preventing conflict of interest and provide appropriate channels for all employees to explain whether they have potential conflict of interest with the Company. In the rules of procedure or committee organization, it is explicitly stated that the participants are required to recuse themselves from the relevant operations in accordance with the law and to implement them due to their own interests.</p>	No significant differences.

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
<p>(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management? Has the internal auditing unit prepared an audit plan based on the assessment results for unethical conduct risks, and checked compliance with the unethical conduct prevention plan accordingly, or appointed a CPA to conduct the audit?</p> <p>(5) Has the Company organized internal and external training on ethical management?</p>	<p>✓</p> <p>✓</p>		<p>(4) In order to implement ethical management, the Company has established and effectively implemented an accounting system and internal control system, and the internal auditors prepare an audit plan based on the assessment results of the risk of unethical behavior and check the compliance with the plan. 2024 audit items were audited with respect to the contents and implementation of the "Ethical Corporate Management Practice Principles" and there were no deficiencies.</p> <p>(5) The company promotes and enables employees to clearly understand the Company's ethical management philosophy and guidelines through various channels. In 2024, important regulations related to ethical management and insider trading were compiled and promoted through the Company's intranet, The training was conducted via online reading and quizzes, with 241 employees participating and an attendance rate of 87%.</p>	
<p>3. The reporting system of the Company in action</p> <p>(1) Has the Company established a reporting and reward system and the channels for facilitating the report on unethical practices, and has appointed designated personnel to handle the subject of reporting?</p> <p>(2) Has the Company created a standard procedure for the investigation of reported matters, follow-up measures to be taken after the completion of the investigation, and relevant confidentiality mechanisms?</p> <p>(3) Has the Company taken protection measures to protect the informant from improper treatment after reporting on unethical practices?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established the "Complaint and Reporting Procedures", which clearly define the systems for rewards and penalties, complaint and disciplinary procedures, whistleblowing channels, and designated personnel responsible for handling reports.</p> <p>(2) The Company has established the "Complaint and Reporting Procedures", which clearly stipulates the standard operating procedures for investigations, the follow-up actions to be taken upon completion of investigations, and the relevant confidentiality mechanisms. There were no complaints or reporting cases in 2024.</p> <p>(3) The Company's 'Complaint and Reporting Procedure' clearly stipulates that whistleblowers shall be granted strict confidentiality and are protected from any improper treatment as a result of their reporting.</p>	No significant differences.

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
<p>4. Enhancing Information Disclosure</p> <p>Has the Company disclosed the content of Ethical Corporate Management Best Practice Principles and the result at its official website and MOPS?</p>	✓		The Company's "Ethical Management Principles" are publicly disclosed on both the corporate website and the Market Observation Post System (MOPS). The content and implementation status of the principles are also disclosed in the Company's annual report and on its corporate website.	No significant differences.
<p>5. If the Company has established performance of good-faith management best practice principles based on "Ethical Corporate Management Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the principles and their implementation: No significant differences.</p>				
<p>6. Other important information for the understanding of the Company's ethical management status:</p> <p>The Company will always pay attention to the development of domestic and international regulations related to ethical management, and encourage directors, managers and employees to make suggestions to review and improve the Company's policies and measures to promote ethical management in order to enhance the effectiveness of the implementation of the Company's ethical management.</p>				

2.3.9 Other important information enhancing understanding of the state of the Company's corporate governance

The Company's corporate governance practices principles can be found on the Market Observation Post System or the Company's corporate website.

2.3.10 Internal Control System Implementation Status Is as Follows:

(1) Statement of Internal Control

M31 Technology Corporation

Statement of Internal Control System

Feb. 25, 2025

Based on the results of the self-assessment, M31's internal control system for the year 2024 is declared as follows:

1. M31 acknowledges that the establishment, implementation, and maintenance of an internal control system are the responsibilities of the Board of Directors and management. M31 has established such a system with the objective of providing reasonable assurance regarding the achievement of the following goals: operational effectiveness and efficiency (including profitability, performance, and safeguarding of assets), the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and laws.
2. The internal control system has inherent limitations. Regardless of how well it is designed, even an effective internal control system can only provide reasonable assurance regarding the achievement of the aforementioned three objectives. Moreover, the effectiveness of an internal control system may vary with changes in the environment or circumstances. However, M31's internal control system includes a self-monitoring mechanism, and once deficiencies are identified, M31 takes corrective action immediately.
3. M31 evaluates the effectiveness of its internal control system based on the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The evaluation criteria specified in the Regulations are used to determine whether the design and implementation of the internal control system are effective. These criteria, adopted under the "Handling Guidelines," classify the internal control system according to the management control process into five components: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring Activities. Each component consists of several items. For details on these items, please refer to the provisions of the "Handling Guidelines."
4. M31 has adopted the aforementioned internal control evaluation criteria to assess the effectiveness of the design and implementation of its internal control system.
5. Based on the results of the aforementioned assessment, M31 considers its internal control system (including the supervision and management of subsidiaries) as of December 31, 2024, to be effectively designed and implemented. This includes internal controls related to the achievement of operational effectiveness and efficiency, the reliability, timeliness, and transparency of reporting, and compliance with applicable laws, regulations, and standards. The system is deemed effective in providing reasonable assurance for the achievement of these objectives.
6. This statement shall constitute a key part of M31's annual report and public offering prospectus, and will be publicly disclosed. In the event of any falsehood, concealment, or other unlawful conduct in the disclosed content, legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act shall apply.
7. This statement was approved by the M31's Board of Directors on February 25, 2025. Of the six directors present, none expressed any objection, and all others agreed to the contents of this statement. This declaration is hereby made accordingly.

M31 Technology Corporation

Chairman: Huey-Ling Chen

President: Yuan-Hsun Chang

- (2) If a CPA was engaged to conduct a special audit of the internal control system, the CPA's audit report shall be disclosed: None.

2.3.11 Major resolutions of shareholders' and Board meetings in the most recent year and up to the date of publication of this annual report:

(1) Major Resolutions of Shareholders' Meeting on May 27, 2024

Major Resolutions	Status of Execution
(1) Recognized the Business Report and Financial Statements of 2023.	(1) Relevant forms and schedules have been filed in accordance with the law.
(2) Recognized the Earnings distribution for 2023.	(2) The distribution has been allocated according to the resolution, with the distribution record date set as July 1, 2024, and the dividend payment date as July 26, 2024.
(3) Issuance of new shares through capital increase by earnings for 2023.	(3) The distribution has been allocated according to the resolution, with the distribution record date set as July 1, 2024, and the dividend payment date as July 26, 2024.
(4) Release of the non-competition restrictions for newly elected directors.	(4) Approved by resolution to release directors from non-compete restrictions.

(2) Major Resolutions of Board Meetings

Date / Term	Approved Major Resolutions
Feb. 27, 2024 6 th Session of the 5 th Term (1 st in 2024)	(1) Distribution of director remuneration and employee compensation for 2023 (2) Financial statements and business report for 2023 (3) Release of the non-competition restrictions for current directors (including independent directors) (4) Statement of Internal Control System for 2023 (5) Evaluation and appointment of the CPA's independence and suitability (6) Cancellation of restricted employee shares of capital reduction for the fourth quarter of 2023 (7) Authorization to acquire marketable securities (8) Review of Directors' (including Independent Directors) Remuneration for 2024 (9) Review of managerial officers remuneration for 2024 (10) Review of Remuneration for Subsidiary Managerial Officers for 2024.
Mar. 06, 2024 7 th Session of the 5 th Term (2 nd in 2024)	(1) Earnings distribution for 2023 (2) Issuance of new shares through capital increase by earnings for 2023 (3) Convening of the 2024 General Shareholders' Meeting
May 07, 2024 8 th Session of the 5 th Term (3 rd in 2024)	(1) Consolidated financial statements for the first quarter of 2024 (2) Cancellation of restricted employee shares of capital reduction for the first quarter of 2024 (3) Acquisition of money market funds (4) Investment proposal (5) M31 Technology (Shanghai) investment proposal
May 27, 2024 9 th Session of the 5 th Term (4 th in 2024)	(1) Formulation of the ex-rights date for capital increase by earnings (2) Amendment of M31 Technology (Shanghai) Subsidiary Articles of Incorporation (3) Sustainability report

Date / Term	Approved Major Resolutions
Aug. 06, 2024 10 th Session of the 5 th Term (5 th in 2024)	<ul style="list-style-type: none"> (1) Consolidated financial statements for the second quarter of 2024 (2) Cancellation of restricted employee shares of capital reduction for the second quarter of 2024 (3) Bank credit line (4) Budget amendments for 2024 (5) Seychelle subsidiary capital increase (6) Mainland China subsidiary capital increase (7) Mainland China subsidiary articles of incorporation amendment (8) Establishment of the “Sustainable Development Committee Charter” (9) Establishment of the sustainable development committee and appointment of sustainable development committee members
Aug. 06, 2024 11 th Session of the 5 th Term (6 th in 2024)	<ul style="list-style-type: none"> (1) Implementation of the employee stock ownership trust plan
Nov. 06, 2024 12 th Session of the 5 th Term (7 th in 2024)	<ul style="list-style-type: none"> (1) Consolidated financial statements for the third quarter of 2024 (2) Cancellation of restricted employee shares of capital reduction for the third quarter of 2024 (3) Audit Plan for 2025 (4) Internal control related regulations (5) Major R&D expenditure (6) Application for bank performance bond guarantee (7) Appointment of managerial officers
Dec. 20, 2024 13 th Session of the 5 th Term (8 th in 2024)	<ul style="list-style-type: none"> (1) Budget and operational plan for 2025 (2) Review the year-end bonus of managerial officers for 2024 (3) Ethical management plan for 2025 (4) Sustainable development plan for 2025 (5) Investment proposal
Dec. 25, 2025 14 th Session of the 5 th Term (1 st in 2025)	<ul style="list-style-type: none"> (1) Distribution of director remuneration and employee compensation for 2024 (2) Financial statements and business report for 2024 (3) Earnings distribution for 2024 (4) Amendment of “Articles of Incorporation” (5) Plan for long-term capital raising (6) By-election for one independent director seat in the fifth term (7) Nomination list of independent director candidates (8) Release of the non-competition restrictions for current and newly appointed directors (including independent directors) (9) Convening of the 2024 General Shareholders’ Meeting (10) Statement of Internal Control System for 2024 (11) Evaluation and appointment of the CPA’s independence and suitability (12) Cancellation of restricted employee shares of capital reduction for the fourth quarter of 2024 (13) Appointment of the financial and accounting director (14) Review of directors' (including Independent Directors) remuneration for 2025 (15) Review of the Company and its subsidiary managerial officers remuneration for 2025

2.3.12 Major issues of record or written statements made by any director or supervisor dissenting to important resolutions passed by the Board of Directors during the most recent fiscal year and up to the date of publication of the annual report: None.

2.4 Information on CPA Fees

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche	Mei-Chen Tsai	01/01/2024 to 12/31/2024	1,830	1,056	2,886	—
	Yu-Feng Huang					

Non-audit service fees: 2024 tax certification NT\$400,000 + 2024 Q1–Q4 XBRL filings NT\$40,000 + 2023 annual report review NT\$30,000 + 2023 non-managerial compensation audit NT\$20,000 + 2022 undistributed earnings investment offset audit NT\$20,000 + travel and printing expenses NT\$66,000 + other services NT\$480,000.

2.4.1 If there is a change in the accounting firm and the audit fee paid in the year of change is reduced compared to the audit fee in the year before the change, the amount, percentage and reason of the reduction should be disclosed: N/A.

2.4.2 If the audit fee is reduced by 10% or more from the previous year, the amount, percentage and reasons for the reduction shall be disclosed: N/A.

2.5 Replacement of CPA: None

2.6 The Chairman, President, or Chief Financial or Accounting Manager of the Company who has worked at the CPA firm or its affiliated companies within the past year: None

2.7 Changes in Shareholding and Pledged Shares by Directors, Supervisors, Managers, and Shareholders Holding More Than 10% of Shares During the Most Recent Year and up to the Date of the Annual Report"

2.7.1 Changes in Shareholding Structure

Unit: Thousand shares

Title	Name	2024		2025 (As of March 31)	
		Increase (Decrease) in Number of shares	Increase (Decrease) in Number of Pledged Shares	Increase (Decrease) in Number of shares	Increase (Decrease) in Number of Pledged Shares
Chairman	Huey-Ling Chen	1,489,885	—	—	—
Director	Yuan-Hsun Chang	(17,675)	—	(28,000)	—
Director	Li-Kuo Liu	—	—	—	—
Director	Chun-Hao Lai	—	—	—	—
Independent Director	Jun-Ji Lin	—	—	—	—
Independent Director	Shih-Ying Huang	—	—	—	—
Vice President of Fundamental IP	Nan-Chun Lien	7,722	—	—	—

Title	Name	2024		2025 (As of March 31)	
		Increase (Decrease) in Number of shares	Increase (Decrease) in Number of Pledged Shares	Increase (Decrease) in Number of shares	Increase (Decrease) in Number of Pledged Shares
Vice President of Functional IP	Chih-Chien Hung	4,000	—	—	—
Vice President of Sales	Kuang-Hua Ge	2,902	—	—	—
Vice President of Business Executive Center and Corporate Governance Officer	Wei-Ning Liu	(6,120)	—	(3,000)	—
Associate Vice President of Functional IP	Ting-Chun Huang	13,722	—	—	—
Associate Vice President of IP Flow	Yu-Yuan Huang (Note)	—	—	—	—
Director of Finance	Yen-Chun Huang (Note)	—	—	—	—

Note: Associate Vice President Yu-Yuan Huang was newly appointed on November 6, 2024; Director Yen Chun Huang was newly appointed on February 25, 2025.

2.7.2 Information on related parties for the transfer of shares: None.

2.7.3 Information on pledge of shares as related parties: None.

2.8 Information on shareholders among the top 10 by shareholding percentage who are related parties, or who are spouses or relatives within the second degree of kinship.

3/29/2025 Unit: Shares; %

Name	Shareholding		Shares Held by Spouse & Minor Children		Shareholding under the Title of a Third Party		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within 2 nd Degrees of Kinship		R e m a r k s
	Shares (in thousands)	%	Shares (in thousands)	%	Shares (in thousands)	%	Name	Relationship	
Huey-Ling Chen	8,928,647	21.36	-	-	2,179,384	5.21	Chen-An Lin	Mother & Son	-
							Yi-Chen Lin	Mother & Daughter	-
							Jui-Chun Investment Company Ltd.	In charge of Jui-Chun Investment Company Ltd.	-

Name	Shareholding		Shares Held by Spouse & Minor Children		Shareholding under the Title of a Third Party		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within 2 nd Degrees of Kinship		Remarks
	Shares (in thousands)	%	Shares (in thousands)	%	Shares (in thousands)	%	Name	Relationship	
Jui-Chun Investment Company Ltd. (Person in charge: Huey-Ling Chen)	2,179,384	5.21	-	-	-	-	Huey-Ling Chen	In charge of Jui-Chun Investment Company Ltd.	-
							Chen-An Lin	Huey-Ling Chen, who is in charge Jui-Chun Investment Company Ltd. is the mother of Chen-An Lin.	-
							Yi-Chen Lin	Huey-Ling Chen, who is in charge Jui-Chun Investment Company Ltd. is the mother of Yi-Chen Lin.	-
Chen-An Lin	1,960,242	4.69	-	-	-	-	Huey-Ling Chen	Mother & Son	-
							Yi-Chen Lin	Second degree of kinship	-
							Jui-Chun Investment Company Ltd.	Huey-Ling Chen, who is in charge Jui-Chun Investment Company Ltd. is the mother of Chen-An Lin.	-
Citibank, N.A. Custody Account for Norges Bank Investment Management	1,958,806	4.69	-	-	-	-	-	-	-
Yi-Chen Lin	1,766,495	4.23	-	-	-	-	Huey-Ling Chen	Mother & Daughter	-
							Chen-An Lin	Second degree of kinship	-
							Jui-Chun Investment Company Ltd.	Huey-Ling Chen, who is in charge Jui-Chun Investment Company Ltd. is the mother of Yi-Chen Lin.	-
Chang Chin Chang	964,000	2.31	-	-	-	-	-	-	-
Taishin Life Insurance Co., Ltd.	580,000	1.39	-	-	-	-	-	-	-

Name	Shareholding		Shares Held by Spouse & Minor Children		Shareholding under the Title of a Third Party		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within 2 nd Degrees of Kinship		Remarks
	Shares (in thousands)	%	Shares (in thousands)	%	Shares (in thousands)	%	Name	Relationship	
HSBC Custody Account for Matthews Asia Small Companies Fund	475,057	1.14	-	-	-	-	-	-	-
Standard Chartered Custody Account for Mizuho Securities Co., Ltd.	295,200	0.71	-	-	-	-	-	-	-
Min-Tsung Huang	262,005	0.63	-	-	-	-	-	-	-

2.9 The number of shares held in the same investee company by the Company, its directors, supervisors, managerial officers, and enterprises directly or indirectly controlled by the Company shall be combined to calculate the overall shareholding ratio

December 31, 2024; Unit: thousand shares

Investee (Note 1)	Investment made by Company		Investments by Directors, Supervisors, Managerial Officers, and Enterprises Directly or Indirectly Controlled by the Company		Total Investments	
	Shares	%	Shares	%	Shares	%
M31 Technology USA, Inc.	1,000	100%	-	-	1,000	100%
M31 Technologies India Private Limited	50	100%	-	-	50	100%
Sirius Venture Ltd.	585	100%	-	-	585	100%
M31 Technology (Shanghai) Inc.	(Note 2)	100%	-	-	(Note 2)	100%

Note 1: This is the Company's investee accounted for using the equity method.

Note 2: The Company holds a 100% indirect investment through Sirius Venture Ltd. in a limited liability company that does not issue shares.

III. Capital Raising Status

3.1 Capital and Shares

3.1.1 Source of Capital Stock

(1) Share Capital Formation

Unit: Thousand shares / NT\$ thousands

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital Stock	Subscribers who pay for shares with non-cash assets	Others
Oct 2011	10	5,000	50,000	500	5,000	Initial Capital: 5,000	None	10/21/2011 Ching Shou Chung Tzu No.10032666230
Mar 2012	10	36,000	360,000	4,500	45,000	Cash Capital Increase: 40,000	None	03/03/2012 Ching Shou Chung Tzu No.10131720200
Apr 2012	10	36,000	360,000	10,568	105,680	Cash Capital Increase: 60,680	None	04/02/2012 Ching Shou Chung Tzu No.10131836230
May 2012	10	36,000	360,000	16,573	165,730	Cash Capital Increase: 60,050	None	05/02/2012 Ching Shou Chung Tzu No.10131951700
Jun 2012	10	36,000	360,000	23,000	230,000	Cash Capital Increase: 64,270	None	06/11/2012 Ching Shou Chung Tzu No.10132110760
Sep 2016	19.5	36,000	360,000	24,840	248,400	Cash Capital Increase: 18,400	None	09/23/2016 Ching Shou Chung Tzu No.10534343540
Jan 2017	15 - 16.5	36,000	360,000	28,561	285,610	Employee stock option certificate: 37,210	None	01/25/2017 Ching Shou Chung Tzu No.10633046470
Jun 2017	15 - 16.5	36,000	360,000	28,640	286,400	Employee stock option certificate: 790	None	06/08/2017 Ching Shou Chung Tzu No.10633318180
Feb 2019	198~ 269	50,000	500,000	31,318	313,180	Cash Capital Increase: 26,780	None	02/12/2019 Ching Shou Chung Tzu No.10833086780
Oct 2021	100	50,000	500,000	31,606	316,060	Restricted Employee Shares Capital Increase: 2,880	None	10/06/2021 Ching Shou Chung Tzu No. 11033623470
Jun 2022	100	50,000	500,000	31,603	316,030	Restricted Employee Shares Capital Reduction: 30	None	06/06/2022 Ching Shou Chung Tzu No. 11133331760
Jul 2022	100	50,000	500,000	31,713	317,130	Restricted Employee Shares Capital Increase: 1,100	None	07/08/2022 Ching Shou Chung Tzu No. 11133419990
Aug 2022	100	50,000	500,000	31,710	317,100	Restricted Employee Shares Capital Reduction: 30	None	08/16/2022 Ching Shou Chung Tzu No. 11133505070
Nov 2022	100	50,000	500,000	31,708	317,080	Restricted Employee Share Capital Reduction: 20	None	11/14/2022 Ching Shou Chung Tzu No. 11133702140
Mar 2023	100	50,000	500,000	31,698	316,980	Restricted Employee Share Capital Reduction: 100	None	03/09/2023 Ching Shou Chung Tzu No. 11233130690
Jul 2023	10	50,000	500,000	34,867.8	348,678	Capital increase by earnings: Capital Increase: 31,698	None	07/26/2023 Ching Shou Chung Tzu No. 11233454660
Aug 2023	100	50,000	500,000	34,865.8	348,658	Restricted Employee Share Capital Reduction: 20	None	08/23/2023 Ching Shou Chung Tzu No. 11233496300
Mar 2024	100	50,000	500,000	34,847.8	348,478	Restricted Employee Share Capital Reduction: 180	None	03/15/2024 Ching Shou Shang Tzu No. No. 11330441630
May 2024	100	50,000	500,000	34,841.8	348,418	Restricted Employee Share Capital Reduction: 60	None	05/21/2024 Ching Shou Shang Tzu No. 11330577640
July 2024	10	50,000	500,000	41,810.16	418,101.6	Capital increase by earnings: Capital Increase: 69,683.6	None	07/12/2024 Ching Shou Shang Tzu No. 11330689600

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital Stock	Subscribers who pay for shares with non-cash assets	Others
Aug 2024	100	50,000	500,000	41,805.16	418,051.6	Restricted Employee Share Capital Reduction: 50	None	08/20/2024 Ching Shou Shang Tzu No. 11330761650
Nov 2024	100	50,000	500,000	41,802.16	418,021.6	Restricted Employee Share Capital Reduction: 30	None	11/19/2024 Ching Shou Shang Tzu No. 11330947800
Mar 2025	100	50,000	500,000	41,799.66	417,996.6	Restricted Employee Share Capital Reduction: 25	None	03/14/2025 Ching Shou Shang Tzu No.11430381620

(2) Types of Shares

3/29/2025 Unit: Shares

Types of Shares	Authorized Shares Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Registered Common Shares	41,799,660	8,200,340	50,000,000	TPEX-Listed Company Shares

- (3) If securities are to be offered and issued under the shelf registration system upon approval, the approved amount, planned issuance, and information on securities already issued shall be disclosed: N/A

3.1.2 List of Major Shareholders

3/29/2025 Unit: Shares; %

Major Shareholder's Name	Shares	Shareholding	Shareholding Ratio %
Huey-Ling Chen		8,928,647	21.36
Jui-Chun Investment Co., Ltd.		2,179,384	5.21
Chen-An Lin		1,960,242	4.69
Citibank, N.A. Custody Account for Norges Bank Investment Management		1,958,806	4.69
Yi-Chen Lin		1,766,495	4.23
Chang Chin Chang		964,000	2.31
Taishin Life Insurance Co., Ltd.		580,000	1.39
HSBC Custody Account for Matthews Asia Small Companies Fund		475,057	1.14
Standard Chartered Custody Account for Mizuho Securities Co., Ltd.		295,200	0.71
Min-Tsung Huang		262,005	0.63

3.1.3 Dividend Policy and Implementation Status

(1) Dividend Policy

Considering that the industry is currently in a growth phase, the Company's dividend distribution policy is based on future funding needs and long-term financial planning. The Board of Directors is authorized to propose distribution plans. At least 2% of the distributable earnings for the year shall be allocated as shareholder dividends. Unless special circumstances arise, the distribution shall not exceed 80% of the net profit after tax for the year. Dividends may be distributed in the form of cash or stock, with the cash portion not less than 10% of the total dividends.

- (2) Implementation Status: On February 25, 2025, the Board of Directors resolved to distribute a cash dividend of NT\$2 per share to shareholders, in accordance with relevant regulations.

3.1.4 Impact of the proposed stock dividend at this shareholders' meeting on the Company's operating performance and earnings per share: N/A

3.1.5 Employee, Director and Supervisor Remuneration

- (1) Percentage or range of employee, director, and supervisor remuneration as stipulated in the articles of incorporation

According to the Company's Articles of Incorporation, if the Company has earnings in a given fiscal year, no less than 1% of the earnings shall be allocated as employee remuneration, and no more than 1.5% of the earnings shall be allocated as director remuneration. However, if the Company has accumulated losses, an amount shall first be retained to cover such losses.

- (2) Basis for estimating employee, director, and supervisor Remuneration for the current period, basis for calculating the number of stock dividends, and accounting treatment in case of differences between estimated and actual distributions: On February 25, 2025, the Company approved the distribution of cash remuneration to directors and employees for fiscal year 2024. The payable amounts were estimated and recorded based on the Company's profit for the year and a fixed allocation ratio. If there is any difference between the estimated and actual distributed amounts, such difference will be accounted for as a change in accounting estimate and adjusted in the year of distribution.

- (3) Information on the proposed distribution of employee, director, and supervisor remuneration approved by the board of directors

(3.1) If the amount of employee, director, or supervisor remuneration distributed in cash or shares differs from the amount estimated and recognized in the financial statements, the difference, reason, and treatment must be disclosed: The Board of Directors, in its resolution on February 25, 2025, approved the distribution of NT\$1,850 thousand in employee remuneration and NT\$1,850 thousand in director remuneration for fiscal year 2024. These amounts are consistent with the estimates recognized in the 2024 financial statements, and no differences were noted.

(3.2) Amount of employee remuneration distributed in shares and its proportion of the current period's net income after tax and total employee remuneration: N/A

- (4) Actual distribution of employee, director, and supervisor remuneration for the previous (2023) year (including number of shares distributed, amount, and share price), and any differences from the recognized amounts, including explanation of the discrepancy, reasons, and treatment:

Unit: NT\$

	Resolution of the Board (2/27/2024)	Actual Disbursements
Directors' Remuneration	5,600,000	5,600,000
Employees' Compensation	6,300,000	6,300,000
Total	11,900,000	11,900,000

Note: The above-mentioned employee compensation was expensed in 2023, and there was no difference between the amount recorded and the amount approved by the Board of Directors.

3.1.6 Status of repurchase of the Company's shares: None.

3.2 Status of Corporate Bond Issuance: None.

3.3 Status of Preferred Share Issuance: None.

3.4 Status of Overseas Depositary Receipts (GDR/ADR): None.

3.5 Status of Employee Stock Option Issuance

(3.5.1) Employee stock options that have not yet expired: None.

(3.5.2) Names of managerial officers and the top ten employees (by number of shares exercisable) who have obtained employee stock warrants, along with details of their acquisition and subscription status: None.

3.6 Status of Restricted Employee Shares

(3.6.1) Status of Restricted Employee Shares

3/31/2025

Type of Restricted Employee Shares	Restricted Employee Shares Issued in 2021 (First Issuance)	
Effective Registration Date	8/17/2021	
Issuance Date	9/23/2021	6/28/2022
Number of Restricted Employee Shares Issued	288,000 shares	110,000 shares
Issuance Price	NT\$ 100/share	
Percentage of Restricted Employee Shares Issued to Total Issued Shares	0.83%	0.32%

Vesting Conditions for Restricted Employee Shares	(1) Employees must have completed the following lengths of service and met performance standards during the respective vesting periods:	
	<u>Vesting Period</u>	<u>Vested Share Ratio</u> <u>Performance Criteria</u>
	2 years from the grant date	50% Performance rating of grade G or above)
	3 years from the grant date	50% Performance rating of grade G or above
	(2) The standards for achieving individual performance targets shall be mutually agreed upon by the Company and each employee.	
Restricted Rights of Restricted Employee Shares	<p>(1) Before the vesting conditions are met, employees may not sell, pledge, transfer, gift, assign, or otherwise dispose of the restricted employee shares.</p> <p>(2) Restricted employee shares that have not yet vested may still participate in stock and dividend distributions; however, they are not entitled to the rights to offering for cash capital increases.</p> <p>(3) Upon issuance, restricted employee shares shall be placed in trust. Before vesting conditions are met, employees may not request the return of such shares from the trustee for any reason or by any means.</p>	
Custody Status of Restricted Employee Shares	During the trust period for the restricted employee shares, the Company shall act on behalf of the employees with full authority in dealings with the stock trust institution, including but not limited to the negotiation, execution, amendment, extension, termination, or cancellation of the trust agreement, as well as the delivery, utilization, and disposal instructions of the trust assets.	
Handling Method for Unvested Shares When Employees Fail to Meet Vesting Conditions	If an employee who has been granted restricted employee shares fails to meet the vesting conditions, the Company may repurchase the unvested portion of such shares (including any stock dividends and related entitlements) at the issuance price and cancel them.	
Number of Restricted Employee Shares Reclaimed or Repurchased	36,000 shares	20,000 shares
Number of Vested Restricted Shares	252,000 shares	47,000 shares
Number of Unvested Restricted Shares	0 shares	43,000 shares
Percentage of Restricted Shares Not Yet Vested to Total Issued Shares (%)	0.00%	0.10%
Impact on Shareholders' Equity	Based on an overall evaluation, the number of restricted shares not yet vested is relatively low, and the annual expense amount does not have a material impact on shareholders' equity.	

(3.6.2) Names of managerial officers and the top ten employees who acquired restricted employee shares as of the date of printing of the annual report, and their acquisition status

3/31/2025 Unit: Thousand shares; NT\$ thousands; %

	Title	Name	Number of Restricted Employee Shares acquired	Vested Rights				Unvested Rights			
				Number of shares released from restrictions	Issuance Price	Issuance Amount	Percentage of Vested Shares to Total Issued Shares (%)	Number of Unvested Restricted Shares	Issuance Price	Issuance Amount	Percentage of Restricted Shares Not Yet Vested to Total Issued Shares (%)
Managerial Officers	Vice President of Fundamental IP	Nan-Chun Lien	36	36	100	3,600	0.09	-	-	-	-
	Vice President of Functional IP	Chih-Chien Hung									
	Vice President of Sales	Kuang-Hua Ge									
	Vice President of Business Executive Center and Corporate Governance Officer	Wei-Ning Liu									
	Associate Vice President of Functional IP	Ting-Chun Huang									
	Associate Vice President of IP Flow	Yu-Yuan Huang (Note)									
Employees	Employee	Employee B	141	126.5	100	12,650	0.30	14.5	100	1,450	0.03
	Employee	Employee C									
	Employee	Employee D									
	Employee	Employee E									
	Employee	Employee F									
	Employee	Employee G									
	Employee	Employee H									
	Employee	Employee I									
	Employee	Employee J									
	Employee	Employee K									
	Employee	Employee L									
	Employee	Employee M									
	Employee	Employee N									
	Employee	Employee O									
	Employee	Employee P									
	Employee	Employee Q									
	Employee	Employee R									
	Employee	Employee S									
	Employee	Employee T									
	Employee	Employee U									
	Employee	Employee V									
	Employee	Employee W									

Note: Associate Vice President Yu-Yuan Huang was newly appointed on November 6, 2024; the number of restricted employee shares that have been vested includes 22,000 shares reclaimed due to employee resignation.

3.7 Status of Share Issuance for Mergers or Acquisition of Shares in Other Companies: None

3.8 Execution Status of Capital Utilization Plan: N/A

IV. Business Overview

4.1 Business Activities

4.1.1 Scope of business

(1) Main business activities

CC01030	Electrical Appliance and Audiovisual Electric Products Manufacturing
CC01060	Wired Communication Mechanical Equipment Manufacturing
CC01070	Wireless Communication Mechanical Equipment Manufacturing
CC01080	Electronics Components Manufacturing
CC01090	Manufacture of Batteries and Accumulators
CC01110	Computer and Peripheral Equipment Manufacturing
CC01120	Data Storage Media Manufacturing and Duplicating
CC01990	Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
F118010	Wholesale of Computer Software
F218010	Retail Sale of Computer Software
F219010	Retail Sale of Electronic Materials
F601010	Intellectual Property Rights
I301010	Information Software Services
I301020	Data Processing Services
I301030	Electronic Information Supply Services
I199990	Other Consulting Service
IZ99990	Other Industrial and Commercial Services
CZ99990	Manufacture of Other Industrial Products Not Elsewhere Classified
ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval

(2) Revenue composition

Unit: NT\$ thousands

Revenue Stream \ Year	2023		2024	
	Sales Amount	Revenue Proportion	Sales Amount	Revenue Proportion
Technical Service	1,346,625	83.52%	1,241,408	83.83%
Royalty	265,712	16.48%	239,495	16.17%
Total	1,612,337	100.00%	1,480,903	100.00%

(3) Current Products (Services)

Products	Functions	Main Uses
Foundation IP	<p>The primary clients are foundries and IC design companies, with corresponding product solutions tailored to different wafer processes. The product portfolio includes Standard Cell Libraries, Memory Compilers, and I/O Standard Libraries, providing low-power, high-density memory compilers and optimally modularized cell library IP design and licensing.</p> <p>In addition, customized IP services are provided, tailoring low-power or high-speed IP based on customer specifications to meet system design requirements and enhance competitiveness.</p>	<p>The IP currently developed is applied across the following areas:</p> <ul style="list-style-type: none"> ● HV process: Panel driver ICs ● BCD process: Power management ICs ● eFlash process: Microcontroller ICs, smart card ICs, IoT ICs ● Logic process: A wide range of products spanning consumer electronics, wearable devices, mobile devices, storage devices, automotive electronics, artificial intelligence, IoT, and high-performance computing applications
High-speed Interface IP	<p>The primary clients are IC design companies, and product categories include:</p> <p>USB : eUSB2, USB 1.1/2.0/3.2/4.0 Gen1/3.2 Gen2/4 Gen3x2, USB BCK</p> <p>PCIe : PCI Express 2.1 /3.1/4.0/5.0</p> <p>SerDes : SerDes 10G/5G</p> <p>MIPI : M-PHY, C-PHY, D-PHY & C/D-PHY Combo</p> <p>DDR : LPDDR 4/4X, ONFI I/O, ONFI PHY</p> <p>DisplayPort : 1.4/2.1</p> <p>R&D and licensing of various high-speed interface IP across multiple interface standards.</p>	
Analog IP	<p>The primary clients are IC design companies, and product categories include:</p> <p>PLL, ADC, Temperature Sensor, VDT, POR.</p> <p>R&D and licensing of various types of analog IP.</p>	
IP Integration Service	<p>The primary clients are IC design companies. Technical services are offered in three areas: IP implementation, IC implementation, and IP integration. These services optimize the implementation of on-chip processor IP cores, helping designers reduce self-integration time and accelerate time-to-market.</p>	

(4) New products (services) development plan

- (4.1) 3nm Standard Cell Library: Continued development of standard cell libraries for advanced process nodes, offering multiple options to meet market demands for low voltage, compact area, and high speed.
- (4.2) 3nm Memory Compiler: Continued development of memory compilers for advanced process nodes to meet the demands of high-performance computing ICs.
- (4.3) 3nm GPIO: Continued development of general-purpose input/output (GPIO) interfaces for advanced process nodes, aimed at enhancing product competitiveness by meeting market demands for low power consumption, compact size, and high performance.
- (4.4) ONFI(I/O+ PHY) Total Solution: Closely aligning with foundry process advancements, investing in the development of ONFI I/O for sub-7nm process nodes and building a comprehensive I/O + PHY solution.
- (4.5) eUSB2, USB 4.0, PCIe 5.0, MIPI M PHY, MIPI C/D-PHY Combo TX/RX, LPDDR 5/5X: Providing the latest generation of high-speed interface transmission standards, with continued development of high-speed interface IP for sub-7nm advanced process nodes, and progressing toward the most advanced 2nm and 3nm process nodes
- (4.6) PCIe 6.0 for D2D SerDes: Continued development on sub-7nm advanced process nodes to deliver high-speed data transmission standards, enabling efficient device-to-device interconnect technologies.
- (4.7) UFS Controller: First-time development of the core component of the UFS system, responsible for efficiently managing data communication between the host and storage devices.
- (4.8) Automotive IP platform: Considering safety and reliability, a comprehensive automotive electronic IP solution has been developed, integrated with a certification platform for test validation and functional safety consulting to help chip design companies accelerate product development timelines, shorten time-to-market, and gain a competitive edge in the automotive electronics market.

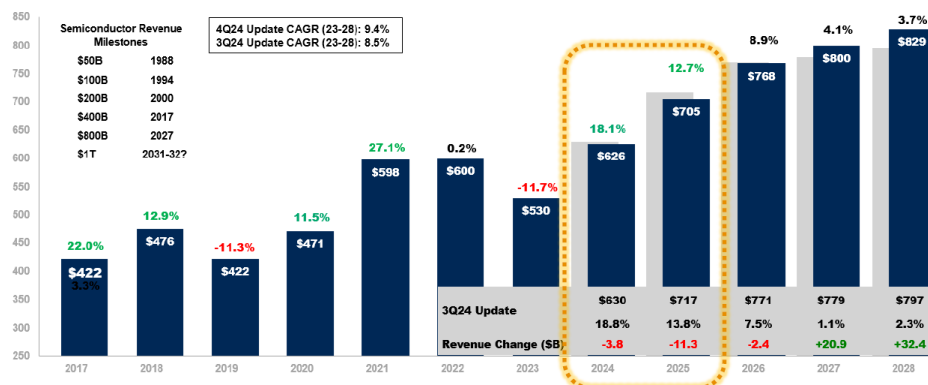
4.1.2 Industry Overview

(1) Industry development and current status

Integrated circuits (ICs) are critical components in electronic products, and their advancement is primarily driven by wafer manufacturing technology. Currently, leading manufacturers in the fields of communications, computing, and automotive chips are actively adopting the most advanced process technologies to enhance market competitiveness. In the communications sector, flagship smartphone processors have already moved from 3nm to 2nm process nodes. Computing chips are also being produced using sub-3nm technologies to maintain a competitive edge. In the automotive chip sector, leading new energy vehicle manufacturers are increasingly adopting process nodes sub- 4nm, establishing this as an industry trend. The shift toward advanced nodes has become a key competitive strength among major players, enabling faster computing speeds, lower power consumption, and smaller die sizes. This evolution is essential to meet the increasing demands for computing power in

large-scale data and image processing—achieving chip miniaturization while ensuring optimal operational efficiency and performance.

To meet the growing demand for high performance and multifunctionality in electronic products, semiconductor IC design companies and manufacturers are fully engaged in developing new complex IC designs based on multi-core technologies. However, the integration of such complex designs extends the overall semiconductor product development timeline and increases cost risks. Semiconductor IP plays a crucial role in bridging the gap between design complexity and time-to-market for mass production, making IP licensing increasingly adopted across the electronics industry. As IC designs continue to grow in complexity and R&D costs rise, market demand for semiconductor IP licensing is expected to continue expanding.



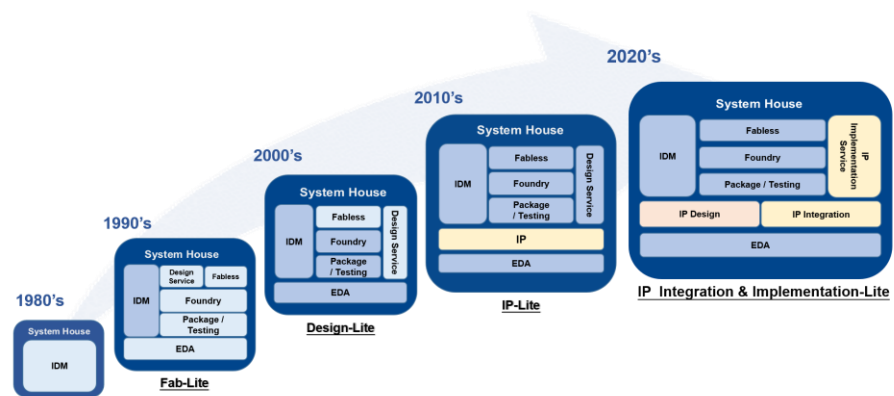
Global Semiconductor Market Valuation — Source: Gartner

According to the latest report by research firm Gartner, the global semiconductor market is projected to reach a valuation of USD 705 billion in 2025, representing a year-over-year growth of 12.7%. Meanwhile, Taiwan's semiconductor industry output is expected to exceed NT\$6 trillion in 2025, with an annual growth rate of 16.2%, according to the Industrial Technology Research Institute (ITRI). The recovery in end-market demand, coupled with strong momentum in AI chip demand, has become a key driver of semiconductor industry growth. The global semiconductor IP market is also showing a continued strong growth trend. According to research by IPnest, the global semiconductor IP market is expected to surpass USD 10 billion in 2025, with a compound annual growth rate (CAGR) of 16.7%.

With the continuous miniaturization of process technologies, increasing complexity of chip designs, and rapid evolution of interface integration, M31 remains deeply committed to forward-looking R&D, closely following the latest trends in advanced process nodes. We are dedicated to delivering more diversified and differentiated IP solutions and integration services to meet the design requirements of various application scenarios. This further enhances the penetration of M31's IP products across major chip design platforms, fosters a virtuous cycle within the industry ecosystem, and drives steady mid- to long-term growth momentum for the company.

(2) Upstream, midstream and downstream industry linkages

In the 2010s, the emergence of the semiconductor IP industry led the third major transformation of the global semiconductor sector. Due to the growing complexity of functional integration in IC design, third-party IP licensing enabled IC designers to focus on their core competencies, effectively reducing the operational costs of IC design companies. This gave rise to the "IP-Lite" model, marking a shift in the IC industry structure toward highly specialized division of labor. M31 was also incorporated in 2011 during this pivotal period. Entering the 2020s, as chip design continues to grow in complexity, IP development requires a more detailed division of specialized technology and services. A professional IP company must not only provide a wide range of process-verified IP, but also offer design implementation and integration services to ensure IC designers can achieve better product design, more easily reusable designs, and faster time-to-market. This allows IC design teams to be managed more flexibly and enables organizations to adapt more swiftly to changing market environments.

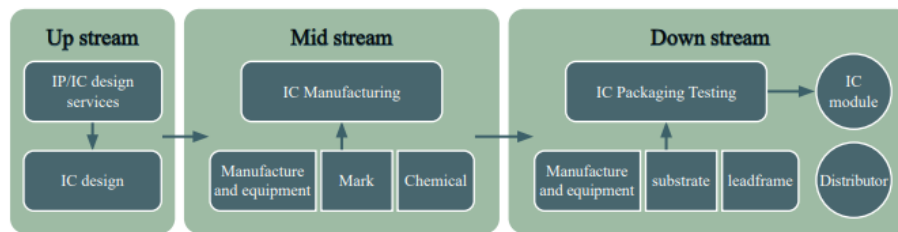


Semiconductor Industry Chain Evolution - Source: M31

M31 is a semiconductor IP design company positioned at the very upstream of the semiconductor industry value chain. As IC design companies increasingly integrate multiple functions into a single System-on-Chip (SoC), the use of silicon-proven IP becomes essential for incorporating into SoCs. This approach effectively shortens product development cycles and reduces costs, thereby giving rise to companies that specialize in IP design. The midstream of the industry consists of wafer foundry manufacturing. Once IC designs are completed, IC design companies outsource wafer fabrication to foundries. In order to attract IC design clients to manufacture with them, foundries must continually enhance and refine their process technologies. As a result, foundries also collaborate with IP design companies to provide the necessary IP to support their clients' IC design and production needs. The downstream of the industry includes IC packaging and testing. After front-end wafer testing, the wafers are handed over to specialized packaging houses for dicing and packaging. The packaged chips are then sent to professional testing companies for final testing. The completed IC products are ultimately delivered through sales channels to system integrators for assembly into end products. Unlike integrated device manufacturers (IDMs), which handle

everything from design to manufacturing, packaging, and testing in a vertically integrated model, the IC design and manufacturing industry is characterized by a horizontally segmented division of labor, with specialized companies participating at each stage. Taiwan's semiconductor industry has become the global leader in wafer foundry services and ranks second worldwide—after the United States—in IC design, making it one of the most critical supply chains in the global IC industry.

The upstream, midstream and downstream industry linkages of the IC industry are shown below:



Semiconductor Industry Chain Introduction – Source: Taipei Exchange

(3) Product development trends

In recent years, the global semiconductor industry has exhibited three major technological trends. First, the structure of the semiconductor value chain has become increasingly specialized, with a significant rise in fabless IC design companies. System application providers and cloud service companies have also entered the chip design space, leading to a noticeable increase in demand for IP. Second, in the post-Moore's Law era, industry development has shifted from focusing solely on process scaling to embracing diverse innovation challenges, with heterogeneous integration and 3D architectures playing key roles. Third, as data grows exponentially, hardware innovation must keep pace with software development to deliver the necessary computing acceleration. With continuous advancements in process technology and increasing pressure from rapidly growing IC complexity, IC design companies require an ever-greater amount of IP. The following are key market applications closely related to the Company's IP products:

(3.1) Artificial Intelligence

AI is generally divided into three major aspects: cloud (infrastructure), network (technical layers and middleware), and edge (application domains). These cover a wide range of areas, from chip technologies, high-performance computing platforms, algorithms, deep learning, voice recognition, and big data analytics, to application fields such as fintech, smart manufacturing, smart healthcare, and intelligent transportation. The global market is undergoing a major phase of technological transformation, with artificial intelligence, machine learning, and automation becoming increasingly integrated into all aspects of daily life. The advancement of technology now relies heavily on the ability to collect, manage, analyze, and transmit vast amounts of data. 5G wireless transmission serves as a key driver for real-time data management and processing. With the growing deployment of 5G, fiber networks, and cameras, AI applications—especially in edge computing—are set to flourish. M31's high-speed interface IP, including

PCIe, USB, MIPI, and SerDes, supports the rapid transfer of large volumes of data. High-speed SRAM and high-performance standard cell libraries provide essential components for AI high-speed computing engines.

(3.2) Automotive Electronics

With the maturation of 5G and the rapid deployment of infrastructure, the development of the Internet of Vehicles (IoV), autonomous driving, advanced driver assistance systems (ADAS), and intelligent transportation systems is accelerating, creating vast business opportunities. According to the latest report from S&P Global Mobility, global electric vehicle (EV) sales are expected to grow by 30% in 2025, reaching 15.1 million units, with market share increasing from 13.2% in 2024 to 16.7%. The automotive semiconductor market continues to outpace the growth of the overall semiconductor industry, driven primarily by improved IC supply boosting vehicle sales and a significant rise in EV adoption. Over the next two decades, major automakers project that the silicon content in vehicles will increase by 15% annually. As technology continues to advance and innovate, automotive electronics are expected to account for approximately 50% of a vehicle's total cost. The rapid growth of automotive electronics is an undeniable trend. According to market research firm Gartner, the automotive semiconductor market is projected to grow at a compound annual growth rate (CAGR) of 12.7% from 2022 to 2027. By 2027, automotive semiconductors are expected to surpass the industrial and consumer segments to become the third-largest semiconductor application market, trailing only the communications and data center markets.

Unlike general consumer electronics, automotive electronics must meet extremely high standards of safety and reliability. M31's automotive IP products—including MIPI M-PHY, MIPI D-PHY, MIPI CD Combo PHY, PCIe PHY, USB PHY, Memory Compilers, and GPIO—have obtained ISO 26262 automotive safety certification and have been adopted by leading automotive electronics manufacturers across Europe, the United States, China, Japan, and South Korea. M31 has also established a global presence among automotive manufacturers and across various automotive applications such as in-vehicle infotainment systems, automotive networks, safety systems, and power systems, further expanding its penetration and market share. In the field of automotive IP, despite the long certification periods and high entry barriers, M31 has successfully entered the automotive electronics supply chain and secured adoption by major global automotive chipmakers and leading new energy vehicle manufacturers. Building on this strong foundation, the company will continue to invest in the development and verification of automotive products.

(3.3) Internet of Things

The Internet of Things (IoT) enables devices equipped with chips to “communicate” and form connections. With the widespread deployment of NB-IoT and 5G networks, a high-speed and low-latency network infrastructure has been established, making a world where everything is interconnected a reality and accelerating the adoption of downstream applications. Additionally,

the pandemic has driven the rapid development of many contactless application scenarios, and as pandemic prevention becomes a norm, IoT will play a crucial role in more environments. Consumer markets such as smart homes and personal wearables, as well as enterprise markets including vehicle-to-everything (V2X), smart cities, and industrial IoT, have become the core driving forces of global IoT market growth. Fundamentally, IoT encompasses MCU (ALU + RAM + eFlash), wireless communication interfaces (Wi-Fi, Bluetooth), and sensors (MEMS, sensors). The Bluetooth-connected home and personal wearable sectors continue to grow rapidly, creating greater demands for speed and bandwidth, and thus driving the development trend toward low-power connectivity in future IoT applications.

IoT devices need to sense information and connect to the internet for data analysis, management, and storage. As a result, a large number of ICs and components are required to meet specific demands and stringent standards. Essentially, low power consumption, compact size, and cost efficiency are essential specifications for IoT devices. M31's low-power solutions include green memory, low operating voltage memory, low-power standard cell libraries, low-power I/O standard cell libraries, ultra-low-power fractional PLLs (ULFPLL), and low-power interface IPs such as USB4, USB 3.2, USB 2.0, and USB 1.1.

- M31's green memory offers low-power modes including standby, light sleep, deep sleep, and power-off.
- Low operating voltage memory supports operation at reduced voltages to directly minimize leakage and dynamic power consumption. The low-power standard cell library provides essential logic gates required for low-power SoC designs.
- The Ultra-Low Power Fractional PLL (ULFPLL) operates at very low voltages to save power while providing a reliable clock source for SoCs.
- Low-power USB4, USB 3.2, USB 2.0, and USB 1.1 IPs are optimized for IoT applications, reducing operational current by over 30% and standby current by up to 70%.
- M31's various low-power, small-area IP designs offer customers a highly competitive and comprehensive product portfolio for the era of ubiquitous connectivity. In addition, M31's high-speed interface IP and analog IP, combined with its low-power foundation IP libraries and scalable memory compilers, create a more complete solution.

(3.4) Digital Storage

Digital storage devices are used for data exchange and storage of images, videos, and files. With the growing scale of consumer electronics such as handheld and portable devices, as well as enterprise-grade server computing, global demand for storage chips continues to be strong. To transmit large volumes of data and connect to various devices while constantly increasing speed, interfaces with different specifications are required. Whether it's USB, SSD, SD card, eMMC, or UFS, M31 has developed a series of silicon-proven IP solutions to meet the

needs of a wide range of storage application ICs. These IP solutions offer advantages such as small footprint, high-speed transmission, and low power consumption, and are available across major foundry process nodes to meet market demands for optimal cost-performance ratios.

M31's next-generation business opportunities in the data storage market lie in the continuous upgrades of storage speed and interface standards, such as PCIe evolving from Gen2, Gen3, Gen4 to Gen5, and USB progressing from 1.1, 2.0, 3.2 to 4.0. The ongoing advancement of PCIe and USB toward higher speeds, along with the increasingly frequent updates to interface standards, reflects the growing demand for greater interface bandwidth in future computing devices—including data storage devices.

In recent years, solid-state drives (SSDs) have been gradually replacing traditional hard disk drives (HDDs) as the mainstream storage medium. SSDs offer faster access speeds, larger capacities, and compact sizes that help reduce overall system costs. With the rapid advancements in technologies such as artificial intelligence, edge computing, and cloud computing, SSDs are ushering in a new era of high-performance computing. M31 also provides comprehensive ONFI IP solutions across process nodes from 55nm to 3nm, addressing market demands for high-performance, high-reliability, and cost-effective data storage chip designs.

(3.5) Power Management Chips

The primary function of a power management IC (PMIC) is to control the flow and direction of electrical power to meet the needs of the main system. It manages multiple power sources (e.g., external DC power, batteries, USB power) and distributes power to various parts of the main system—such as supplying multiple voltage levels—and is also responsible for charging internal batteries. Since many of these systems are battery-powered, they often adopt high-efficiency designs to reduce power loss. Analog ICs can generally be categorized into three major types based on functionality:

- Power Management ICs (PMICs, LDOs, DC/DC converters)
- Signal Chain ICs (Comparators, Amplifiers)
- Digital-to-Analog and Analog-to-Digital Converters (ADC/DACs)

Driven by the global growth of electronic devices and power systems, the overall demand for power management chips remains strong. With their diverse functionalities, they are widely used in consumer electronics, communications, computing, industrial control, and automotive sectors. As AI technology advances rapidly, the demand for high-performance computing has significantly increased, leading to a surge in system power consumption. To effectively manage and supply power, the demand and importance of PMICs have also risen. According to TrendForce, with the continued evolution of AI platforms and the rise in computing power, the demand for PMICs required for power delivery is expected to grow exponentially, potentially becoming a new driver of capacity utilization and growth for mature process nodes in wafer foundries. PMIC

wafers are typically manufactured using BCD (Bipolar-CMOS-DMOS) processes. The trend in BCD technology is toward greater voltage capability, faster switching speed of power transistors, and high integration of logic CMOS for devices requiring high voltages.

BCD technology can provide low-voltage logic CMOS transistors, high-voltage CMOS transistors, bipolar transistors, resistors, capacitors, diodes, and power LDMOS (Lateral Double-Diffused MOS) transistors within the same process. Typically, the BCD process features parasitic bipolar transistors that can be utilized to design analog circuits such as bandgap references. DMOS is used as the main power switch; therefore, the on-resistance is critical for reducing power consumption and chip size.

M31 provides comprehensive foundation IP solutions for the BCD process technologies of major foundries such as TSMC and GlobalFoundries. The process node range spans from 55nm to 180nm, enabling customers to compete in a cost-driven market where high-performance products are the standard.

(3.6) Display Driver IC

Display driver ICs are used to operate various types of display panels. Their function is to receive display data from the processor and convert it into analog voltages to drive the display panel. With the growing demand for LCD and OLED panels in smartphones, televisions, and other electronic devices, the display driver IC market is also expected to continue expanding. The main growth drivers include higher resolutions, faster data transmission, and increased average selling prices. Display driver IC wafer production typically uses high-voltage (HV) processes, whether applied in mobile displays, large-size panels, e-paper display drivers, or touch display drivers.

M31 provides a comprehensive IP solution for high-voltage process basic components, including Standard Cells, GPIOs, and SRAM Compilers. These foundational components enable high-quality panel image driving while reducing power consumption in product designs for televisions, smartphones, tablets, smartwatches, and other portable electronic devices. Partnered foundries include TSMC, GlobalFoundries, Nexchip, and PSMC, with process nodes ranging from 28nm to 150nm. In addition to continuously developing advanced high-voltage process basic components for foundries, M31 also licenses its designed products to display driver IC design companies worldwide.

(4) Competition Overview

As the future demand for IP continues to grow, the global IP industry has become more consolidated following a wave of international mergers and acquisitions. Currently, M31's main competitors are primarily European and American companies, such as Synopsys, Arm Artisan, and Cadence.

The foundation IP and high-speed interface IP developed by M31, whether measured by revenue or market influence, have established M31 as the best and most influential IP supplier in Asia (specifically in the categories of foundation IP and high-speed interface IP). Facing future competition, M31 not only benefits from an excellent

geographical advantage (being close to the majority of foundries) and highly skilled talent but has also accumulated strong technical expertise over the past few years. This includes extensive experience with foundry process specifications (having worked with more than 17 foundries) and IC design customer circuit specifications (with over 400 customers). M31's accumulated R&D capabilities and customer trust are the strongest foundations for meeting future competition. In recent years, M31 has also pioneered a new service model in the IP industry by offering integrated IP solutions that provide more diversified value-added services to customers, aiming to become their best technological partner and to create a win-win future in the highly competitive semiconductor IP industry.

To enhance overall competitiveness, M31 is committed to continuously optimizing product specifications, differentiating product and service quality, expanding product lines and service offerings, adopting AI tools for more efficient resource utilization, and actively strengthening the Company's international brand image to address competition and challenges from major global players.

4.1.3 Technology and R&D Overview

(1) Technical level and R&D of business operations

Interface IP refers to IP modules with specific functions. M31 focuses on high-speed transmission interface IP and analog IP. Since the IP contains complex analog circuits internally, design verification must be conducted on the foundry process nodes. Each process node generation typically takes about two years. The licensing-phase nodes range from 2nm to 180nm, while the royalty-phase nodes cover 12nm to 180nm.

Foundation IP includes Standard Cell Library, IO Library, and Memory Compiler, which are the basic elements of IC design and are closely integrated with process technology. After signing a contract with a customer, we begin development, with the R&D phase and licensing phase almost overlapping. Once completed, foundry customers can use the IP for design at no cost, while M31 can earn royalties from mass production.

Currently, M31's royalty revenue from Foundation IP mainly comes from 22nm to 180nm technologies, and some customers' 12/16nm designs have been finalized and are about to enter mass production. In addition, M31 will continue to launch more Foundation IPs for new process technologies.

(2) R&D staff education and experience

Unit: Person

Item \ Year		2024	2025 (As of March 31)
Education Distribution	Ph.D.	9	9
	Masters	203	206
	Bachelor's Degree	103	99
	Junior College	3	3
	High School or Below	1	1
Total		319	318
Average service tenure (years)		3.55	3.75
Average work experience (years)		10.67	10.97

(3) R&D Expenses incurred in the most recent year

Unit: NT\$ thousands

Year	2024	2025 (As of March 31)
R&D Expenses	1,122,090	335,306

(4) Successfully Developed Technologies or Products

Year	Developed Products
2018	<ul style="list-style-type: none"> - TSMC 12nm USB 3.1 Gen2 PHY IP - TSMC 12nm MIPI D-PHY IP - TSMC 12nm PCIe 2.0 PHY IP - 28HPC+ ONFI I/O library - 40HV STD cell library - 40LP STD cell library - 40LP ONFI I/O library - 90NVM Memory compiler - 90BCD STD cell library - 110Y STD cell library - 110HV GPIO library - 110 HV Memory compiler - 150MCU Memory compiler - 150S STD cell library
2019	<ul style="list-style-type: none"> - 12nm PCIe 4.0/3.0 PHY IP - 16nm PCIe 4.0/3.0 PHY IP - 16nm D-PHY IP - 28nm USB 3.2 Gen1 PHY IP - 28FDSOI PCIe 3.0 - 28HPC+ PLL - 28nm/55nm LPDDR3 I/O - 14nm Memory compiler - 16FFC/28HPC+/40nm ONFI I/O library - 22ULL STD cell library - 22ULP/ULL eMMC I/O - 28HPC+ STD cell library - 28HPC+/40LP eMMC I/O - 28ESF3 Memory compiler - 28nm HKC+ Memory compiler - 28nm HV Memory compiler - 90BCD+ STD cell library - 150BCD STD cell library - 180nm Memory compiler

Year	Developed Products
2020	<ul style="list-style-type: none"> - TSMC 7nm eUSB2 PHY IP - TSMC 12nm PCIe 5.0 PHY IP - TSMC 12nm M PHY - TSMC 12nm C/D PHY Combo - TSMC 22nm PLL IP - TSMC 22nm ADC IP - TSMC 22nm STD Cell Library - TSMC 22nm Memory Compiler - HLMC 28nm STD Cell Library - HLMC 28nm Memory Compiler
2021	<ul style="list-style-type: none"> - N4/N5 eUSB2 PHY - N6/N7 USB 3.2 Gen2 PHY - 12/16FFC PCIe 4.0 PHY - 12/16FFC PCIe 5.0 PHY - 12/16FFC MIPI CD-PHY TX - 12/16FFC MIPI CD-PHY RX - 12/16FFC PLL - 22nm USB 2.0/3.2 Gen1 PHY - 22nm PCIe 2.1/3.1 PHY - 22nm MIPI CD-PHY TX/RX - 14LPP PCIe 3.1 PHY - 12/16FFC ONFI 4.2/5.0 - 12/16FFC GPIO with Fail-Safe - 12/16FFC Cache Memory - 22ULL 6.5T/7T/9T STD Cell - 22ULL 10T Thick-gate STD Cell - 22ULL GL Memory Compiler - 22ULL/ULP GPIO Library - 28HV Memory Compiler - 40EF_ULP GPIO Library - 40EF_ULP 7T/8.5T STD Cell - 55BCD Memory Compiler - 55BCD 7T STD Cell - 55BCD GPIO Library - 90BCD Memory Compiler - 90BCD 7T/10T STD Cell - 90BCD GPIO Library - 28SLP-HV Memory Compiler - 28SLP-HV 9T STD Cell - 55EF Memory Compiler - 55EF 7T/9T STD Cell - 55EF GPIO Library - 22ULL Arm® Cortex®-M55 processor hardcore - 22ULL Arm® Ethos™-U55 processor hardcore

Year	Developed Products
2022	<ul style="list-style-type: none"> - 3nm eUSB2 PHY - 6nm/7nm All-digital PLL - 7nm PCIe 3.1 tiny PHY - 7nm 10G SerDes PHY - 7nm MIPI CD-PHY TX/RX - 12/16FFC USB4 PHY - 12/16FFC All-digital PLL - 12/16FFC D-PHY TX PHY - 14nm ADC - 22ULL/ULP ADC - 7nm High-speed SP SRAM - 6nm/7nm ONFI-v5.1 - 12nm multiple-2R2W SRAM - 12 nm Pseudo-TP (PTP) - 12nm High-speed SP SRAM - 12nm ONFI-v5.0 - 12nm LVDS IO - 12nm ONFI-PHY testchip implementation with high-speed test-env - 22ULL L1 Cache/HS-TP/ HS-OP Memory Compiler - 22ULL SP/OP/ROM/PDP/TP Memory Compiler - 22ULL ONFI-v4.1 - 22ULL ONFI/ eMMC /GPIO - 22ULL Bandgap free multi voltage detector - 22ULL 6.5T/ 9T/ 10T platform - 28HPC I²C GPIO - 28HV SP/OP Memory Compiler - 28HPC+ ONFI-v4.1 - 28HPC+ ONFI 4.0 I/O 、GPIO. - 28HV 9T platform - 40ULP SP/OP/ROM Memory Compiler

Year	Developed Products
2023	<ul style="list-style-type: none"> - 3LPe eUSB2 PHY - N3E eUSB2 PHY - 5nm USB4 PHY - 5nm MIPI CD-PHY TX/RX - 7nm DPLL - N3P ONFI-v6.0 - N5P ONFI-v5.2 - N7 GPIO - 28HV/SP Memory Compiler - 40nm SP/ 1PRF/ ROM/ Memory Compiler - 40nm 7T/ 9T/ 12T Standard Cell Library - 40HV/ 7T/ 9T Standard Cell Library - 65BCD/ SP/ 1PRF/ ROM Memory Compiler - 130BCD SP/DP/ROM Memory Compiler - 130BCD 7T/ 9T Standard Cell Library - 150BCD 9T/12T Standard Cell Library - 150BCD GPIO - 6nm USB 3.2 PHY+Controller Integration - 12nm USB 2.0 PHY+Controller Integration - 12nm MIPI CDPHY-RX PHY+Controller Integration - 12nm PCIe 4.0 PHY+Controller Integration - 22nm USB 2.0 PHY+Controller Integration
2024	<ul style="list-style-type: none"> - N3P eUSB2 PHY - N3P DPLL - N3P ONFI PHY - N3P ONFI PHY+Controller Integration - 5nm MPHY Gear5 PHY - N6e DPTX V2.1 PHY - N6e USB4 PHY - N6e ONFI PHY - N6e ONFI PHY+Controller Integration - N6e SP/1PRF Memory Compiler - 7nm MPHY Gear4 PHY - 7nm MPHY+Controller Integration - N12e LPDDR4/4X PHY - N12e PCIe 4.0 PHY+Controller Integration - N12e 6T Standard Cell Library - N12e SP/1PRF/P2P/ROM Memory Compiler - N12e GPIO - 22ULL ONFI /GPIO / EMMC IO - 22ULL 6.5T/7T/9T/10T Standard Cell Library - 22ULL USB2.0+Controller Integration - 28HPC+ ONFI - 28HPC SP/1PRF Memory Compiler - 40ULP SP Memory Compiler - 40HV SP/1PRF/ROM Memory Compiler - 90HV SP Memory Compiler - 130BCDLG2-ATV125 GPIO - 150BCD/FPS 10T Standard Cell Library

4.1.4 Short- and Long-term Business Development Plan

(1) Short-term development plan

Continue to expand the customer base and the adoption of products among customers through existing products and marketing channels.

- (1.1) Continue to expand collaboration programs with foundries and leverage foundry partners' IP platforms to strengthen connections with customers and enhance promotion efforts.
- (1.2) Adjust business and marketing strategies in response to international developments and unexpected events, such as tariff protections, the CHIPS Act, and the Russia-Ukraine war.
- (1.3) Utilize online digital marketing channels and media tools, such as the internet, social media platforms, and professional newspapers and magazines, combined with offline physical exhibitions. By coordinating with the launch of new technologies and applications, integrate online and offline marketing efforts to enhance the Company's brand awareness and professional image.
- (1.4) Actively participate in technology forums or physical exhibitions organized by foundries or IC design service companies to increase the Company's visibility and opportunities to engage with customers.
- (1.5) Introduce AI tools to improve overall operational efficiency by enhancing work productivity, reducing repetitive tasks, and optimizing resource allocation.

(2) Long-term development plan

- (2.1) Establish global service, marketing, and R&D centers to serve customers locally and enhance operational efficiency and quality.
- (2.2) Build a comprehensive IP platform of complete solutions, offering customers diversified services and comprehensive product offerings.
- (2.3) Actively develop high value-added, high technological barrier application products to explore new blue ocean markets.
- (2.4) Increase the sales rate of products on advanced process nodes and develop new applications for high-end, high-unit price products to capture future growth opportunities and momentum.
- (2.5) Collaborate with advanced process foundries on strategic development plans to enhance global competitiveness.
- (2.6) Provide unique and differentiated IP solutions and integration services to expand the penetration of the Company's IP products across various chip design platforms.

4.2 Market and Production/Sales Overview

4.2.1 Market Analysis

(1) Main geographic regions for sales of products (services)

Unit: NT\$ thousands; %

Region \ Year		2023		2024	
		Amount	%	Amount	%
Domestic Sales		493,486	30.61	395,282	26.69
Export	Mainland China	561,913	34.85	641,237	43.30
	USA	210,236	13.04	315,844	21.33
	Others	346,702	21.50	128,540	8.68
Export Subtotal		1,118,851	69.39	1,085,621	73.31
Total		1,612,337	100.00	1,480,903	100.00

(2) Market share

According to the latest report by the market research firm IPnest, the global semiconductor design IP market revenue reached USD 7.04 billion in 2023. Based on a projected CAGR of 16.7% from 2021 to 2026, the global semiconductor design IP market revenue is estimated to reach approximately USD 8.22 billion in 2024. Based on the Company's projected 2024 sales revenue of USD 46.104 million, the Company's IP market share would be approximately 0.56%. Although the Company's current share in the global semiconductor IP market remains relatively small, through actively expanding development collaborations with major global foundries, establishing a strong presence in advanced process nodes for foundation IP, and continually providing cost-effective customized IP and new high-speed interface IP specifications, the Company aims to offer customers comprehensive, unique, and high value-added IP solutions to accelerate its operational growth momentum.

(3) Market supply/demand and growth in the future

(3.1) Future market supply and demand

The IP market has been steadily growing along with the increasing integration of SoC designs and the rising demand for advanced process technologies. The series of IP products developed by the Company are primarily applied to AI application chips, IoT integration chips, storage controller chips, microcontroller units (MCUs), LCD panel driver chips, OLED panel driver chips, power management ICs, fingerprint recognition controller chips, battery management ICs, and various automotive chips. Based on the application scope of the Company's product technologies, the rapid growth in recent years of artificial intelligence, mobile communications, high-performance computing (HPC), and automotive electronics is expected to continue driving the Company's revenue growth momentum.

(3.2) Market growth potentials

As SoC designs become increasingly integrated, the functionalities within a single chip are growing stronger, leading to a rising number of required IP blocks and

establishing SoC as the mainstream trend in IC technology development. Additionally, with the increasing proportion of outsourced design, the rising costs of advanced process masks and technology development, coupled with factors such as high complexity and lengthy design cycles, IP has become a critical and essential role. As the semiconductor industry moves toward greater specialization, the value proposition of IP lies in alleviating the burden on design engineers, reducing the risk of design failures, significantly shortening product development cycles, and accelerating time-to-market — all key competitive advantages. Various market research reports also indicate that the IP market is expected to experience strong growth over the next few years.

(4) Competitive advantage

(4.1) Strong R&D team and excellent technical service

M31 has a strong R&D and service team composed of professionals with extensive experience in semiconductor IP, IC design, and design automation fields. The company offers two major product lines: foundation IP and high-speed interface IP. Its client base includes both foundries and IC design companies. Through close collaboration with major global semiconductor manufacturers, M31 actively engages in the development and validation of foundation IP for advanced process technologies, providing a variety of silicon-proven IP products for IC designers and design service providers to adopt, thereby reducing design risks and costs.

In addition to assisting customers in successfully completing product designs, M31 also offers extended technical services during the product testing phase for mass production, as well as comprehensive support for product certification, to fully meet customer needs.

(4.2) Unique technology patents

IP technology licensing and services belong to a high-tech, knowledge-intensive industry. M31's proprietary patented technologies assist customers in reducing IC design risks, enhancing product specifications, saving testing costs, significantly increasing competitiveness, and enabling their products to enter the market in the shortest possible time.

Therefore, M31 not only provides professional training for its R&D personnel to enhance their design and development capabilities but also offers various generous benefits to attract and retain talent. In addition, M31 continuously brings in fresh talent and recruits outstanding professionals to facilitate knowledge transfer and elevate technological expertise. These efforts are key factors for the sustainable operation of an IP design company.

(4.3) Long-term relationship with foundries

The key factors influencing the business development of foundries mainly include process technology, yield quality, delivery speed, and foundry pricing. Foundries with leading-edge process technologies hold significant competitive advantages, prompting major foundries to continuously compete in process innovation to attract IC customers to place wafer orders. Amid the significant expansion of global semiconductor production capacity, foundries have increasingly outsourced

the development of semiconductor IP, with the establishment of comprehensive IP libraries becoming a critical factor for securing orders from major international clients. This trend also highlights the growing importance of semiconductor IP within the semiconductor ecosystem.

The operational collaboration model involves M31 completing the design and verification of its core technologies at foundries, while the foundries utilize M31's technologies to enhance their IP technology platforms and provide IC design customers with comprehensive technical resources. M31 forms strategic alliances with foundries, developing a relationship of mutual dependence, which increases the penetration rate of M31's IP products across foundries, IC design companies, and IC products. This has become a key factor in driving revenue growth and expanding market share.

M31 has been honored with TSMC's 'Best IP Partner' award for seven consecutive years. Continuously advancing toward more advanced process nodes is a testament to M31's R&D strength. The Company aims to lead the development of AI, 5G, HPC, and automotive sectors through its advanced process IP technologies. In particular, for M31's physical IP products, keeping pace with the technological advancements of foundry process nodes is a key indicator of competitiveness and profitability.

(5) Favorable and unfavorable factors for corporate development and corresponding strategies

(5.1) Favorable factors

(5.1.1) SoC single chip design complexity

In response to the demand for electronic products to be compact, lightweight, multifunctional, high-performance, low-power, and cost-effective, the difficulty and complexity of IC design have increased significantly. As a result, the market demand for various differentiated and innovative IP solutions continues to grow, presenting both challenges and greater opportunities for the Company.

(5.1.2) Strong R&D team and excellent technical service

M31's strong R&D and service teams are composed of seasoned professionals with extensive experience in semiconductor IP, integrated circuit design, and design automation. In addition to assisting customers in successfully completing product designs, M31 also provides extended technical services during the product testing phase of mass production and supports customers with product certification, offering comprehensive services to meet customer needs.

(5.1.3) Geographic advantage

As most semiconductor foundry (both mature and advanced processes) and packaging and testing capacities are concentrated in East Asia — particularly Taiwan, Mainland China, South Korea, and Singapore — the IC design and sales markets have also gradually shifted toward Asia. As a result, M31, located in Asia's semiconductor hub, enjoys a competitive advantage over its American and European competitors.

(5.2) Unfavorable factors and corresponding strategies

(5.2.1) Positive industry outlook, growing competitors

As IC design becomes increasingly complex, the use of third-party IP licensing has become a key solution to accelerate development timelines. In the future, competition within the IP industry is expected to intensify. In recent years, Mainland China has been actively developing its domestic electronic component supply chain, with the semiconductor industry being a major focus of government support. This is expected to create competitive pressure on Taiwan's semiconductor companies and related supply chains.

Corresponding Strategies

- A. Enhance technical capabilities and develop high value-added design technologies to help customers improve product performance and competitiveness.
- B. Provide more diverse value-added services such as certification support, design and optimization for mass production testing, and evaluation and execution of customized technical solutions to resolve customers' technical issues and gain their trust and recognition.
- C. Leverage the competitive advantages of advanced process and high-end design to strengthen collaboration with global customers, differentiate from competitors, and mitigate adverse effects caused by competition.
- D. Continue expanding into international markets to increase global market share.

(5.2.2) Lower brand awareness

Due to its later establishment compared to other major competitors, smaller operational scale, and fewer product lines, the company still needs to actively expand new product lines, build its brand, and enhance brand awareness.

Corresponding Strategies

- A. Continuously develop new product lines that are highly related to existing offerings, while also expanding and extending current product lines. Launch various IP product portfolios to enhance product bundling for market promotion, increase marketing flexibility, and improve market share and product penetration.
- B. Leverage digital marketing channels and media tools such as the internet, social media platforms, and professional publications to promote new technologies and applications, thereby increasing the company's brand visibility and industry credibility. Actively participate in technical forums hosted by foundries or IC design service companies, and utilize integrated online and offline marketing activities to enhance company exposure and opportunities to engage with potential customers.

4.2.2 Main product applications and production flows

(1) Main product applications

(1.1) Foundation IP product line

This product line consists of foundation IP component libraries essential for IC design, including Standard Cell Libraries, Memory Compilers, and I/Os. There are two primary business models: one targets foundry customers, assisting them in developing new technologies (such as creating new Standard Cell Libraries, Memory Compilers, or I/Os for specific process nodes) for use by their broad base of IC design company clients. The other targets IC design companies directly; when these clients require specifications that differ from the general-purpose standards provided by the foundries, M31 delivers customized and differentiated designs to meet their specific technical needs.

(1.2) High-speed interface IP product line

This product line consists of functional IPs, primarily serving as data transmission interface solutions. It includes USB, PCI Express, MIPI M-PHY, D-PHY, and C/D-PHY Combo, as well as LPDDR and DisplayPort.

When IC design companies are planning their IC specifications and require any of the aforementioned high-speed interface IPs, M31 provides the relevant IP documentation for their evaluation and further offers an Evaluation Board for the customer to conduct actual circuit and functional assessments. Once the customer deems the IP feasible, it is integrated into their design project as part of its multiple functionalities.

(1.3) IP integration service

Leveraging its deep expertise in high-speed interface technology, M31 assists customers in integrating IP subsystems and further utilizes foundation IP to optimize SoC design performance. This enables customers to focus on differentiated chip design and system-level integration, thereby enhancing their competitiveness.

As process technologies continue to shrink, chip designs grow more complex, and interface integration advances rapidly, M31 consistently pushes the boundaries of core high-speed interface IP technologies, delivering integrated solutions that combine physical layer (PHY) and controller IP. The company has successfully developed integrated PHY and controller subsystems for 22nm USB 2.0, 12nm PCIe 4.0, 7nm MIPI, 3nm ONFI, and 6nm ONFI. These highly integrated IP subsystems not only comply with various high-speed transmission standards but are also widely applied in consumer electronics chips. They help IC design customers reduce integration time, optimize SoC power consumption and performance, and lower costs—allowing them to focus on core technology development and accelerate time-to-market.

M31 is committed to providing diversified and differentiated IP solutions and integration services to meet the needs of various application scenarios. With the launch of IP platforms that integrate different IP products, we will offer one-stop services and bundled sales models. In terms of revenue performance, this is expected to create synergistic effects that will further enhance M31's overall business momentum.

(2) Main product development processes

All of the Company's products are software-based intellectual property and do not involve the production of physical products. IP services are provided through the research, design, verification, and revision conducted by the Company's R&D personnel, with the final quality and completeness of all IP confirmed through functional verification using test chips.

4.2.3 Supply status of major raw materials

M31 provides professional IC design services and IP licensing, so does not require to purchase of raw materials.

4.2.4 The names of customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years and the amount and proportion of their purchase (sales), together with the reasons for the increase or decrease:

(1) Major suppliers in the last two years: N/A.

(2) Major clients in the last two years:: For the year ended December 31, 2024 and 2023, there was one customer, Customer A, whose revenue contribution exceeded 10% of the Company's total operating revenue, with amounts of NT\$207,309 thousand and NT\$368,240 thousand, respectively.

4.3 Human Resources in the Past Two Years

Year		2023(Note)	2024	2025 (As of March 31)
Number of Employees	R&D	245	319	318
	Sales & Administration	33	44	47
	Total	278	363	365
Average Age		37.69	37.37	37.66
Average service tenure (years)		3.86	3.60	3.78
Average work experience (years)		11.17	11.20	11.49
Education Distribution (%)	Ph.D.	3.60	3.03	3.01
	Masters	65.83	60.61	61.92
	Bachelor's Degree	28.78	34.71	33.42
	Junior College	1.08	1.38	1.37
	High School	0.72	0.28	0.27
	Below High School	0.00	0.00	0.00

Note: The employee count for 2023 does not include subsidiaries.

4.4 Environmental Protection Expenditure Info

In the most recent year and up to the date of publication of the annual report, the Company did not incur any losses (including compensations) or penalties due to environmental pollution. Accordingly, there are no future response measures (including improvement actions) or potential expenditures to disclose (including estimated amounts for losses, penalties, or compensations that may arise if no response measures are taken; if a reasonable estimate cannot be made, such fact should be stated): None

4.5 Labor-Management Relations

(4.5.1) Employee benefit program, continuing learning, training, retirement system and its implementation, and the labor-management agreement

(1) Employee benefit program

The Company, in accordance with labor-related laws and regulations, provides labor insurance, national health insurance, and pension contributions to ensure employee protection. Additionally, to further support our employees, the Company has established an Employee Welfare Committee. In compliance with relevant laws, the Company allocates welfare funds to the committee, which is responsible for planning and managing various employee welfare programs and initiatives to enhance overall employee benefits.

(1.1) Welfare measures directly provided by the Company:

- A. Welfare Subsidies: Meal allowance, parking allowance, fitness allowance, child education subsidy, childbirth allowance, fertility assistance subsidy (artificial insemination/in vitro fertilization), parental care program for elderly parents living alone, wedding gifts, funeral condolence payments/flower arrangements, etc.
- B. Recreational Activities: Year-end party arrangements, departmental gatherings, etc.
- C. Other Benefits: Holiday bonuses, employee bonuses, performance bonuses, employee stock ownership trust, group insurance, travel accident insurance for business trips and vacations, regular employee health check-ups, and discounted rates at partner hotels.

(1.2) Welfare measures administered by the Company's Employee Welfare Committee:

- A. Welfare Subsidies: Birthday gifts, childbirth subsidies, hospitalization subsidies, etc.
- B. Recreational Activities: Birthday celebrations, domestic and overseas trips, year-end parties, club activities, etc.
- C. Other Benefits: Discounts at partner stores, etc.

(2) Employee development and training

To enhance the quality of human resources and strengthen the Company's core competitiveness for sustainable growth, a comprehensive training and development system has been established to cultivate talent with both professional expertise and a competitive edge.

(2.1) Internal Training: New employee orientation, departmental internal training, quality education training, environmental safety training, other internal professional instructor courses, fire evacuation drills, occupational safety training, laboratory equipment operation training, etc.

(2.2) External Training: Based on work requirements, department heads and employees may apply to attend courses and training programs organized by external institutions.

(3) Retirement system and implementation status

The Company was incorporated in 2011. All employees' years of service are subject to the provisions of the Labor Pension Act. In accordance with the Act, the Company contributes 6% of each employee's monthly salary to their individual pension accounts. Retirement-related matters are handled in compliance with the regulations of the Labor Pension Act. Since the Company's incorporation, there have been no cases of employee retirement.

(4) Labor-management agreement

The Company has established various regulations in accordance with the Labor Standards Act to protect employee rights. Regular labor-management meetings are held to facilitate open and two-way communication regarding company policies and other matters, aiming to foster a positive, harmonious, and interactive relationship between labor and management, while ensuring that employee rights are handled fairly and reasonably.

(5) Status of employee rights protection measures

The Company has a well-established internal website that outlines various management regulations, clearly specifying employee rights, obligations, and welfare programs. The content is regularly reviewed, and updates are promptly announced on the internal website to ensure the protection of employee rights.

For example: Workplace safety information.

The Company is committed to safeguarding employees' physical and mental health, as well as ensuring a safe working environment. Workplace safety, occupational health, and fire protection measures are planned in accordance with relevant government regulations. To ensure that employees fully understand the Company's various workplace health promotion policies, education and training are provided to new employees, and awareness programs are arranged annually for current employees to maintain their sensitivity to these issues.

The Company, regardless of hierarchy, is committed to fostering a corporate culture where the organization and all employees participate jointly as the core principle for promoting workplace health. Through the use of a cyclical quality management approach (PDCA), annual goals are set to listen to each employee's needs and prioritize their health requirements, thereby creating a friendly, safe, and healthy workplace environment. The Company's policies for environmental safety and hygiene, building and fire safety management, and public facility management are outlined as follows:

- A. Conduct annual fire safety inspections in accordance with relevant fire safety regulations.

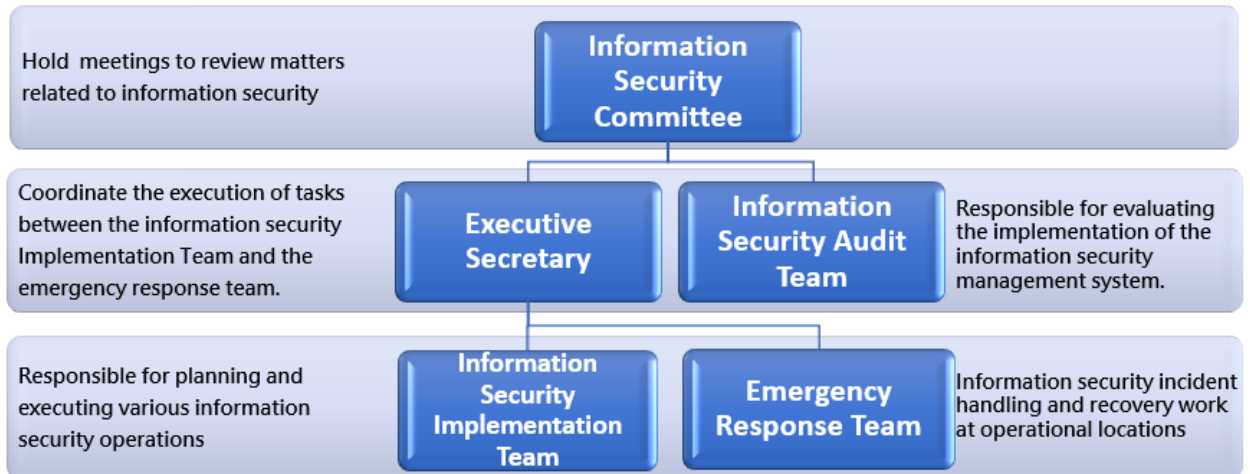
- B. Conduct building public safety inspections every two years in accordance with relevant building safety regulations.
- C. Conduct annual safety inspections of public facilities in accordance with relevant public facility regulations.
- D. Purchase commercial fire insurance and public liability insurance to protect the safety of the employee work environment.
- E. Implement occupational safety and health education and training in compliance with relevant occupational safety and health regulations.
- F. Organize an annual 'Fire Safety Awareness' course.
- G. Cover the full cost of occupational accident insurance to ensure employee safety.
- H. Operate a security system around the clock to control access to office premises, ensuring a safe and secure working environment for employees.
- I. Promotion of the four major occupational safety and health programs: [Overload Prevention Program, Ergonomic Hazard Prevention Program, Maternal Health Protection Program, and Unlawful Infringement Prevention Program].
- J. Conduct regular employee health checkups and arrange physician consultations based on health examination data.
- K. Provide on-site stress-relief massage services by visually impaired massage therapists.
- L. Offer on-site medical personnel health consultations.
- M. Organize various health promotion activities (e.g., weight loss competitions, establishment of health-related clubs such as yoga clubs).
- N. Provide mental health support (e.g., stress-relief seminars, "recharging leave" days).
- O. Establish first aid and emergency rescue measures (e.g., first aid training for designated personnel, installation of Automated External Defibrillators (AEDs) throughout office buildings and company premises, along with practical training and online educational promotion).
- P. Achieved zero fire and occupational accident cases throughout the year 2024
- Q. Obtained the "Healthy Workplace Certification – Health Activation Badge" in 2024
- R. Other key initiatives related to building a healthy workplace

4.5.2 Losses incurred by the Company due to labor disputes in the most recent year and up to the date of publication of this annual report: None.

4.6 Cybersecurity Management

4.6.1 Cybersecurity risk management framework, cybersecurity policy, specific management plan, and resources devoted to information security management

(1) Information security risk management framework



The Information Security Committee is chaired by the CEO, with the Head of the Information Center appointed as the Executive Secretary to oversee information security-related matters. Committee members are composed of senior executives, as well as department heads or representatives from the risk management, business, and other relevant units, who assist in the execution of information security operations.

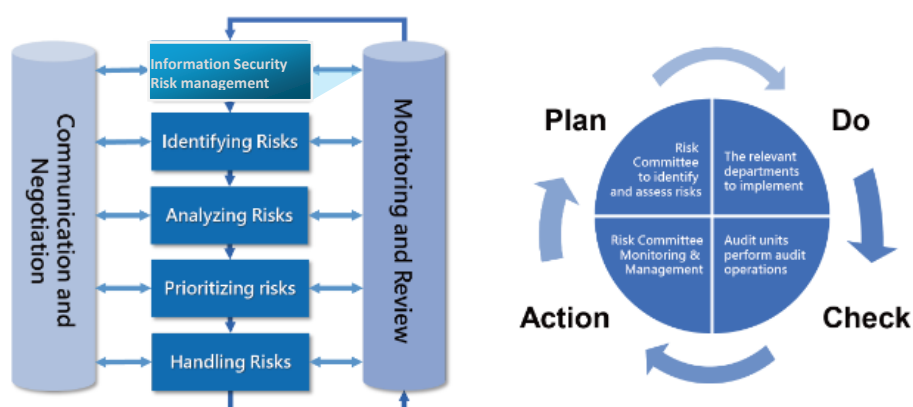
The members of the Information Security Committee are responsible for formulating information security policies and reviewing information security-related regulations, with the implementation of decisions delegated to the relevant departments. The Executive Secretary of the Information Security Committee coordinates the activities of the Information Security Task Force and the Emergency Response Team, overseeing the execution of information security operations. Responsibilities include issuing early warnings, monitoring the status of information security, handling information security incidents, and supervising the implementation and achievement of information security objectives.

(2) Cybersecurity policy

Continuously improving and strengthening the Company's information security management to ensure the confidentiality, integrity, and availability of its information assets, while complying with relevant laws, regulations, and contractual requirements. The Company is committed to establishing and maintaining a secure, trustworthy, and resilient information environment that supports continuous business operations and protects information assets from internal and external intentional or accidental threats.

M31 adopts the ISO system's PDCA (Plan → Do → Check → Action) management cycle model to ensure the accuracy of its information security risk objectives and the effectiveness of its action plans. Within reasonable and feasible

costs, M31 strives to eliminate potential future uncertainties in information security risks, thereby ensuring the achievement and continuous improvement of the Company's information security management objectives.



- (3) Specific management plans and resources allocated for cybersecurity management
- The Company places great importance on cybersecurity controls. The specific approaches adopted for cybersecurity protection are carried out across five key areas:

(3.1) Employee Management

Upon employment, the Company signs an 'Employment Agreement' with each employee, stipulating that all creations and inventions developed during the period of employment shall be the intellectual property of the Company. In addition, employees are required to sign a comprehensive "Confidentiality Agreement," under which they are obligated to maintain the confidentiality of all business information, technologies, processes, programs, workflows, designs, or any other company confidential information encountered during their employment, both during and after the term of employment. Any breach of the confidentiality obligations may subject the employee to disciplinary action in accordance with Company work rules, and, depending on the severity, the Company may pursue civil and criminal liability. The Company also conducts periodic awareness programs through various meetings, covering topics such as trade secret protection, access control regulations, and principles of external information disclosure, to instill correct understanding and foster good work habits among employees.

Type	Item	Prevention Purpose	Description of Resources Allocated for Cybersecurity Management
Employee Management	<ul style="list-style-type: none"> Information Security Awareness Promotion 	Preventing and Reducing the Risk of Malware Infection	<ul style="list-style-type: none"> In 2024, 40 information security awareness sessions were conducted for new employees. In 2024, 8 regular sessions were held to share major domestic and international information security incident case studies with employees. In 2024, 367 participants took part in social engineering simulation exercises. In 2024, 279 participants completed regular information security training courses.

Type	Item	Prevention Purpose	Description of Resources Allocated for Cybersecurity Management
Device Control	<ul style="list-style-type: none"> ● Antivirus Software ● Blocking of Untrusted Devices 	Prevent Malware Infection	<ul style="list-style-type: none"> ● In 2024, the antivirus software virus definition update completion rate reached 100%. ● In 2024, the RD firewall replacement project was completed. ● In 2024, the client operating system upgrade project achieved a 100% completion rate. ● Procurement and implementation of information security systems: <ul style="list-style-type: none"> ➢ Only computers determined to meet compliance standards are granted network access permissions. ➢ If any unauthorized devices are connected, the system will automatically block network access.
Access Control	<ul style="list-style-type: none"> ● Two-Factor Authentication ● Project-Based Access Control 	Prevent Account Impersonation	<ul style="list-style-type: none"> ● Implementation of Two-Factor Authentication System: <ul style="list-style-type: none"> ➢ Employees must pass two-factor authentication (system account password + one-time password (OTP)) when logging into their personal computers, in order to prevent account theft and impersonation. ● Development of Internal R&D Management System: <ul style="list-style-type: none"> ➢ Each R&D project is subject to strict access control. Project members must submit a request form and obtain supervisor approval before the IT administrator assigns access permissions.
Data Management	<ul style="list-style-type: none"> ● Enterprise-Grade Storage Devices ● Local Backup Architecture ● Offsite Data Backup 	Prevent Data Loss	<ul style="list-style-type: none"> ● Procurement of Enterprise-Grade Storage Equipment: <ul style="list-style-type: none"> ➢ Equipped with high-availability redundancy capabilities; access to project R&D data is strictly controlled, and only authorized members are allowed to access the information. ● Equipped with high-availability redundancy capabilities; access to project R&D data is strictly controlled, and only authorized members are allowed to access the information. <ul style="list-style-type: none"> ➢ The Company has established a comprehensive regular backup mechanism for R&D data. ➢ Data is stored offsite to ensure recovery capabilities in the event of a disaster.
Data Output Management	<ul style="list-style-type: none"> ● Automated System Data Transfer ● Dedicated Encrypted Storage Space 	Prevent Data Leakage	<ul style="list-style-type: none"> ● Development of Internal Shipping Management System: <ul style="list-style-type: none"> ➢ When delivering products to customers, a request form must be submitted and approved by the relevant supervisors and sales representatives. The system then encrypts the data and uploads it directly to a dedicated space provided by the Company for customer downloads, without any manual intervention. ➢ The dedicated space only allows connections from customer-provided specific IP devices, and the connection access period is limited to one month.

(3.2) Device Control

All company computer equipment must have antivirus software installed, and only computers that are verified by the system as compliant with regulations are granted network access permissions. Connecting any unauthorized computer equipment to the company network is strictly prohibited. If an unauthorized device is detected, the system will automatically block its network access to prevent non-compliant devices from impacting the company's internal network and equipment.

(3.3) Access Control

Employees must pass two-factor authentication (system account password + one-time password (OTP)) when logging into their personal computers to prevent account theft and impersonation. Each R&D project is subject to strict access control; project members must submit a request form and obtain supervisor approval before IT administrators assign access permissions. Access permissions are reviewed every six months to ensure the accuracy and proper management of access rights.

(3.4) Data Management

All company R&D data is stored in enterprise-grade storage equipment with high-availability redundancy capabilities. Project R&D data is strictly access-controlled, allowing access only to authorized members. The Company has established a comprehensive regular backup mechanism for R&D data, with offsite storage adopted to ensure disaster recovery capabilities in the event of an incident.

(3.5) Data Output Management

When delivering products to customers, a request process must be completed and approved by the relevant supervisors and sales representatives. The system will then encrypt the data and directly upload it to a dedicated space provided by the Company for customer downloads, without any manual intervention. This dedicated space only allows connections from customer-provided specific IP devices, and the access window is limited to one month.

4.6.2 Losses, potential impacts, and response measures related to major cybersecurity incidents in the most recent year and up to the publication date of this annual report:

From 2024 through the publication date of this annual report, the Company did not incur any losses due to major cybersecurity incidents.

4.7 Material Contracts

As of March 31, 2025, the Company's material contracts are as follows:

Contract Type	Company	Starting Date	Main Content	Restrictive Clauses
License Agreement	HHGrace	02/01/2013	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	MediaTek Inc.	01/23/2015	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Silicon Motion Technology Corp.	08/30/2016	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Dialog Semiconductor	04/27/2017	Technology License Agreement	Confidentiality and Compliance with IP Rights

Contract Type	Company	Starting Date	Main Content	Restrictive Clauses
License Agreement	Nexchip Semiconductor Corporation	05/05/2017	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	SMIC	06/09/2017	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	ALCOR MICRO, CORP.	01/19/2018	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Cirrus Logic Inc.	08/17/2018	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Panasonic Semiconductor Solutions Co., Ltd.	12/17/2018	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Macroblock, Inc.	12/18/2018	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Shanghai Huali Microelectronics Corporation	04/10/2019	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	GLOBALFOUNDRIES Inc.	06/11/2019	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	SK Hynix Semiconductor Inc.	07/31/2019	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Qualcomm Inc.	07/31/2019	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Synaptics Incorporated	10/16/2019	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	TSMC	12/5/2019	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Innogrit Technologies Co., Ltd.	04/30/2020	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Beijing AI Chip Technology Limited	05/28/2020	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Himax Technologies, Inc.	08/31/2020	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Silicon Laboratories Inc.	04/30/2021	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Morse Micro PTY. LTD.	04/30/2021	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Efinix Inc.	06/07/2021	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Moore Threads	08/18/2022	Technology License Agreement	Confidentiality and Compliance with IP Rights
License and Services Agreement	ASICLAND Co., Ltd.	12/19/2022	Technology License and Services Agreement	Confidentiality and Compliance with IP Rights
License Agreement	ASolid Technology Co., Ltd.	03/16/2023	Technology License Agreement	Confidentiality and Compliance with IP Rights
License and Services Agreement	Alchip Technologies	05/15/2023	Technology License and Services Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Black Sesame Technologies Co., Ltd.	08/25/2023	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Tower Semiconductor Ltd.	09/11/2023	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Qualcomm Inc.	06/28/2024	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Aspeed Technology	08/30/2024	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Ambarella Corp.	09/30/2024	Technology License Agreement	Confidentiality and Compliance with IP Rights
License Agreement	Axonne Inc.	09/30/2024	Technology License Agreement	Confidentiality and Compliance with IP Rights

V. Review and Analysis of Financial Condition and Performance, and Risk Management

5.1 Financial Condition

Unit: NT\$ thousands; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	1,204,759	1,654,315	(449,556)	(27.17)
Property, Plant and Equipment	591,847	561,779	30,068	5.35
Intangible Assets	17,580	12,136	5,444	44.86
Other Assets	345,026	168,559	176,467	104.69
Total Assets	2,159,212	2,396,789	(237,577)	(9.91)
Current Liabilities	217,218	326,085	(108,867)	(33.39)
Non-current Liabilities	22,690	7,685	15,005	195.25
Total Liabilities	239,908	333,770	(93,862)	(28.12)
Equity Attributable to Shareholders of the Parent	1,919,304	2,063,019	(143,715)	(6.97)
Capital Stock	417,997	348,478	69,519	19.95
Capital Surplus	745,102	750,042	(4,940)	(0.66)
Retained Earnings	754,609	976,105	(221,496)	(22.69)
Other Equity	1,596	(11,606)	13,202	(113.75)
Treasury Stock	-	-	-	-
Non-controlling Interest	-	-	-	-
Total Equity	1,919,304	2,063,019	(143,715)	(6.97)
<p>Analysis of Variance Over 20%:</p> <ol style="list-style-type: none"> 1. Decrease in current assets: Mainly due to a reduction in cash and cash equivalents in 2024. 2. Increase in intangible assets: Attributable to the acquisition of computer software and other intangible assets in 2024. 3. Increase in other assets: Mainly due to an increase in financial assets measured at amortized cost in 2024. 4. Decrease in current liabilities: Mainly due to a reduction in accrued salaries and bonuses in 2024. 5. Increase in non-current liabilities: Due to an increase in deferred income tax liabilities and lease liabilities in 2024. 6. Decrease in total liabilities: Attributable to the decrease in current liabilities in 2024. 7. Decrease in retained earnings: Due to a decline in net income for the year 2024. 8. Increase in other equity: Resulting from the reclassification of unearned employee compensation to compensation cost from the issuance of restricted employee shares in 2021. 				

5.2 Financial Performance

Unit: NT\$ thousands; %

Item \ Year	2024	2023	Increase (Decrease) Amount	Percentage Change (%)
Operating Revenue	1,480,903	1,612,337	(131,434)	(8.15)
Gross Profit	1,480,903	1,612,337	(131,434)	(8.15)
Operating Profit (Loss)	53,266	446,496	(393,230)	(88.07)
Non-operating Income and Expenses	97,131	66,820	30,311	45.36
Income before Tax	150,397	513,316	(362,919)	(70.70)
Net Income from Continuing Operations	126,922	435,170	(308,248)	(70.83)
Loss from Discontinued Operations	-	-	-	-
Net Income (Loss)	126,922	435,170	(308,248)	(70.83)
Other Comprehensive Income (Net of tax)	2,184	19	2,165	11,394.74
Total Comprehensive Income (Loss)	129,106	435,189	(306,083)	(70.33)
Net Income Attributable to Shareholders of the Parent	126,922	435,170	(308,248)	(70.83)
Net Income Attributable to Non-controlling Interest	-	-	-	-
Total Comprehensive Income Attributable to Shareholders of the Parent	129,106	435,189	(306,083)	(70.33)
Total Comprehensive Income Attributable to Non-controlling Interests	-	-	-	-
Earnings Per Share (NT\$)	3.05	10.50	(7.45)	(70.95)
<p>Analysis of Variance Over 20%:</p> <ol style="list-style-type: none"> 1. Decrease in operating profit: Due to a decline in operating revenue and an increase in operating expenses in 2024. 2. Increase in non-operating income: Attributable to higher net foreign exchange gains in 2024. 3. Decrease in income before tax, net income from continuing operations, and net income for the period: Resulting from the decline in operating revenue and the increase in operating expenses. 4. Increase in other comprehensive income (net of tax): Due to an increase in the exchange differences arising from the translation of financial statements of foreign operations. 5. On May 27, 2024, the Company's general shareholders' meeting approved a capital increase from earnings; therefore, earnings per share for 2023 were retroactively adjusted. <p>Potential Impact on the Company's Future Financial and Business Operations and Response Plans: Please refer to the "Letter to Shareholders" section for details.</p>				

5.3 Cash Flow

5.3.1 Analysis and Explanation of Cash Flow Changes for 2024 and 2023:

Unit: NT\$ thousands

Item \ Year	Net Cash Generated from / (Used in)		Increase (Decrease) Amount
	2024	2023	
Operating Activities	46,638	241,341	(194,703)
Investing Activities	(93,018)	332,001	(425,019)
Financing Activities	(289,200)	(258,691)	(30,509)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	15,470	(12,306)	27,776
Analysis of Cash Flow Changes: 1. Decrease in net cash inflow from operating activities: Mainly due to a decline in income before tax in 2024. 2. Increase in net cash outflow from investing activities: Attributable to a decrease in the acquisition of financial assets measured at amortized cost in 2024. 3. Increase in net cash outflow from financing activities: Due to higher cash dividend payments in 2024. 4. Effect of exchange rate changes on cash and cash equivalents: Primarily due to the appreciation of the U.S. dollar in 2024, resulting in a greater impact from exchange rate fluctuations.			

5.3.2 Plan to Address Cash Shortfall: Based on the Company's current cash position, there are no concerns regarding liquidity, there is no liquidity risk or cash shortage.

5.3.3 Cash Liquidity Analysis for the Coming Year:

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Generated from Operating Activities for the Full Year (2)	Net Cash Used in Investing Activities and Financing Activities for the Full Year (3)	Cash Surplus (Deficit) Amount (1)+(2)-(3)	Remedial Measures for Cash Shortfall	
				Investment Plans	Financial Management Plan
529,011	299,309	(145,359)	682,961	-	-
Analysis of Cash Flow Changes: 1. Operating Activities: Net cash inflow from operating activities is primarily due to projected revenue growth and operating profit in 2025. 2. Investing Activities: Net cash outflow from investing activities is mainly attributable to the planned purchase of equipment and computer software totaling NT\$61,760 thousand. 3. Financing Activities: Net cash outflow from financing activities is primarily due to the planned distribution of cash dividends totaling NT\$83,599 thousand.					

5.4 Impact of Major Capital Expenditures in the Most Recent Year on Financial and Business Operations: None.

5.5 Investment Policy in the Most Recent Year, Primary Reasons for Gains or Losses, Improvement Plans, and Investment Plans for the Coming Year

5.5.1 Investment Policy

The Company's investment management policy is implemented in accordance with the investment cycle provisions of the internal control system. In addition, the Company has established the "Acquisition or Disposal of Assets Procedures," the "Subsidiary Management Regulations," and the "Operating Guidelines for Financial and Business Transactions with Affiliated Companies, Related Parties, Specified Companies, and Corporate Groups" as the basis for controlling and supervising investee companies. These frameworks help establish a risk management mechanism for subsidiary operations and aim to maximize overall operational performance.

5.5.2 Primary Reasons for Investment Gains or Losses in the Most Recent Year, Improvement Plans, and Investment Plans for the Coming Year

Unit: NT\$ thousands

Investee Company	Principal Business Activities	2024 Investment Profits (Losses)	Primary Reasons for Gains or Losses	Improvement Plans	Investment Plans for the Coming Year
M31 Technology USA, Inc.	Product marketing and technical service	6,641	IP service revenue and support service income	None	None
M31 Technologies India Private Ltd.	Technical service	10,906	R&D technical service income	None	None
Sirius Venture Ltd.	Investment Holdings	(4,084)	The loss was recognized from the investment in the subsidiary, M31 Technology (Shanghai) Inc.	Increase in investment income	USD400,000
M31 Technology (Shanghai) Inc.	Product marketing and technical service	(4,049)	The increase in operating expenses was due to an increase in the number of employees.	Increase in revenue	USD400,000

5.6 Risk Analysis and Assessment

5.6.1 Impact of Interest Rate, Exchange Rate, and Inflation Fluctuations on the Company's Profit and Loss, and Future Response Measures

(1) Interest Rate

The Company adopts a conservative approach to fund utilization, primarily placing funds in time deposits, money market funds, and corporate bonds with good credit ratings abroad. In 2024, the Company's available funds decreased, along with a reduction in U.S. dollar time deposits. Therefore, the impact of interest rate fluctuations

on the Company's profit and loss is considered minimal. The Company maintains good relationships with various banks and has access to stable financing channels. Going forward, the Company will raise necessary funds based on a comprehensive evaluation of available credit limits, funding costs, and financial and business development plans. The Company also regularly reviews bank special deposit rates and monitors market interest rate trends to make timely adjustments in response to their potential impact on corporate funds.

(2) Exchange Rate

The Company's sales are primarily quoted in U.S. dollars, and certain payables are also denominated in U.S. dollars; therefore, fluctuations in exchange rates may affect the Company's operating profitability. To manage this risk, the Company actively monitors international exchange rate trends by consulting external forecasts and global economic developments, allowing it to stay informed and take appropriate measures. The Company maintains close communication with the foreign exchange departments of various banks, carefully selects the timing of foreign exchange settlements, and adjusts the proportion of foreign currency accounts as necessary. This also serves as a reference for sales personnel in setting product prices. Additionally, the Company increases foreign currency-denominated payables in the same currency as its receivables to achieve a natural hedging effect. When necessary, and in accordance with the Company's "Acquisition or Disposal of Assets Procedures," authorized personnel may adopt appropriate hedging strategies using suitable financial instruments to mitigate the impact of exchange rate fluctuations on revenue and profitability.

(3) Inflation

To date, the Company has not experienced any significant impact from inflation. The Company continuously monitors market trends and maintains good relationships with its customers. When necessary, it may negotiate adjustments to sales prices to mitigate the adverse effects of inflation. As a result, inflation-related risks remain under the Company's control.

5.6.2 Policies on High-Risk and Highly Leveraged Investments, Loans to Others, Endorsements and Guarantees, and Derivative Transactions, Including Primary Reasons for Gains or Losses and Future Response Measures

The Company is committed to the development of its core business and adheres to a prudent and conservative approach. It does not engage in high-risk or highly leveraged investments. Policies related to loans to others, endorsements and guarantees, and derivative transactions are conducted in accordance with the Company's internal procedures, including the "Procedures for Lending Funds to Others," the "Procedures for Endorsements and Guarantees," and the "Procedures for Acquisition or Disposal of Assets." All such activities are carried out based on financial and operational needs.

5.6.3 Future R&D Plans and Estimated R&D Expenditures

(1) Future R&D plans are as follows.

- (1.1) High-performance and ultra-low-power standard cell libraries for advanced process nodes sub-3nm.
- (1.2) High-performance memory compilers for advanced process nodes sub-3nm.

- (1.3) ONFI I/O for advanced nodes below 3nm, aimed at building a complete ONFI (I/O + PHY) solution.
- (1.4) Next-generation high-speed interface IPs for advanced process nodes sub-3nm, including eUSB2, USB 4.0, PCIe 5.0, MIPI M-PHY V5.0, MIPI CD-PHY, and LPDDR5/5X.
- (1.5) PCIe 6.0 for D2D (Die-to-Die) SerDes at 7nm and below.
- (1.6) UFS Controller.
- (1.7) Development of Analog IP.
- (1.8) Building EDA tools with AI specifications to accelerate IP product development.
- (1.9) Automotive IP certification platform to support testing, validation, and functional safety compliance.

- (2) The Company plans to invest NT\$1,456,146 thousand in research and development over the coming year to support various R&D projects and enhance its global competitiveness.

5.6.4 Impact of Major Domestic and International Policy and Legal Changes on the Company's Financial and Business Operations, and Response Measures

All of the Company's business operations are conducted in compliance with applicable laws and regulations set by the competent authorities. The Company closely monitors major domestic and international policy changes and legal developments, actively gathers relevant information, and stays well-informed of external factors. When necessary, the Company consults with relevant professionals to provide management with decision-making support and to promptly adjust operational strategies. As of the most recent year and up to the publication date of this annual report, the Company has not experienced any impact on its financial or business operations resulting from significant policy or legal changes domestically or abroad.

5.6.5 Impact of Technological Advancements and Industry Changes on the Company's Financial and Business Operations, and Response Measures

The Company is a research-driven, professional IP development firm. Through close strategic collaboration with world-class industry leaders, it remains closely aligned with semiconductor market trends and technological advancements, enabling sound and flexible financial management. Technological progress drives new specifications and applications, generating increased market demand and growth momentum for the Company. However, in light of export control measures, the Company continues to adhere to a cautious project selection policy to mitigate geopolitical risks. For details on the Company's cybersecurity management, please refer to the corporate website and pages 96 to 99 of this annual report.

5.6.6 Impact of Corporate Image Changes on Crisis Management and Response Measures

The Company has consistently adhered to the principles of professionalism and ethical management and places great importance on its corporate image. As of the publication date of this annual report, there have been no incidents in which changes to the Company's corporate image have resulted in a corporate crisis.

5.6.7 Expected Benefits, Potential Risks, and Response Measures Related to Mergers and Acquisitions

As of the most recent year and up to the publication date of this annual report, the Company has not engaged in any mergers or acquisitions. However, should any M&A plans arise in the future, the Company will conduct a prudent evaluation to ensure tangible benefits and protect shareholders' interests.

5.6.8 Expected Benefits, Potential Risks, and Response Measures Related to Plant Expansion

The Company is engaged in the R&D, and sale of IP and does not manufacture physical products; therefore, it does not have production facilities for manufacturing use.

5.6.9 Risks Arising from Procurement or Sales Concentration and Corresponding Response Measures

(1) Procurement

As the Company is a professional IP provider and does not deal in physical goods, there is no procurement of raw materials; therefore, this assessment is not applicable.

(2) Sales

In 2024 and 2023, revenue from a single customer (Customer A) accounted for more than 10% of the Company's total operating revenue, with amounts of NT\$207,309 thousand and NT\$368,240 thousand, respectively. However, overall sales remained relatively diversified. In addition to maintaining strong relationships with existing customers, the Company has actively expanded its customer base in recent years by developing relationships with overseas foundries and IC design companies. As a result, the risk of sales concentration in 2024 and 2023 was not considered significant.

5.6.10 Impact, Risks, and Response Measures Related to Significant Transfers or Changes in Shareholding by Directors, Supervisors, or Major Shareholders Holding More Than 10% of the Company's Shares

As of the most recent fiscal year and up to the publication date of this annual report, there have been no significant transfers or changes in shareholding by the Company's directors or major shareholders holding more than 10% of the shares.

5.6.11 Impact, Risks, and Response Measures Related to Changes in Control of the Company

(1) As of the most recent year and up to the publication date of this annual report, there has been no change in the Company's management control.

(2) Succession Plan and Implementation

The Company's succession training program for senior management is structured around four key areas: leadership, management, professional expertise, and corporate culture. Development is carried out through training courses, hands-on assignments, and job rotations to cultivate well-rounded capabilities and experience among management personnel.

Management training is conducted annually, incorporating insights from external experts, technological advancements, and best practices from leading companies to stay abreast of the latest management thinking and industry trends. Additionally, senior internal executives share their extensive leadership experience to pass on practical knowledge of organizational culture and corporate management.

Each year, the Company holds a strategic consensus meeting with senior executives to discuss key themes aligned with its future growth goals and strategies. Topics include systems thinking, strategic thinking and planning, business growth leadership, performance management, talent development, and leadership succession.

In addition, the Company's succession planning requires that successors not only possess outstanding job performance but also uphold values that align with the Company's culture. Department heads are trained through job rotations or by taking on cross-functional responsibilities to develop interdisciplinary expertise and leadership capabilities, enabling them to lead their teams in achieving annual goals. Through the implementation of the succession plan, the Company aims to ensure sustainable growth and development.

The Company also appropriately arranges continuing education for its directors by encouraging participation in seminars, forums, and training programs on corporate governance-related topics such as finance, risk management, business, legal affairs, accounting, or internal control systems, in order to foster future leadership talent.

The Company has already taken steps toward executing and realizing the succession plan as described above.

5.6.12 Litigation or Non-litigation Matters

- (1) Ongoing Major Litigation, Non-litigation, or Administrative Disputes Involving the Company: None
- (2) Significant litigation, non-litigation, or administrative disputes—either concluded or currently pending—involving the Company's directors, supervisors, CEO, de facto responsible persons, shareholders holding more than 10% of the shares, or subsidiaries, where the outcome may have a material impact on shareholders' equity or the market price of the Company's securities: None

5.6.13 Other Significant Risks and Response Measures: None

5.7 Other Important Matters

5.7.1 Intellectual property management

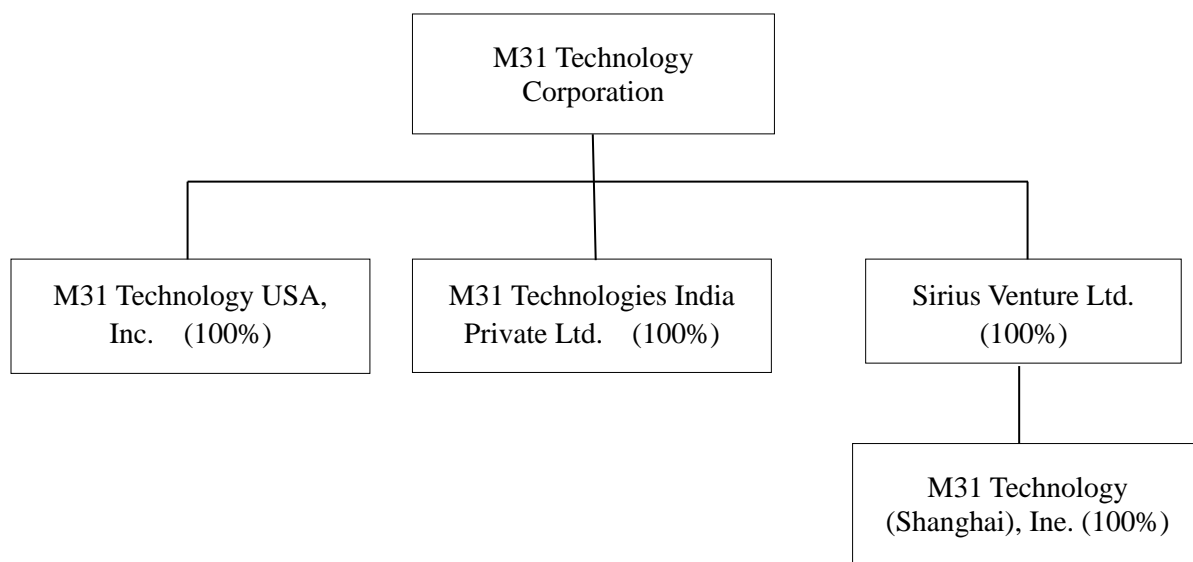
As an IP company whose most valuable assets are its R&D achievements, the Company has actively established IP management policies and mechanisms since its founding (please refer to the IP Management section on the Company's website) and has promoted various innovation initiatives. The Company's IP management system covers areas such as "protection of IP products," "confidential information protection," and "confidentiality obligations for employees and contractors." Meanwhile, the innovation system forms a continuous cycle—from "creative ideation" to "protection and management," and ultimately to "application."

VI. Special Disclosure Items

6.1 Information on Affiliated Companies

6.1.1 Consolidated Business Report of Affiliates

(1) The Company's Affiliated Companies Chart



(2) Basic Information of Affiliated Companies:

12/31/2024 Unit: USD thousands

Company Name	Date of Establishment	Address	Capital	Main Businesses and Products
M31 Technology USA, Inc.	12/18/2013	1900 McCarthy Boulevard, Suite 105, Milpitas, State of California	1,000	Product marketing and technical services
M31 Technologies India Private Ltd.	05/26/2023	Umiya Business Bay Tower-1, No.3, 5Floor, Cessna Business ParkMarathahalli – Sarjapur Ring Road, Kadubeesanahalli, Varthur Hobli, Bangalore 560037	6	Technical services
Sirius Venture Ltd.	03/12/2015	1st Floor, #5 DEKK House, De Zippora Street, Providence Industrial Estate, Mahe', Republic of Seychelles	585	Investment holding

Company Name	Date of Establishment	Address	Capital	Main Businesses and Products
M31 Technology (Shanghai) Inc.	12/17/2015	Floor 3, Building 2, No. 200, Zhangheng Road, Pilot Free Trade Zone., Shanghai, China	500	Product marketing and technical services

(3) Shareholders in Common of the Company and Its Affiliated Companies with Deemed Control and Subordination: None.

(4) Business Scope of the Company and Its Affiliated Companies: Please refer to the above of Basic Information of Affiliated Companies.

(5) List of Directors, Supervisors and Presidents of the Company's Affiliated Companies:

12/31/2024 Unit: thousand shares

Company Name	Title	Name or Representative	Holding Shares	%
M31 Technology USA, Inc.	Chairman Director & President Director	Yuan-Hsun Chang Kuoshu Chiu Wei Ning Liu	M31 Technology Corporation holds 1,000 thousand shares	100%
M31 Technologies India Private Ltd.	Chairman Director & President Director Director Director	Yuan-Hsun Chang Nan-Chun Lien Sheng-Hua Chen Jayanta Kumar Lahiri Saikat Kumar Banik	M31 Technology Corporation holds 50 thousand shares	100%
Sirius Venture Ltd.	Chairman & President	Huey-Ling Chen	M31 Technology Corporation holds 585 thousand shares	100%
M31 Technology (Shanghai) Inc.	Executive Director Supervisor	Yuan-Hsun Chang Kuang Hua Ke	M31 Technology Corporation holds 100% shares	100%

(6) Operation Highlights of the Company's Affiliated Companies:

12/31/2024 Unit: NT\$ thousands

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Income	Profit	Net Income (After tax)	EPS (After tax)
M31 Technology USA, Inc.	30,416	91,322	43,851	47,471	247,603	8,695	6,641	6.64
M31 Technologies India Private Ltd.	194	33,724	21,197	12,527	86,269	13,677	10,906	218.13
Sirius Venture Ltd.	18,908	11,405	-	11,405	-	(38)	(4,084)	(18.21)
M31 Technology (Shanghai) Inc	16,301	34,600	23,782	10,818	45,398	(4,027)	(4,049)	-

6.1.2 Consolidated financial statements of affiliated companies and related reports: Please refer to the Company's 2024 Consolidated Financial Report

6.2 Status of Private Placements of Securities in the Most Recent Year: None

6.3 Other Necessary Supplementary Explanations: None

6.4 Material matters that have had a major impact on shareholders' equity or securities prices during the most recent year, as stipulated in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act: None

M31 Technology Corporation

Chairman : Huey-Ling Chen