



Stock Code: 6486

Interactive Digital Technologies Inc.

2024

Annual Report

Publication Date : March 31, 2025

Annual Report Website: <http://mops.twse.com.tw>

Company Website: <http://www.idtech.com.tw>

I. Name, title, telephone number, and e-mail address of the spokesperson or acting spokesperson;

Spokesperson: Mei-Chi Chen
Title: Vice President of Finance Department
Acting Spokesperson: Yao-Ting Wu
Title: Vice President of Administration Division
Tel. No.: (02) 2298-3456
Email: invest@idtech.com.tw

II. Address and telephone number of the headquarters, branch companies and factories

Headquarters address: No. 38-1, Wugong 5th Rd., Wugu Dist., New Taipei City
Tel: (02) 2298-3456
Branch address: 2F., No. 66, Sec. 1, Neihu Rd., Neihu District, Taipei City
Tel. No.: (02) 2658-5858

III. Name, address, e-mail address, and Tel. No. of the agency handling shares transfer

Name: Shareholder Service Agency Dept., Fubon Securities Co., Ltd.
Address: 11F., No. 17, Xuchang Street, Zhongzheng District, Taipei City
URL: <http://www.fbs.com.tw>
Tel. No.: (02) 2361-1300

IV. Names of the external auditors who duly audited the annual financial report for the most recent fiscal year, and the name, address and Tel. No. of their CPA firm

Name: Ming-Hong Huang and Hui-Chen Chang
CPA firm: KPMG Taiwan
Address: 68F, No. 7, Sec. 5, Xinyi Road, Taipei City
URL: <http://www.kpmg.com.tw>
Tel. No.: (02)8101-6666

V. 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.

VI. URL: <http://www.idtech.com.tw>

Interactive Digital Technologies Inc.

2024 Annual Report

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One. A Message to Shareholders

Dear shareholders,

Looking back to 2024, despite the uncertainties in the global environment, the challenges of international conflicts and trade competition, and global economic inflation, we will continue to uphold the strategy of expanding the domestic market and actively develop core business. We will aim to achieve record high revenues and profits, and to exceed our excellent performance in 2023. In 2024, the consolidated revenue reached NTD 2.531 billion, an annual increase of 10.4%; the consolidated operating profit was NTD 336 million, an increase of 6.4% compared with 2023; the consolidated net profit after tax was NTD 286 million, an annual increase of 9.2%. EPS was NT\$5.87.

The growth in revenue in 2024 was mainly due to the sales and construction of transmission system equipment, broadband network system equipment, and mobile communication network engineering construction services. In addition, as the demand for network resilience grows, the Company has been actively deploying in the microwave market as early as 2022. By doing so, we have assisted telecommunication service providers in building microwave transmission in remote mountainous areas and outlying islands, while also expanding the market for government agencies and digital microwave products. We are committed to achieving the goal of full backup and building resilient communication networks. At the same time, in response to the growing demand for resilient networks, the Company has also made significant progress in the field of geographic information system integration, successfully developed a number of smart city solutions, and assisted government agencies in the digitalization of spatial information and the construction of decision support systems.

In terms of ethical management and the implementation of sustainable development, the Company maintained excellent performance in 2024. We provide professional system integration technical services and recognize the potential impact that climate change may have on the Company's operations and finance. Although the risk is small, we will continue to adopt effective risk management strategies to deal with the challenges posed by climate change.

Looking to the future, with the rise of the Space-Air-Ground integrated network, the Company will continue to invest in the long-term layout, covering the construction of low earth orbit terminal stations, integration of multi-dimensional data in space and time axis, and realization of vertical industry application-oriented predictive AI and generative AI. We will further develop AI-integrated intelligence services and expand into new business areas.

The Company will continue to focus on application-oriented predictive AI and generative AI in vertical industries, and develop intelligent AI applications for information and communication integration. In the future, the Company will make plans from four major aspects: capital consolidation, expansion, innovation, and M&As, hoping that the Company's scale and financial performance will continue to grow. The business policies and plans for 2025 are stated as follows:

- I. Continue the 5G mobile network construction and provide services and solutions including base station construction, backbone transmission network expansion, and network bandwidth management.
- II. Seize the business opportunities arising from the changes in the mobile communication industry's ecosystem resulting from M&As, and the business opportunities ushered in from the removal of base station equipment when the 3G mobile network goes offline.
- III. Promote 5G dedicated frequency/private network and smart application innovation, integrate telecommunication service providers and software and hardware equipment suppliers, and develop smart application solutions using GenAI, XR, AIoT, drones, big data, and cloud technologies.
- IV. Proactively deploy microwave transmission and satellite terminals in line with the national resilient network policy.
- V. Deepen the network information security business, assist customers in strengthening network resilience and security, and provide transmission, microwave and IP broadband network construction and complete solutions.
- VI. In response to the media transformation to digital technology and update and replacement of equipment, the Company provides digital all-IP production and broadcasting services, virtual AR/VR/XR, news gathering, automated edition and broadcasting of news and new media integration solutions.
- VII. Promote GIS solutions, combine 5G, IoT, Big Data, GeoAI and BIM, build the digital twins and other innovative application integration solutions, and expand the GIS market.
- VIII. Promote ESG sustainable development policies and actively explore ESG-related business opportunities.

In the future, Interactive Digital's business operations will continue to be affected by the external competitive environment, legal environment and overall business environment. In order to maintain our competitive advantage, the Company will adhere to the concept of technological innovation, focus and service, provide customers with technological innovation and value-added application services. At the same time, we will assist our customers in problem solving, meet their needs, and achieve the goal of becoming a leading pioneer in domestic system integration services.

We wish you good health and all the best!

Chairman Wen-Fang Huang

Two. Corporate Governance Report

I. Information on the Company's directors, President, vice presidents, assistant vice presidents, and department and branch directors

(I) Directors

1. Information of directors (I)

Book closure date: March 25, 2025 Unit: Thousand Shares; %

Job Title	Nationality or place of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date of initial election	Shares held at the time of appointment		Current shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience/education	Concurrent positions in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Remark (Note 1)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job Title	Name	Relationship	
Chairman	R.O.C.	HITRON TECHNOLOGIES INC.	—	2023.05.30	3 years	2003.04.28	16,703	41.49	16,703	32.82	—	—	—	—			—	—	—	—
		Juristic Person Representative of HITRON TECHNOLOGIES INC.: Wen-Fang Huang	Female 51-60	2023.05.30	3 years	2022.04.29	—	—	—	—	—	—	—	—	EMBA, National Taiwan University Director, QISDA OPTRONICS CORP.	Chairman, CEO and President, Alpha Networks Inc. Chairman, HITRON TECHNOLOGIES INC. Director, Enrich Investment Corporation Director, Transnet Corporation Chairman, Aesputa Technology INC. Director, BenQ Foundation Chairman, Alpha Networks Inc. Foundation Director, Alpha Networks (Hong Kong) Limited Chairman, Alpha Networks Inc. (USA) Chairman, Alpha Solutions Co., Ltd. Chairman, Alpha Technical Services Inc.	—	—	—	—
Vice Chairman	R.O.C.	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Mei-Lan Liu	Female 61-70	2023.05.30	3 years	2014.12.12	100	0.25	101	0.20	—	—	—	—	EMBA, National Chengchi University Vice Chairman, HITRON TECHNOLOGIES INC.	Director, HITRON TECHNOLOGIES INC. President, Interactive Digital Technologies Inc. Chairman, Transnet Corporation Chairman, Hua Chi Communication Equipment (Shanghai) Co., Ltd. Director, Fiber Logic Communications, Inc.	—	—	—	—
Director	R.O.C.	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Pei-Shun Chiu	Male 51-60	2023.05.30	3 years	2023.05.30	—	—	—	—	—	—	—	—	Univ.of Nebraska, Lincoln Master of Science E.E Member of Scientific Staff, Bell Northern Research Senior Engineer, Advance Fiber Communication Manager, TollBridge Technologies Co-Founder, Codent Networks	Vice President, Alpha Networks Inc. Director, HITRON TECHNOLOGIES INC. Chairman, HITRON TECHNOLOGIES INC. (Samoa) President, HITRON TECHNOLOGIES INC. (America) Chairman, HITRON TECHNOLOGIES INC. (Vietnam)	—	—	—	—
Director	R.O.C.	Jia Lai Development Ltd.	—	2023.05.30	3 years	2020.06.16	720	1.79	720	1.41	—	—	—	—			—	—	—	—
		Juristic Person Representative of Jia Lai Development Ltd.:	Male 71-80				—	—	—	—	—	—	—	—	Department of Economics, National Taiwan University	Director, Sports Gear Co., Ltd.	—	—	—	—

Job Title	Nationality or place of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date of initial election	Shares held at the time of appointment		Current shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience/education	Concurrent positions in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Remark (Note 1)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job Title	Name	Relationship	
		Jung-Huang Wang													Director, HITRON TECHNOLOGIES INC.					
Independent Director	R.O.C.	Yang-Chen Chuang	Male 71-80	2023.05.30	3 years	2020.06.16	—	—	—	—	—	—	—	—	Business Management Program, Center for Public and Business Administration Education, National Chengchi University University of Taipei Independent Director, HITRON TECHNOLOGIES INC. Director, TOMSON ASIA DEVELOPMENT INC.	Independent Director, FORMOSA ADVANCED TECHNOLOGIES CO., LTD. Director, HUXEN CORPORATION Director, Aurora Foundation Director and President, EARN WEALTH INTERNATIONAL INVESTMENT LIMITED Vice Chairman, SKYWORLD DEVELOPMENT COMPANY	—	—	—	—
Independent Director	R.O.C.	Chao-Fu Shih	Male 71-80	2023.05.30	3 years	2020.06.16	—	—	—	—	—	—	—	—	Department of Electrical Engineering, National Taipei University of Technology Director, HIWAY BROADBAND CO., LTD. Vice President, EMC President, Yun Zhong Broadcasting Co., Ltd. Senior Technical Research Associate, Chunghwa Telecom Laboratories, Ministry of Transportation and Communications	None	—	—	—	—
Independent Director	R.O.C.	Ching-Ying Wang	Female 61-70	2023.05.30	3 years	2023.05.30	—	—	—	—	—	—	—	—	State University of New York at Buffalo M.S. in Computer Science Motorola Mobility Inc. Mass Market Global SW PM Team Leader Siemens Telecommunication Systems Limited. Director of Siemens GSM Handset Asia Pacific Variant Development Team	None	—	—	—	—

Note 1: The Company's Chairman and the President or equivalent (top manager) of the Company are the same person, spouses or relatives within the first degree of kinship: None.

Table 1: Major shareholders of the corporate shareholder

Book closure date: March 25, 2025

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders	
	Name	Shareholding ratio (%)
HITRON TECHNOLOGIES INC.	Alpha Networks Inc.	62.24
	Mei-Chun Yang	0.28
	Wen-Feng Liu	0.27
	Wen-Yu Chiu	0.25
	Standard Chartered International Commercial Bank, Business Department, entrusted with the custody of the investment account of Japan Securities Finance Co., Ltd.	0.22
	Mei-Lan Liu	0.17
	Jui-Chuan Yang	0.15
	Sheng-Lung Wang	0.14
	Shun-Tien Hsiao	0.14
	Chih-Cheng Huang	0.13
Jia Lai Development Ltd. (Note 2)	Yen-Hui Wang	20.00

Note 1: If the director is the representative of a corporate shareholder, the name of the corporate shareholder shall be filled in.

Note 2: The last change date approved by MOEA was on July 25, 2017.

Table 2: Major shareholders of major shareholders who are juristic persons

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders	
	Name	Shareholding ratio (%)
Alpha Networks Inc.	Qisda Corporation	54.60
	Darly Consulting Corporation	2.35
	Darly Venture Inc.	2.26
	Darly2 Venture, Inc.	0.77
	JPMorgan Custodian, Advanced Starlight Advanced Global Equity Index Fund Investment Account	0.61
	JPMorgan Chase Bank, N.A. Taipei Branch, as custodian for the Vanguard Group Inc., for the Vanguard Emerging Markets Stock Index Fund investment account	0.54
	HSBC as a custodian of the Arcadia Emerging Market Small Cap Fund investment account	0.48
	Citibank (Taiwan) Ltd., as custodian for Barclays Capital Securities Ltd. – Barclays Capital Securities Ltd. SBL/PB Investment Account	0.47
	HSBC Bank (Taiwan) Limited, as custodian for Goldman Sachs International Investment Account	0.43
	JPMorgan Chase Bank N.A. Taipei Branch as a custodian of JPMorgan Securities Investment Account	0.39

Note 1: If the major shareholder in Table 1 above is a juristic person, the name of the juristic person shall be filled in.

2. Information of directors (II)

(1) Disclosure of information on directors' professional qualifications and independence of independent directors:

Name	Condition	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Number of other public companies the independent director concurrently serve as an independent director.
Chairman Representative of HITRON TECHNOLOGIES INC.: Wen-Fang Huang		Ms. Wen-Fang Huang has more than five years' work experience required by the Company's finance and business, who was the former President of Qisda Communication Business Group, and is the current Chairman of the Company and HITRON TECHNOLOGIES INC., and Chairman and CEO of Alpha Networks Inc..	Not applicable	-
Vice Chairman Representative of HITRON TECHNOLOGIES INC.: Mei-Lan Liu		Ms. Mei-Lan Liu has more than five years' work experience required by the Company's finance and business, who was the former Vice Chairman of HITRON TECHNOLOGIES INC. and is the current Vice Chairman and President of the Company, and Director of HITRON TECHNOLOGIES INC.		-
Director Representative of HITRON TECHNOLOGIES INC.: Pei-Shun Chiu		Mr. Pei-Shun Qiu has more than five years' work experience required by the Company's finance and business, who has extensive experience in the fields of R&D and manufacturing and was the former President of HITRON TECHNOLOGIES INC., and is the current Vice President of R&D Dept. of Alpha Networks Inc..		-
Director Jia Lai Development Ltd. Representative: Jung-Huang Wang		Mr. Jung-Huang Wang has more than five years' work experience required by the Company's finance and business, who is the current director of the Company and . He is currently a director of the Company and a director of Sports Gear Co., Ltd..		-
Independent Director Yang-Chen Chuang		Mr. Yang-Chen Chuang has more than five years' work experience required by the Company's finance and business, who has the expertise in accounting and finance, and is the current convener of the Company's Audit Committee and Remuneration Committee. He is the current independent director of FORMOSA ADVANCED TECHNOLOGIES CO., LTD., the current director of HUXEN CORPORATION, and the current director and President of EARN WEALTH INTERNATIONAL INVESTMENT LIMITED. Currently serving as an independent director for the 2nd term of office, not exceeding the 3rd term of office.	Compliant	1
Independent Director Chao-Fu Shih		More than 5 years' work experience required by the company's finance and business, who was the former director of served as director of HIWAY BROADBAND CO., LTD., the former Vice President of Vice President of EMC, and the former President of Yun Zhong Broadcasting. Currently serving as an independent director for the 2nd term of office, not exceeding the 3rd term of office.		-
Independent Director Ching-Ying Wang		More than five years' work experience required by the Company's finance and business, who was the Motorola Market Global Team Leader and Siemens Director. Currently serving as an independent director for the 1st term of office, not exceeding the 3rd term of office.		-

Note 1: (1) For the professional qualifications and experience of directors, please refer to "II. Information on the Company's directors, President, vice presidents, assistant vice presidents, and department and branch directors" referred to in the annual report.

(2) None of the directors has met the circumstances described in Article 30 of the Company Act.

(3) The professional qualifications and experience of all of the independent directors meet the requirements specified in Paragraph 1, Article 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

Note 2: Status of independence:

(3) All meet the requirements specified in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

(2) Not a government agency, juristic person, or representative thereof as defined in Article 27 of the Company Act.

(3) None of the independent directors (or in the name of a third party) nor their spouses or underage children holds shares of the Company.

(4) No amount of remuneration received from providing commercial, legal, financial and accounting services to the Company or its affiliates in the last two years.

(2) Diversity and independence of the Board of Directors:

A. Diversity of the Board of Directors:

The Board members are nominated and elected in accordance with the Articles of Incorporation. The director candidate nomination system adopted by the Company evaluates various candidates' academic background and working experience and also complies with the "Regulations Governing Election of Directors" and "Corporate Governance Best Practice Principles" to ensure the Board members' diversification and independence. The Company's current Board of Directors consist of 7 directors,

including 4 directors and 3 independent directors, all with the extensive industry experience, professional knowledge and skills in business management, accounting and financial analysis, operational judgment, crisis management, leadership decision-making, and risk management.

The specific management objectives of the diversity policy of the Board of Directors and the achievement thereof are stated as follows:

Management Goals	Status of Achievement
It is advisable that the number of directors who also serve as the Company's managerial officers concurrently shall not exceed one-third of the total number of directors.	Achieved
Independent directors who have served less than 3 terms of office	Achieved
Adequate and diversified professional knowledge and skills	Achieved
The Board members include at least 1 female director.	Achieved
The gender of each director accounts for more than one-third (inclusive) of the seats on the board of directors	Achieved

The implementation of the director diversity policy is stated as follows, and also disclosed on the Company's website.

Job Title		Chairman	Vice Chairman	Director	Director	Independent Director	Independent Director	Independent Director
Name		Wen-Fang Huang	Mei-Lan Liu	Pei-Shun Chiu	Jung-Huang Wang	Yang-Chen Chuang	Chao-Fu Shih	Ching-Ying Wang
Basic composition	Nationality	R.O.C.						
	Gender	Female	Female	Male	Male	Male	Male	Female
	Serving as an employee of the Company concurrently		V					
	Age	51 to 60	V	V				
		61 to 70		V				V
		71 to 80			V	V	V	
	Term of office held by the Independent Director	Less than 3 terms				V	V	V
Industry experience	Professional background	Management	Management	Management	Investment	Business operations	Telecommunications	Information
	Company industry experience	V	V	V		V	V	
	Business management	V	V	V	V			
Professional knowledge and skills	Accounting and financial analysis	V			V			V
	Operational judgment	V	V	V	V	V	V	
	Crisis management	V	V	V	V	V	V	V
	Leadership decision making	V	V	V	V	V	V	V
	Risk management	V	V	V	V	V	V	V

B. Independence of the Board of Directors:

The current Board of Directors consists of 7 directors, including 4 directors and 3 independent directors. Less than one-third of the Company's directors (14%) are female directors concurrently serving as a manager. Each gender of the Company's directors reaches one-third of the Board seats. Independent directors accounted for 43%, and all three independent directors have served no more than three terms of office. Two directors are between the ages of 51 and 60, two directors between the ages of 61 and 70, and three directors between the ages of 71 and 80. All independent directors have complied with the requirements of the Securities and Futures Bureau of the Financial Supervisory Commission on independent directors, and there are no matters specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act existing between directors and independent directors.

(II) Information on the Company's President, vice presidents, assistant vice presidents, and department and branch directors

Book closure date: March 25, 2025 Unit: Thousand Shares; %

Job Title	Nationality	Name	Gender	Date of inauguration	Number of shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience/education	Concurrent positions in other companies	Spouses or relatives within the second degree of kinship acting as managers			Remarks (Note 1)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job Title	Name	Relationship	
President, and Manager of Neihu Branch	R.O.C.	Mei-Lan Liu	Female	2022.04.18	101	0.20	—	—	—	—	EMBA, National Chengchi University Vice Chairman, HITRON TECHNOLOGIES INC.	Director, HITRON TECHNOLOGIES INC. Chairman, Transnet Corporation Chairman, Hua Chi Communication Equipment (Shanghai) Co., Ltd. Director, Fiber Logic Communications, Inc.	—	—	—	—
Executive Vice President	R.O.C.	Feng-Ju Li	Male	2012.01.01	51	0.1	—	—	—	—	Master of Electrical Engineering, Syracuse University, the USA Vice President, HITRON TECHNOLOGIES INC.	Supervisor, Hua Chi Communication Equipment (Shanghai) Co., Ltd.	—	—	—	—
Executive Vice President	R.O.C.	Yuan-Sen Cheng	Male	2012.01.01	11	0.02	—	—	—	—	Department of Electronic Engineering, Tamkang University Senior Director-General, SIEMENS TELECOMMUNICATION SYSTEMS LTD. Chief Technology Officer, Sim2Travel	None	—	—	—	—
Vice President	R.O.C.	Cheng-Tsung Kuo	Male	2012.01.01	69	0.14	—	—	—	—	Department of Mechanical Engineering, National Taiwan University of Science and Technology Assistant Vice President, HITRON TECHNOLOGIES INC.	None	—	—	—	—
Vice President	R.O.C.	En-Lin Chang	Male	2012.01.01	45	0.09	—	—	—	—	Department of Applied Mathematics, Tatung University Assistant Vice President, HITRON TECHNOLOGIES INC.	None	—	—	—	—
Vice President	R.O.C.	Chih-Lung Lin	Male	2022.01.01	105	0.21	—	—	—	—	EMBA, National Chengchi University Department of Electrical Engineering, National Taipei University of Technology Vice President, HITRON TECHNOLOGIES INC.	CEO, FRAME MAGIC STUDIOS CO., LTD.	—	—	—	—

Job Title	Nationality	Name	Gender	Date of inauguration	Number of shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience/education	Concurrent positions in other companies	Spouses or relatives within the second degree of kinship acting as managers			Remarks (Note 1)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job Title	Name	Relationship	
Vice President	R.O.C.	Kuo-Chi Chang	Male	2022.04.01	4	0.01	—	—	—	—	Department of Electronic Engineering, National Chin-Yi University of Technology Senior Manager, HITRON TECHNOLOGIES INC.	None	—	—	—	—
Vice President	R.O.C.	Kuo-Hua Lin	Male	2022.04.01	6	0.01	—	—	—	—	Department of Electronic Engineering, National Kaohsiung University of Applied Sciences Senior Manager, HITRON TECHNOLOGIES INC.	None	—	—	—	—
Vice President	R.O.C.	Chong-Sheng Wang	Male	2023.04.01	2	0.00	—	—	—	—	Department of Electronic Engineering, National Taipei University of Technology Senior Manager, HITRON TECHNOLOGIES INC.	None	—	—	—	—
Vice President	R.O.C.	Yao-Ting Wu	Male	2020.04.01	16	0.03	—	—	—	—	Master of Business Automation and Management, National Taipei University of Technology Senior Manager, HITRON TECHNOLOGIES INC.	None	—	—	—	—
VP/Accounting officer	R.O.C.	Mei-Chi Chen	Female	2020.04.01	58	0.11	—	—	—	—	EMBA, National Taipei University Assistant Vice President, HITRON TECHNOLOGIES INC.	None	—	—	—	—

Note (1): The Company's Chairman and the President or equivalent (top manager) of the Company are the same person, spouses or relatives within the first degree of kinship: None.

(III) Remuneration paid to directors, president and vice presidents in the most recent year (2024)

1. Remuneration to general directors and independent directors (aggregated by name and range of disclosure)

Unit: NTS thousand; Thousand Shares; %

Job Title	Name	Remuneration to directors (Note 1)								The sum of A, B, C, and D as a percentage of net income (Note 5)		Remuneration for concurrently serving as an employee								The sum of A, B, C, D, E, F and G and the percentage in net income after tax (Note 5)		Remuneration received from investees other than subsidiaries, or the parent company (Note 8)
		Remuneration (A) (Note 2)		Severance pay and pension (B)		Remuneration to directors (C) (Note 3)		Professional practice expenses (D) (Note 4)				Salaries, bonuses and special allowances, etc. (E) (Note 6)		Severance pay and pension (F)		Employee remuneration (G) (Note 7)						
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	Cash amount	Amount of shares	Cash amount	Amount of shares	The Company	All companies included in the financial report	
Chairman	HITRON TECHNOLOGIES INC. Juristic Person Representative: Wen-Fang Huang	5,600	5,600	-	-	2,098	2,098	200	200	7,898 2.79%	7,898 2.79%	7,652	7,652	108	108	3,501	-	3,501	-	19,159 6.77%	19,159 6.77%	24,914
Vice Chairman	HITRON TECHNOLOGIES INC. Juristic Person Representative: Mei-Lan Liu																					
Director	HITRON TECHNOLOGIES INC. Juristic Person Representative: Pei-Shun Chiu																					
Director	Jia Lai Development Ltd. Juristic Person Representative: Jung-Huang Wang																					
Independent Director	Chao-Fu Shih	3,360	3,360	-	-	899	899	150	150	4,409 1.56%	4,409 1.56%	-	-	-	-	-	-	-	-	4,409 1.56%	4,409 1.56%	-
Independent Director	Yang-Chen Chuang																					
Independent Director	Ching-Ying Wang																					
<div>1. Please describe the remuneration policies, systems, standards, and structures for independent directors, and their linkage to the amount of remuneration based on factors such as responsibilities, risks, and time invested: The remuneration to the Company's directors is distributed by the Board of Directors with the authorization under the Articles of Incorporation, subject to the directors' participation in the Company's operations and contribution value, and in accordance with the "Regulations Governing the Remuneration to Directors and Functional Committee Members" established in reference to the pay level adopted by peer companies at home and abroad. If the Company retained earnings,the amount of remuneration to directors shall be determined by the Board of Directors in accordance with the Company's Articles of Incorporation. Meanwhile, independent directors are ex-officio members of the Audit Committee and Remuneration Committee. In addition to the remunerations paid to the general directors, additional reasonable remuneration will also be paid, subject to the responsibilities of the Audit Committee and Remuneration Committee.</div> <div>2. In addition to the remuneration disclosed in the above table, remuneration for directors in the most recent year for providing services to all companies included in the financial statements (e.g. serving as a consultant of the parent company/all companies included in the financial statements/consultancy service without the title of an employee of investees, etc.): None.</div>																						

Breakdown of Remuneration

Breakdown of remuneration to directors of the Company	Name of Director			
	Sum of the first four items (A+B+C+D)		Sum of the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial report H (Note 9)	The Company	Parent company and all investees I (Note 9)
Less than NT\$1,000,000	—	—	—	—
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Pei-Shun Chiu; Juristic Person Representative of Jia Lai Development Ltd.: Jung-Huang Wang, Chao-Fu Shih; Yang-Chen Chuang; Ching-Ying Wang	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Pei-Shun Chiu; Juristic Person Representative of Jia Lai Development Ltd.: Jung-Huang Wang, Chao-Fu Shih; Yang-Chen Chuang; Ching-Ying Wang	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Pei-Shun Chiu; Juristic Person Representative of Jia Lai Development Ltd.: Jung-Huang Wang, Chao-Fu Shih; Yang-Chen Chuang; Ching-Ying Wang	Juristic Person Representative of Jia Lai Development Ltd.: Jung-Huang Wang; Chao-Fu Shih; Yang-Chen Chuang, Ching-Ying Wang
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Wen-Fang Huang, Mei-Lan Liu	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Wen-Fang Huang, Mei-Lan Liu	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Wen-Fang Huang	—
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	—	—	—	—
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	—	—	—	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Mei-Lan Liu; Pei-Shun Chiu
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	—	—	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Mei-Lan Liu	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Mei-Lan Liu
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	—	—	—	Juristic Person Representative of HITRON TECHNOLOGIES INC.: Wen-Fang Huang
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	7	7	7	7

Note 1: Among the directors' remuneration, those vested in corporate directors shall be paid to the corporate directors.

Note 2: Refers to the directors' remuneration in the most recent year (including directors' salaries, duty allowances, severance pay, various bonuses and incentives, etc.).

Note 3: It refers to the amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: The compensations for services rendered in the most recent year (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other in-kind benefits).

Note 5: The net income refers to the net income in the parent company only financial statement for the most recent year.

Note 6: Any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles and in-kind benefits that the director received in the last year for assuming the role of the Company's employee concurrently (including President, Vice President, manager or other employee).

Note 7: If the directors who acted as employees concurrently (including President, vice president, managerial officer and employee) received employee remuneration (including stocks and cash) in the most recent year,

Note 8: Refers to any remuneration or return (including compensations received as an employee, director and supervisor) and professional practice fees which the Company's directors received for serving as directors, supervisors or managers in invested businesses other than subsidiaries.

Note 9: All companies included in the consolidated report, including the Company.

2. 2024 remuneration to the President and vice presidents (aggregated by name and range of disclosure)

Unit: NTD thousand; %

Unit: NTD thousand, %														
Job Title	Name	Salary (A) (Note 1)		Severance pay and pension (B)		Bonuses and special allowances, etc. (C) (Note 2)		Employees' remuneration (D) (Note 3)				The sum of A, B, C, and D as a percentage of net income (%) (Note 4)		Remuneration received from investees other than subsidiaries, or the parent company (Note 5)
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies in the financial report	
								Cash amount	Amount of shares	Cash amount	Amount of shares			
President	Mei-Lan Liu	29,084	29,084	1,188	1,188	13,982	13,982	7,949	-	7,949	-	52,203 18.45%	52,203 18.45%	1,040
Executive Vice President	Feng-Ju Li													
Executive Vice President	Yuan-Sen Cheng													
Vice President	Cheng-Tsung Kuo													
Vice President	En-Lin Chang													
Vice President	Chih-Lung Lin													
Vice President	Kuo-Chi Chang													
Vice President	Kuo-Hua Lin													
Vice President	Chong-Sheng Wang													
Vice President	Yao-Ting Wu													
Vice President	Mei-Chi Chen													

Breakdown of Remuneration

Breakdown of remuneration to the President and Vice Presidents of the Company	Names of President and Vice Presidents	
	The Company	Parent company and all investees E (Note 6)
Less than NT\$1,000,000	—	—
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Feng-Ju Li; Mei-Chi Chen; Chih-Lung Lin; Kuo-Hua Lin; Chong-Sheng Wang; Yao-Ting Wu, Kuo-Chi Chang	Feng-Ju Li; Mei-Chi Chen; Chih-Lung Lin; Kuo-Hua Lin; Chong-Sheng Wang; Yao-Ting Wu, Kuo-Chi Chang
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	En-Lin Chang; Cheng-Tsung Kuo	En-Lin Chang; Cheng-Tsung Kuo
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	Yuan-Sen Cheng	Yuan-Sen Cheng
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	Mei-Lan Liu	Mei-Lan Liu
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	—	—
Over NT\$100,000,000	—	—
Total	11	11

Note 1: Please specify the salaries, duty allowances and severance pay paid to the President and Vice Presidents in the most recent year.

Note 2: Please specify other remuneration such as bonus, incentives, travel allowances, special allowances, other allowances, accommodation, dormitory and corporate vehicles or other in-kind benefits made to the President and Vice Presidents in the most recent year.

Note 3: It refers to the amount of employee remuneration distributed to the President and Vice Presidents (including shares and cash), which had been approved by the Board of Directors in the most recent year.

Note 4: The net income refers to the net income in the parent company only or individual financial statement for the most recent year.

Note 5: This field represents all forms of compensation the President and Vice Presidents have received from the Company's invested businesses other than subsidiaries, or parent company.

Note 6: All companies included in the consolidated report, including the Company.

3. Names of managers receiving employee remuneration for the most recent year (2024), and distribution status

Unit: NTD thousand; %

	Job Title	Name	Amount of shares	Cash amount	Total	Total as a percentage of net income(%)
Managerial Officer	President	Mei-Lan Liu	—	7,949	7,949	2.77
	Executive Vice President	Feng-Ju Li				
	Executive Vice President	Yuan-Sen Cheng				
	Vice President	Cheng-Tsung Kuo				
	Vice President	En-Lin Chang				
	Vice President	Chih-Lung Lin				
	Vice President	Kuo-Chi Chang				
	Vice President	Kuo-Hua Lin				
	Vice President	Chong-Sheng Wang				
	Vice President	Yao-Ting Wu				
	Vice President	Mei-Chi Chen				

4. Total of the compensation paid in the most recent two years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, President, and Vice Presidents, and their respective proportions to the net income, as well as the policies, standards and packages by which the compensation was paid, the procedures through which compensation was determined, and their association with business performance and future risk.

(1) Total of the compensation paid in the most recent two years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, President, and Vice Presidents, and their respective proportions to the net income

Job Title	The Company				All companies included in the consolidated financial statements			
	2023 (after restatement)		2024		2023 (after restatement)		2024	
	Total amount	Total as a percentage of net income	Total amount	Total as a percentage of net income	Total amount	Total as a percentage of net income	Total amount	Total as a percentage of net income
Director	10,186	3.89	12,307	4.35	10,186	3.89	12,307	4.30
President and Vice Presidents	58,135	22.21	52,203	18.45	58,135	22.21	52,203	18.25
Net income	261,806	—	283,002	—	261,806	—	285,985	—

(2) The policies, standards and packages by which the compensation was paid, the procedures through which compensation was determined, and their association with business performance and future risk.:

The Company regularly evaluates the remuneration to directors and managers based on the results of the evaluation conducted in accordance with the Company's "Regulations Governing the Remuneration to Directors and Functional Committee Members" and the "Regulations Governing the Remuneration and Performance of Managers" applicable to managers.

① The remuneration to the Company's directors is distributed by the Board of Directors with the authorization under the Articles of Incorporation, subject to the directors' participation in the Company's operations and contribution value, and in accordance with the "Regulations Governing the Remuneration to Directors and Functional Committee Members" established in reference to the pay level adopted by peer companies at home and abroad. If the Company retained earnings, the amount of remuneration to directors shall be determined by the Board of Directors in accordance with the Company's Articles of Incorporation, and the percentage of contribution shall be no more than 1% of the earnings of the year. The Company regularly evaluates the remuneration to directors in accordance with the "Regulations Governing the Performance Evaluation on the Board of Directors." The relevant performance evaluation and reasonableness of the remuneration are reviewed by the Remuneration Committee and then reported to the Board of Directors for resolution.

②The remuneration to the President and Vice Presidents includes salaries, bonuses, and employee remuneration. The salaries and bonuses refer to the reasonable compensation determined after taking into account the salary level in the industry, the scope of duties and responsibilities of the position, the achievement of personal performance, and the contribution to the Company's operating goals. The employee's remuneration is appropriated based on the Company's profitability and the Articles of Incorporation, and the appropriation ratio shall be 5%~ 20% of the profit of the year. The results of the performance evaluation conducted by the Company in accordance with the "Regulations Governing the Remuneration and Performance of Managers" serve as the reference for allocation of the bonus to managers, which include financial indicators (such as the achievement rate of the Company's operating revenue, gross profit, and net profit before tax) and non-financial indicators (such as achievement of work objectives, innovation and improvement capabilities, department leadership and management capabilities, personnel training, and the fulfillment of company policy goals), to calculate the remuneration for operating performance. The Company also reviews the remuneration system depending on the actual operating conditions and relevant laws and regulations from time to time. Remunerations to managers are reviewed by the Remuneration Committee and then reported to the Board of Directors for resolution.

II. The state of the Company's implementation of corporate governance:

(I) Operation of the Board of Directors

In 2024, the Board of Directors held five meetings (A), and the attendance of directors is stated as follows:

Job Title	Name	Actual attendance rate (B)	Frequency of attendance by proxy	Attendance rate in person (%) [B/A]	Remark
Chairman	HITRON TECHNOLOGIES INC. Representative: Wen-Fang Huang	5	0	100%	-
Vice Chairman	HITRON TECHNOLOGIES INC. Representative: Mei-Lan Liu	5	0	100%	-
Director	HITRON TECHNOLOGIES INC. Representative: Pei-Shun Chiu	5	0	100%	-
Director	Jia Lai Development Ltd. Representative: Jung-Huang Wang	5	0	100%	-
Independent Director	Yang-Chen Chuang	5	0	100%	-
Independent Director	Chao-Fu Shih	5	0	100%	-
Independent Director	Ching-Ying Wang	5	0	100%	-

Other matters required to be recorded:

1. If the operation of the board of directors meets any of the following circumstances, the date and session of the Board of Directors, the contents of the motions, the opinions of all independent directors, and the Company's handling of the opinions of the independent directors should be stated:
 - (1) Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee, so the provisions of Article 14-3 shall not apply. 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 (P17) .
 - (2) Other than the aforementioned matters, other resolutions of the Board of Directors with adverse or qualified opinions from independent directors and on the record or in written declaration: None.

2. For implementation of a director's recusal due to a conflict of interest, the name of the director, the contents of the motions, the reason for recusal, and the participation in the voting shall be stated:

Date of the Board of Directors Meeting	Name of Director	Contents of the motions	Reason for recusal	Participation in voting
2024/02/23	Wen-Fang Huang	Lifting the non-competition restrictions imposed on the current directors and their representatives.	Conflict of interest involved.	Not to participate in the discussion and voting
		To pass the Company’s investment in Transnet Corporation.	Chairman of Alpha Networks Inc. - Conflict of interest involved.	
	Mei-Lan Liu	Distribution of 2023 employee remuneration to senior managers.	The Company’s manager - Conflict of interest involved.	
		Recommendation on 2024 remuneration indicators for senior managers.		
		2024 senior manager bonus and salary adjustment policy.		

3. Implementation of the evaluation on the Board of Directors

The Board of Directors of the Company approved the "Regulations Governing the Performance Evaluation on the Board of Directors" on August 10, 2018, and amended the Regulations on November 3, 2020. The Board of Directors shall conduct internal performance evaluation at least once a year, and the external performance evaluation at least once every three years. The results of the performance evaluation shall be completed before the end of the first quarter of the next year.

- (1) The Company completed the internal performance evaluation on the Board of Directors at the end of 2024, and reported the evaluation results to the Board of Directors meeting held on February 25, 2025. The evaluation results of the Company's Board of Directors, directors and two functional committees show "Excellent," demonstrating the good functions and operation efficiency of the Company's Board of Directors and functional committees.
- (2) The Company commissioned Taiwan Corporate Governance Association in 2021, as an independent external evaluation institution to evaluate the performance of the Company's Board of Directors in terms of eight aspects, including composition of the Board of Directors, direction, authorization, supervision, communication, internal control and risk management, self-discipline and others (e.g. Board meetings and support systems). The evaluation methods include online self-assessment, written review on relevant documents, etc., and the on-site visit conducted in July 2023. The subjects included Chairman, two independent directors, president, the Company's chief corporate governance officer and chief internal auditor, and the evaluation result was reported to the Board meeting held on October 25, 2023.

(3) Implementation of the evaluation on the Board of Directors

Evaluation Cycle	Evaluation period	Scope of Evaluation	Evaluation Method	Evaluation Content
Once per year	January to December 2024	Board of Directors and Board Members	Internal self-evaluation of the Board of Directors and Board members	1.Alignment of the Company's goals and missions 2.Participation in the Company's operations 3.Internal relationship management and communication 4.Improvement of the Board's decision-making quality 5.Composition and structure of the Board of Directors 6.Awareness of the duties of a director 7.Election, professionalism and continuing education of directors 8.Internal control
		Audit Committee	Internal self-evaluation on the Audit Committee	1.Participation in the Company's operations 2.Awareness of the duties of the Audit Committee 3.Improvement of the Audit Committee's decision-making quality 4.Composition of the Audit Committee and election of its members 5.Internal control
		Remuneration Committee	Internal self-evaluation on the Remuneration Committee	1.Participation in the Company's operations 2.Awareness of the duties of the Remuneration Committee 3.Improvement of the Remuneration Committee's decision-making quality

Evaluation Cycle	Evaluation period	Scope of Evaluation	Evaluation Method	Evaluation Content
				4.Composition of the Remuneration Committee and election of its members
Once per three years	June 2022~May 2023	Performance of the Board of Directors	Written review and on-site visit by an external independent agency	Eight major aspects including composition of the Board of Directors, direction, authorization, supervision, communication, internal control and risk management, self-discipline, and others (e.g. Board meetings and support systems).

Taiwan Corporate Governance AssociationThe performance evaluation report of the Board of Directors was issued on August 9, 2023.

● Summary of the overall evaluation:

- ① As the Company values the corporate sustainable development, it has prepared the "Sustainability Report" since 2021 ahead of the schedule required by laws and regulations, in order to proactively demonstrate the fulfillment of the corporate responsibility for corporate sustainability.
- ② The Company fully respects the opinions of the members of the Board of Directors, so that the motions of the Board of Directors can be fully discussed to improve the effectiveness of the motions and decision-making.
- ③ The Company values the diversity of the Board of Directors, and the selection of the Board members is based on the needs of the Company's development strategy in order to seek competent candidates. Independent directors have extensive industry experience. In addition to exerting their supervisory functions, they also proactively participate in strategy-related projects and interact closely with the management. All directors perform their duty proactively, and supervise and direct the Company's operations actively.

● Summary of Suggestions and Improvement Plan

Item	Summary of the recommendations in the evaluation report	Improvement plan
1	The Company is recommended to strengthen the whistle-blowing mechanism and improve the direct connection between the whistle-blowing mailbox and independent directors.	The Company will set up additional whistle-blowing mailboxes and direct connection mechanism with the independent directors.
2	The Audit Office head is recommended to take into account the opinions of the Audit Committee in the annual performance evaluation, in order to strengthen the independence of internal audit.	The Company will add the opinions of the Audit Committee members as the reference helping the chief internal auditor's performance evaluation.
3	It is recommended to establish the "Initial Orientation System for New Directors" to help new directors verify the Company's operating conditions and forward-looking growth strategies, and exert the effectiveness of corporate governance.	The Company will establish the "Initial Orientation System for New Directors" to help new directors verify the Company's operating conditions and strategic intentions as soon as possible.
4	The Company is recommended to establish the "Procedures for Reporting Major Contingencies" to ensure that the Board members can verify the important status of the Company in a timely manner to fulfill their supervisory functions.	The Company has established a communication group for the Board members to ensure that Board members can verify the Company's important conditions and fulfill their supervisory functions.

4. Enhancements to the functionality of the Board of Directors in the current year and the most recent year (e.g. establishment of an Audit Committee, enhancement of information transparency, etc.) and evaluation on the implementation status:

- (1) The Company has established the Independent Directors, Audit Committee and Remuneration Committee and is committed to complying with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- (2) The Company has established the Risk Management Committee under the supervision of the Audit Committee, which shall regularly report the implementation of risk management to the Audit Committee and the Board of Directors.
- (3) In terms of improvement of the information transparency, the Company designates dedicated personnel to disclose the Company's information and update the information on the Company's website.
- (4) All Board members have participated in the corporate governance-related continuing education courses. Therefore, the functions of the Board of Directors have been improved. In order to protect the directors and managers from the risks to be borne by them when they are carrying out business, the Company evaluates the operational risks every year and purchases director and supervisor liability insurance for its directors and managers, out of the intent to ensure that the insurance indemnity and coverage satisfy the demand.

(II) Operation of the Audit Committee

In 2024, the Audit Committee held five meetings (A), and the independent directors' attendance is stated as follows:

Job Title	Name	Actual attendance rate (B)	Frequency of attendance by proxy	Attendance rate in person (%) [B/A]	Remarks
Independent Director (Convener)	Yang-Chen Chuang	5	0	100%	-
Independent Director	Chao-Fu Shih	5	0	100%	-
Independent Director	Ching-Ying Wang	5	0	100%	-

Other matters required to be recorded:

- If the operation of the Audit Committee meets any of the following circumstances, the date and session of the Audit Committee meeting, the contents of the motions, the independent directors' dissenting opinions, qualified opinions or major recommendations, the Audit Committee's resolution, and the Company's handling of the opinions of the Audit Committee should be stated:

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

Date (session) of the Audit Committee Meeting	Contents of the motions
1st meeting in 2024 2/23	1.2023 Statement of internal control system and self-assessment result report.
	2.2023 Financial Statements and Business Report, and 2024 Business Plan.
	3.Review on the CPA service fee for 2024.
	4.Application for the registration of capital change and issuance of new shares for the conversion of the Company's domestic 2nd unsecured convertible corporate bonds into ordinary shares in Q4 of 2023.
	5.To pass the Company's investment in Transnet Corporation.
2nd meeting in 2024 4/19	1.2024 Q1 consolidated financial statements
	2.Application for the registration of capital change and issuance of new shares for the conversion of the Company's domestic 2nd unsecured convertible corporate bonds into ordinary shares in Q4 2024.
3rd meeting in 2024 7/24	1.2024 Q2 consolidated financial statements
	2.Application for the registration of capital change and issuance of new shares for the conversion of the Company's domestic 2nd unsecured convertible corporate bonds into ordinary shares in Q2 2024.
4th meeting in 2024 10/23	1.Amendments to the "Internal Control System".
	2.Establishment of 2025 internal audit plan.
	3.2024 Q3 consolidated financial statements
	4.Appointment of the Company's CPAs for 2025 financial statements.
	5.Revision of the Company's pre-approval policy for non-assurance services.
	6.Application for the registration of capital change and issuance of new shares for the conversion of the Company's domestic 2nd unsecured convertible corporate bonds into ordinary shares in Q3 2024.
5th meeting in 2024 11/14	1. To pass the Company's investment in Fiber Logic Communications, Inc.
The independent directors' dissenting opinions, qualified opinions or major recommendations: None.	
Audit Committee's resolutions and the Company's handling of the Audit Committee members' opinions: The members of the Audit Committee passed all the motions unanimously, and the Board of Directors approved all the motions per the suggestions of the Audit Committee.	

- (2) Other than said matters, any matter that has not been passed by the Audit Committee, but resolved with the approval of two-thirds or more of all Board directors: None.

2. For implementation of an independent director's recusal due to a conflict of interest, the name of the director, the contents of the motions, the reason for recusal, and the participation in the voting shall be stated: None.
3. Communication between independent directors, internal auditing officer, and CPAs (including major issues, methods, and results of communication on the Company's financial and business status).
 - (1) The Company's chief internal auditor regularly communicates the audit report results with the members of the Audit Committee, and makes an internal audit report at the quarterly Audit Committee meeting. If there are special circumstances, they will also be reported to the members of the Audit Committee immediately. No said special condition occurred in 2024. The communication between the Audit Committee and the chief internal auditor is good.
 - (2) The Company's independent auditors report the results of the audit or review on the quarterly financial statements and other communication matters required by relevant laws and regulations at each quarterly meeting of the Audit Committee. If there are special circumstances, they will also immediately report to the members of the Audit Committee. No said special condition occurred in 2024. The communication between the Audit Committee and the independent auditors is good.

Date of the Meeting	Communication method	Participants	Communication focus
2024/02/23	Audit Committee	Audit Committee members, CPAs, and chief internal auditors	1. Internal audit results report for October~December 2023. 2. 2023 Statement of internal control system and self-assessment result report. 3. CPAs' report on the results of the audit on the 2023 financial statements.
2024/04/19	Audit Committee	Audit Committee members, CPAs, and chief internal auditors	1. Internal audit results report for January to March 2024. 2. CPAs' explanations about the audit on the financial statements for 2024 Q1 and update on important laws and regulations.
2024/07/24	Audit Committee	Audit Committee members, CPAs, and chief internal auditors	1. Internal audit results report for April to June 2024. 2. CPAs' explanations about the audit on the financial statements for 2024 Q2 and update on important laws and regulations.
2024/10/23	Audit Committee	Audit Committee members, CPAs, and chief internal auditors	1. Internal audit results report for July to September 2024. 2. Establishment of internal control system according to laws and regulations. 3. Proposal for establishment of 2025 internal audit plan. 4. CPAs' explanations about the audit on the financial statements for 2024 Q3 and update on important laws and regulations.

4. The Company elects three independent directors at the annual general meeting to form the Audit Committee, which meets once on a quarterly basis in accordance with laws. Its main functions and powers are stated as follows:
 - (1) Establishment of or amendments to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
 - (2) Evaluation on the effectiveness of the internal control system.
 - (3) Formulation or amendment of handling procedures for financial or operational actions of matters of material significance, pursuant to Article 36-1 of the Securities and Exchange Act, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
 - (4) Matters involving the interests of directors.
 - (5) Significant asset or derivative transactions.
 - (6) Significant loaning of funds, endorsement, or guarantee.
 - (7) Offering, issuance, or private placement of equity-type securities.
 - (8) Appointment, dismissal or remuneration of the independent auditors.
 - (9) Appointment or dismissal of a financial, accounting, or internal audit officer.
 - (10) The annual financial statements signed or sealed by the Chairman, general manager and accounting officer, and Q2 financial statements audited and certified by CPAs.
 - (11) Other important matters regulated by the Company or the competent authority.

5. In 2024, the Audit Committee held a total of five meetings, and the key tasks are summarized as follows:

- (1) Internal control system and related policies and procedures
- (2) Annual audit plan
- (3) Chief internal auditor communicated the audit result report
- (4) Communicated with the Company's CPAs regarding their review of financial statements or audit results
- (5) Reviewed the financial statements
- (6) Offering and issuance of equity securities
- (7) Legal compliance
- (8) Corporate information security and risk management
- (9) Qualification, independence and performance evaluation of CPAs
- (10) Appointment, dismissal or remuneration of the CPAs.
- (11) Implementation of the duties of the Committee
- (12) Committee's self-evaluation

(III) The state of the Company's implementation of corporate governance, any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such deviation

Assessment Items	Operation status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has established the "Corporate Governance Best Practice Principles" and implemented it in accordance with the spirit of corporate governance. After the latest amendment, it has been disclosed on the Market Observation Post System and the Company's website.	No difference.
II. The Company's shareholding structure and shareholders' equity				No difference.
(I) Does the Company establish internal operating procedures to handle shareholders' suggestions, doubts, disputes and litigation matters, and implement them in accordance with the procedures?	V		(I) The Company has set up an investor contact window and an investor mailbox to handle shareholders' suggestions or disputes.	
(II) Does the Company keep track of the list of major shareholders who actually control the Company and the ultimate controllers of such major shareholders?	V		(II) The Company shall make monthly announcements on the Market Observation Post System (MOPS) according to the changes in shareholdings of directors, managers and major shareholders holding more than 10% of the shares.	
(III) Has the Company established and implemented risk control and firewall mechanisms with its affiliates?	V		(III) The Company has established relevant management procedures for subsidiaries in the internal control system according to laws and regulations. The Company has also established "Regulations Governing Transactions with Group Enterprises, Specific Companies and Related Parties" and "Regulations Governing Financial Operations among Related Parties" to implement risk control and achieve full information disclosure.	
(IV) Does the Company establish internal regulations to prohibit insiders from trading securities using undisclosed information in the market?	V		(IV) In addition to advocating to the insiders of the Company through meetings and letters from time to time, the Company has formulated the "Procedures for Handling Internal Material Information and Management for Prevention of Insider Trading", which have been disclosed on the Company's website .	
III. Composition and duties of the Board of Directors				No difference.
(I) Does the Board Meeting have	V		(I) For the formulation and implementation of the	

Assessment Items	Operation status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
<p>member diversification policies in place, manage the objectives and implement the same substantively?</p> <p>(II) Does the Company, in addition to establishing the Remuneration Compensation Committee and Audit Committee pursuant to the laws, have other functional committees established voluntarily?</p> <p>(III) Does the Company adopt a set of policies and assessment methods to evaluate the Board's performance, conduct the performance evaluation regularly at least on an annual basis, and submit the performance evaluation result to the Board Meeting and applied the same as reference for remuneration to individual directors and nomination for additional term of office?</p> <p>(IV) Does the Company have the independence of the independent auditor evaluated regularly?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>Company's board member diversity policy, please refer to Page 5 of this annual report, the Chapter on director diversity and independence.</p> <p>(II) The Company has established the Remuneration Committee and Audit Committee consisting of the members all served by independent directors. Meanwhile, the Company also established the Risk Management Committee under the supervision of the Audit Committee.</p> <p>(III) The Board of Directors of the Company passed the amendments to the "Regulations Governing the Performance Evaluation on the Board of Directors" on November 3, 2020. For the performance evaluation method and implementation in 2023, please refer to the Chapter on the performance of the Board of Directors on Page 15 of the annual report.</p> <p>Mainly due to the distribution of remuneration, subject to the directors' participation in the Company's operations and contribution value, in accordance with the "Regulations Governing the Remuneration to Directors and Functional Committee Members" and with the authorization under the Articles of Incorporation in February 2023.</p> <p>(IV) The Company regularly evaluates the independence and competency of its independent auditors every year. On October 23, 2024, the report on the Audit Quality Indicators (AQIs) provided by the CPAs was received. In reference to the "Guidelines for Interpretation of Audit Quality Indicators (AQIs) by Audit Committees" and related regulations, the Company assesses the independence and competency of the independent auditors, and reports the assessment result to the Audit Committee and Board of Directors on the same day. Ming-Hung Huang, CPA and Hui-Chen Chang, CPA of KPMG Taiwan were confirmed to meet the Company's independence assessment standards, and asked to provide the "Declaration of Independence." Please refer to Note 1 for the "CPA Independence Assessment Results."</p>	
<p>IV. Whether or not the TWSE/TPEX listed company assigns the adequate number of competent corporate governance officers, and appoints the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors the information needed by them to perform their duties, assistance to directors/supervisors in compliance, organization of the Board Meeting meetings and shareholders' meetings, and preparation of the Board Meeting and shareholders' meeting minutes, etc.)?</p>	V		<p>On November 3, 2021, the Company's Board of Directors resolved to appoint Mei-Chi Chen, Vice President of the Finance Department, who meets the qualification requirements of the chief corporate governance officer, as the chief corporate governance officer of the Company, responsible for supervising and planning the corporate governance practices. The Chief Corporate Governance Officer's responsibilities include:</p> <ol style="list-style-type: none"> 1. To handle matters related to the meetings of the Board of Directors and the Shareholders' Meeting in accordance with the law. 2. Preparation of minutes for the Board meetings and shareholders' meetings. 3. Assisting in onboarding and continuing education of directors. 4. Providing the information required by the directors to carry out their duties. 	No difference.

Assessment Items	Operation status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
			5. Assisting directors in complying with laws and regulations. 6. Reporting to the Board of Directors on whether the qualification of independent directors complies with relevant laws and regulations at the time of nomination or election, and during the term of office. 7. Handling matters related to the change of directors. 8. Other matters provided in the Company's Articles of Incorporation or contracts.	
V. Does the Company provide proper communication channels and create an investor relations section on its website to address the corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to, shareholders, employees, customers and suppliers)?	V		In addition to general phone calls or face-to-face communication, the Company also assigns dedicated personnel to handle issues raised by investors or stakeholders. The Company has set up a stakeholder section on its website, including customers, employees, shareholders and suppliers, and set up a whistleblower mailbox to appropriately respond to important corporate social responsibility issues that stakeholders are concerned about.	No difference.
VI. Does the Company appoint a professional shareholder service agency to handle shareholders' meeting affairs?	V		The Company has appointed a professional shareholder service agent, Fubon Securities Co., Ltd., Shareholder Service Agency Dept., as its shareholder service agent.	No difference.
VII. Information Disclosure (I) Does the Company set up a website to disclose financial, business and corporate governance information? (II) Has the Company adopted other information disclosure methods (e.g., establishing an English website, designating personnel dedicated to collection and disclosure of the Company's information, implementing the spokesperson system, posting the investor conference on the Company's website, etc.)? (III) Whether or not the Company announces and reports the annual financial report within two months at the end of each fiscal year, and the financial report for Q1, Q2 and Q3 and monthly operation overview before the prescribed time limit?	V V	V	(I) The Company has established a corporate website to disclose financial, business and corporate governance-related information at any time, and also announced and reported the Company's overview and various financial information on the Market Observation Post System in accordance with the regulations of the competent authorities. (II) The Company appoints dedicated personnel to collect and disclose relevant information based on the nature of their work, and also appoints a spokesperson and an acting spokesperson to implement the spokesperson system. The Chinese and English versions of the briefing and the in-process audio files of the institutional investor conference have been placed in the investor section on the Company's website under the section of the shareholders' meeting for easy inquiry by the public. They have also been entered into the MOPS as required by TWSE. (III) The Company announced and reported the 2024 annual financial report on March 3, 2025. The Company announced and reported the 2024 Q1, Q2, and Q3 financial reports as well as the operating status of each month before the prescribed deadline.	No difference.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to, employee rights, employee care, investor relations, supplier relations, stakeholders' interests,	V		(I) Employee rights: In addition to protecting the rights and interests of employees in accordance with the Labor Standards Act and related laws and regulations, the Company also provides subsidies for weddings, funerals, hospitalization, childbirth, and employee continuing education, and also organizes the health checkup for employees, fire protection and labor safety forums, mountain	No difference.

Assessment Items	Operation status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and the Company's purchase of liability insurance for directors and supervisors)?			<p>climbing and fitness activities, employee travels and birthday party and lottery draws, etc. regularly.</p> <p>(II) Employee care: The Company's management regulations focus on the interests of employees, care about employees' life, welfare and health, and set forth reasonable salaries and treatment.</p> <p>(III) Investor relations: The Company discloses company information in accordance with laws and regulations, in order to protect investors' basic rights and fulfill its responsibilities to shareholders.</p> <p>(IV) Supplier relations: The Company maintains smooth communication channels with customers and suppliers, assisting and trusting each other. No commercial disputes or litigations have arisen accordingly.</p> <p>(V) Rights of stakeholders: The Company maintains good communication channels with stakeholders, and respects and safeguards their legal rights. Meanwhile, the Company appoints a spokesperson and an acting spokesperson to respond to the questions and suggestions raised by stakeholders.</p> <p>(VI) Continuing education of directors and supervisors: The directors and supervisors of the Company have followed the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies," after completing the courses of securities laws and regulations and corporate governance, and also met the requirements about continuing education hours.</p> <p>(VII) Implementation of risk management policies and risk measurement standards: The Company has established various internal regulations and internal control systems in accordance with the law to conduct various risk management and assessments. Meanwhile, the internal audit unit will audit the implementation of internal control systems on a regular and irregular basis.</p> <p>(VIII) Implementation of customer policy: The Company adheres to the principle and spirit of providing customers with the best service. The Company's outstanding technology and service quality have been recognized and trusted by customers. The Company always maintains good long-term relationships with its customers.</p> <p>(IX) The Company purchases liability insurance for the Company's directors and managers every year. The insurance application status of directors and supervisors is reported to the Board of Directors at least once a year. The report was completed on July 24, 2024.</p>	

Assessment Items	Operation status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	

Note 1:

CPA independence assessment items	Evaluation results	Compliance with independence requirements?
1. Does the accountant have any direct or material indirect financial interest in the Company?	No	Yes
2. Does the CPA have any financing or guarantee relationship with the Company or any of its directors?	No	Yes
3. Does the CPA have a close business relationship or potential employment relationship with the Company?	No	Yes
4. Whether the CPAs and the members of the audit team have served as directors, managers, or positions that have significant influence on the audit work of the Company currently or in the past two years?	No	Yes
5. Have the CPAs provided the Company with non-audit services that may directly affect the audit work?	No	Yes
6. Whether the CPA brokers the shares or other securities issued by the Company?	No	Yes
7. Does the CPA act as the advocate of the Company or negotiate the conflict with other third parties on behalf of the Company?	No	Yes
8. Does the CPA have a family relationship with the Company's directors, managers, or personnel who have a significant impact on the audit?	No	Yes
Conclusion: Upon confirmation, there is no other financial interest or business relationship between the CPAs and the Company, except for the audit and non-audit fees. None of the CPAs has met the circumstances stated by said independence assessment items. The appointed independent auditor also meets the independence requirements.		

IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the Taiwan Stock Exchange Corporation Corporate Governance Center and propose priority strengthening measures and measures for those who have not yet improved.

The Company ranked in 6%~20% of TPEX-listed companies in the "Corporate Governance Evaluation" in 2022 and 2023. The improvements made in the 11th Corporate Governance Evaluation (appraisal year 2024) are stated as follows:

Indicator category	2023 serial number	2024 serial number	Evaluation Indicators	Description of improvements
Protection of shareholders' equity and equal treatment of shareholders	1.2	1.2	Whether the Company has established written procedures for the financial and business operations with its related parties, including procedures for the purchase and sale of goods, acquisition or disposal of assets; and whether the Company's major transactions are submitted to the Board of Directors for resolution and to the shareholders' meeting for approval or report?	The Company has amended the "Regulations Governing Financial Operations among Related Parties", which include that major purchase and sale transactions and acquisition or disposal of assets with individual related parties that have been approved by the Board of Directors must be reported at the most recent shareholders' meeting at the end of the year.
Enhance the information transparency	3.6	3.6	Does the Company disclose the interim financial statements in English within two months after the deadline for the Chinese version of the interim financial statements?	The English Consolidated Financial Report of Q1 - Q3 2024 of the Company has been disclosed on the MOPS within two months after the deadline for the Chinese Consolidated Financial Report.

The priority enhancements and measures winning no scores are described as follows:

Indicator category	2024 serial number	2025 serial number	Evaluation Indicators	Enhancements and measures
Promotion of sustainable development	4.18	4.18	Does the Company follow the TCFD framework in disclosing information on corporate governance, strategies, risk management, indicators, and targets for climate-related risks and opportunities?	The Company will develop a TCFD framework and disclose relevant information.
Promotion of sustainable development	4.23	4.23	Does the Company disclose the policy of linking the remuneration of senior managers with ESG-related performance evaluation?	The Company will plan to disclose the policy of linking the remuneration of senior managers with ESG-related performance evaluation.

Note: Always provide explanations in the summary description column, regardless of whether the status is ticked "Yes" or "No."

(IV) If the Company has established a remuneration committee, its composition, duties and operations shall be disclosed:

1. Information on the Remuneration Committee members

Identity	Name	Condition	Professional qualifications and experience	Status of independence	Number of other public companies serving as Remuneration Committee member concurrently
Independent Director (Convener)	Yang-Chen Chuang	Please refer to Page 6 of this annual report for the information on independent directors.		1. The person himself/herself, his/her spouse, or a relative within the second degree of kinship is not a director or employee of the Company or any of its subsidiaries. 2. The person, his/her spouse or a relative within the second degree of kinship (or in the name of another person) is not a natural person shareholder holding 1% or more of the total number of issued shares of the Company or among the top ten shareholders. 3. Not a director, supervisor or employee of the corporate shareholder holding more than 5% of the total number of issued shares of the Company, listed as one of Top 5 shareholders of the Company, or designating the representative to serve as the Company's director or supervisor in accordance with Paragraph 1 or Paragraph 2, Article 27 of the Company Act. 4. Not a director, supervisor, or employee of another company who is controlled by the same person controlling a majority of the directors or shares with voting right of the Company. 5. Not a director, supervisor, or employee of another company or institution where the chairman, president or equivalent of the Company or is the same person, or spouse. 6. Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. 7. Not providing commercial, legal, financial and accounting services to the Company or its affiliates in the last two years.	1
Independent Director	Chao-Fu Shih				None
Independent Director	Ching-Ying Wang				None

2. Responsibilities

The Committee members shall exercise the due care of a good administrator to faithfully perform the duties listed below, and shall be accountable to the Board of Directors and submit their recommendations to the Board of Directors for discussion.

- (1) Formulate and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration to directors and managers.
- (2) Regularly assess and determine the remuneration to directors and managers.

3. Information on the operation of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of 3 members.
- (2) The term of office to be held by the members of 5th Committee: May 30, 2023 to May 29, 2026; the Remuneration Committee held two meetings (A) in the most recent year (2024). The qualifications and attendance of members are stated as follows:

Job Title	Name	Actual attendance rate (B)	Frequency of attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Yang-Chen Chuang	2	0	100	-
Committee Member	Chao-Fu Shih	2	0	100	-
Committee Member	Ching-Ying Wang	2	0	100	-

(3) The Remuneration Committee's proposals and resolutions in 2024 and up to the date of publication of this annual report, and the Company's handling of the Remuneration Committee's opinions.

Date of the Remuneration Committee meeting	Contents of the motions	Resolution	The Company's handling of the opinions of the Remuneration Committee
5th Term 2nd (1st meeting in 2024) 02/23	1. Proposal for distribution of 2023 remuneration to employees and directors. 2. Distribution of 2023 employee remuneration to senior managers. 3. Proposal for the 2024 remuneration indicators for senior managers. 4. 2024 senior manager bonus and salary adjustment policy.	Reviewed and approved by all Committee members unanimously.	Proposed to the Board meeting and approved by all directors present at the meeting unanimously.
5th Term 3rd (2nd meeting in 2024) 10/23	1. Proposal for distribution of 2023 employee remuneration to senior managers. 2. Report on senior manager's 2024 raise.	Report Items not applicable	Not applicable
5th Term 4th (1st meeting in 2025) 02/25	1. Distribution of 2024 remuneration to employees and directors. 2. Distribution of 2024 employee remuneration to senior managers. 3. 2025 remuneration indicators for senior managers. 4. 2025 senior manager bonus and salary adjustment policy.	Reviewed and approved by all Committee members unanimously.	Proposed to the Board meeting and approved by all directors present at the meeting unanimously.

Other matters required to be recorded

- I. Should the Board rejects or modifies the suggestions from the Remuneration Committee, the following should be stated: date of the Board meeting, term of the Board, contents of the motions, resolutions of the Board and the Company's handling of the Remuneration Committee's opinion. (If the remuneration approved by the Board are better than that suggested by the Remuneration Committee, the difference and the reason thereof should be stated): None.
- II. Should any resolution(s) by the Remuneration be passed but with member voicing opposing or qualified opinions on the record or in writing, please describe the date and session of the meeting, contents of the motion, the entire members' opinions, and how their opinions are addressed: None.

(V) The state of the Company's promotion of sustainable development, any deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation; a company that meets certain conditions shall disclose climate-related information.

1. The state of the Company's implementation of sustainable development, any deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

Promotion items	Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
I. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development,	V		1. In 2017, the Company established the Corporate Social Responsibility Committee and appointed the Chairman to serve as the Committee chairman. The Management Division was instructed to set up a part-time unit of the Corporate Social Responsibility Team. The Director-General of the Management Division performed all comprehensive operations. In response to the Corporate Social Responsibility Best Practice Principles, the Committee was renamed	No difference.

Promotion items	Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
with senior management authorized by the Board of Directors to handle, and how is the supervision of the Board of Directors?			<p>as the Sustainable Development Committee in July 2022. The President serves as the Committee chairman. The Committee focuses on three major topics, namely, corporate governance, environmental sustainability, and social welfare, fulfills corporate social responsibility through routine operations, and reports and shares the Company's corporate social responsibility implementation results to and with the Board of Directors regularly each year.</p> <p>2. The implementation status in 2024 has been reported to the Board of Directors on February 25, 2025, and was reported to the Board of Directors, with review on the implementation results. Meanwhile, it also listened to the suggestions proposed by directors. The contents of the motions include:</p> <p>(1) Issues of concern to stakeholders</p> <p>(2) Corporate sustainability ESG performance</p>	
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies?	V		<p>1. The Company's Board of Directors approved the "Risk Management Policy and Procedures" on February 22, 2023, and established the Risk Management Committee (RMC) in April to hold quarterly meetings to discuss the Company's response to major risks.</p> <p>2. The RMC members identify, analyze, and evaluate risks based on the four major risk categories, namely strategy, finance, operation, and hazard, implement corporate risk identification, complete corporate risk checklists, establish a risk radar chart, screen the Company's Top 3 Risks, and formulate risk management strategy.</p> <p>3. For the Top 3 Risks, the Company will track and report the progress of risks, discuss and review the effectiveness and closure of risk management, and plan risk management policies and strategies for next year.</p>	No difference.
III. Environmental Issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		The Company is a system integration service provider. Due to the characteristics of the industry, other than the production of domestic waste and waste water from daily activities, the Company's operations would not cause serious environmental pollution problems. Related waste and waste water are treated in accordance with the regulations of the New Taipei Industrial Park.	No difference.
(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?	V		The Company encourages field colleagues to use the mass transportation system and privately-owned car sharing service, and also recycling of paper and paperless operations to reduce consumption of papers. Meanwhile, the Company promotes resource recycling and garbage sorting to improve the utilization rate of resources and reduce the environmental pollution.	
(III) Does the Company evaluate the potential risks and opportunities posed by climate change to the Company at present and in the future, and take relevant countermeasures?	V		<p>1. The Company's Risk Management Committee collected information from internal units on the operational risks that may be caused by climate change. Based on the 2024 risk identification results, there were a total of 22 risks, including the assessment of risks caused by climate change. The results showed that the internal and external impacts caused by climate change would not affect the Company's operations.</p> <p>2. In order to assess the impact and severity of extreme natural disasters caused by climate change on the Company's operations, the Company completed a risk assessment of flooding caused by heavy rainfall in the Company's offices or warehouses in September 2024. According to the assessment results, we have adopted corresponding flood prevention measures and risk avoidance strategies.</p>	

Promotion items	Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation												
	Yes	No	Summary													
(IV) Whether the Company gathers the statistics about the annual GHG emission, water consumption and gross weight of waste for the past two years, and adopts policies for energy conservation and carbon reduction, GHG reduction, reduction of water consumption or management of exhaust gas and other waste goods?	V		<div>1. In response to the sustainable environment initiative and the national greenhouse gas inventory and reduction policy, the Company has began to collect statistics on greenhouse gas emissions since 2017 and disclosed them on the Company's website.</div> <div>2. The Company is not a manufacturer, hence we do not produce hazardous waste. The Company's domestic waste is removed by the government's certified commercial waste removal vendor in cooperation with third-party supervision agency to be directly transported for incineration in Bali District, New Taipei City.</div> <div>3. The indirect GHG emissions, water consumption and gross weight of the waste generated from the Company's purchased electricity for 2022 and 2023 are as follows:</div> <table><tr><th>Item</th><th>2022</th><th>2023</th></tr><tr><td>Indirect greenhouse gas emissions from purchased electricity (mt CO₂e)</td><td>580.93588</td><td>572.2467</td></tr><tr><td>Annual water consumption (kWh)</td><td>4,141</td><td>4,687</td></tr><tr><td>Gross weight of waste (mt)</td><td>19.2</td><td>19.2</td></tr></table> <div>4. Using 2022 as the base year, the Company conducted the greenhouse gas inventory in reference to the standards and requirements under the "ISO 14064-1: 2018" greenhouse gas inventory. At the end of May 2024, the Company obtained a third-party verification and set a total of 10% reduction by 2030, and a long-term goal of net zero by 2050.</div> <div>5. The Company also continues to implement various energy conservation and carbon reduction measures:</div> <div>(1) Promotion of paperless operation.</div> <div>(2) Update and replacement of the whole lamps with power-saving ones.</div> <div>(3) Scheduled air-conditioning and promotion of control over the air-conditioning temperature in summertime to achieve the goal of energy conservation and carbon reduction.</div> <div>(4) Turn off the power at any time in any unoccupied area.</div> <div>(5) Regularly check the electrical equipment to reduce the power consumption.</div> <div>(6) The sky garden is equipped with a rainwater collection system for watering flowers and plants and cooling of awnings.</div>	Item	2022	2023	Indirect greenhouse gas emissions from purchased electricity (mt CO ₂ e)	580.93588	572.2467	Annual water consumption (kWh)	4,141	4,687	Gross weight of waste (mt)	19.2	19.2	
Item	2022	2023														
Indirect greenhouse gas emissions from purchased electricity (mt CO ₂ e)	580.93588	572.2467														
Annual water consumption (kWh)	4,141	4,687														
Gross weight of waste (mt)	19.2	19.2														
IV. Social Issues (I) Has the Company established relevant management policies and procedures in accordance with applicable laws and International Bill of Human Rights?	V		<div>The Company is committed to protecting the basic human rights of employees, and complies with the Labor Standards Act and laws and regulations related to gender equality in employment, and recognizes and voluntarily follows international human rights conventions, including the "United Nations Universal Declaration of Human Rights," "United Nations Global Compact," and "United Nations Guiding Principles on Business and Human Rights." , "Declaration of Fundamental Principles and Rights at Work". The policy of human rights protection for workers was established in 2023, to eliminate any violation or violation of human rights, and to carry out human rights risk assessment and due diligence on a regular basis. By doing this, we aim to enhance the human rights awareness of internal colleagues and stakeholders.</div>	No difference.												
(II) Does the Company formulate and implement reasonable employee welfare measures (including	V		<div>The Company has formulated and implemented reasonable employee welfare measures, and appropriately reflects business performance or results in employee remuneration.</div> <div>1. Employee remuneration</div> <div>(1) Salary system:</div>													

Promotion items	Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
remuneration, leave and other benefits, etc.), and appropriately reflect the operating performance or results in the employee remuneration?			<p>a.The Company has formulated relevant management procedures, such as the remuneration policy, management procedures, performance bonus procedures, business bonus procedures, performance appraisal procedures, manager remuneration and performance management procedures, performance bonus procedures, which are implemented accordingly.</p> <p>b.The Company allocates and distributes year-end bonuses, performance bonuses and employee remuneration depending on the operating conditions, and shares the operating results with employees.</p> <p>c.The Company makes annual salary adjustments based on employee performance evaluation, individual contributions and the Company's operating conditions.</p> <p>(2) Employee remuneration: In accordance with Article 19 of the Company's Articles of Incorporation, if the Company makes a profit in the year, 5% to 20% of the profit shall be allocated as employee remuneration.</p> <p>(3) Employee stock ownership Trust: To encourage long-term service and share the business results, the Company provides monthly incentives to employees who participate in this system to acquire the Company's stock through the trust. The trust property is received in installments upon expiration as specified in the trust agreement.</p> <p>2. Employee welfare measures</p> <p>(1) Worker Welfare Committee. The Committee members are elected by employees through open votes, and the welfare funds will be allocated pursuant to the Charter for the Worker Welfare Committee, including: domestic and foreign employee travel subsidies, subsidies for weddings, funerals, festivals and celebrations, subsidies for childbirth, subsidies for education of the employees' children, subsidies for various club activities, birthday gifts, afternoon tea parties, corporate family days, and year-end birthday activities.</p> <p>(2) Leave system: Employees are entitled to special leave and birthday celebration leave immediately upon arrival. We provide better leave days than that set forth by the Labor Standards Act.</p> <p>(3) Retirement system and implementation thereof</p> <p>a. System:</p> <p>(a) The Company applies the Labor Standards Act pension system (referred to as the "old system") for employees who joined the Company before July 1, 2005. With consent of both the employer and employees, the "years of service accrued before July 1, 2005" was settled on July 31, 2018. The settlement was calculated based on the standards stipulated in Article 55 of the Labor Standards Act</p> <p>(b) The Company's current pension system (referred to as the "new system") is applicable to all employees under the Labor Pension Act. The pension payment is subject to the "Monthly Contribution Classification of Labor Pension" - the Company contributes no less than 6% of the employee's monthly wage into such employee's personal labor pension account.</p> <p>b. Implementation status:</p> <p>The Company has adopted the government's new pension system. According to the Monthly Contribution Classification</p>	

Promotion items	Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
			<p>of Labor Pension, the Company contributes no less than 6% of the employee's monthly wage into such employee's personal labor pension account. For those employees who voluntarily contribute to their pension fund, the contribution rate will be deducted from their monthly wage and paid into their personal labor pension account of the Bureau of Labor Insurance.</p> <p>c. Other provisions relating to the retirement system:</p> <p>(a) Voluntary retirement: A worker may voluntarily retire under any of the following circumstances:</p> <ul style="list-style-type: none"> ● Those who have worked for 15 years or more and are at least 55 years old. ● Those who have worked for more than 25 years. ● Those who have worked for 10 years or more and are at least 60 years old. <p>(b) Compulsory retirement: The Company shall not force an employee to retire unless they fall into any of the following circumstances:</p> <ul style="list-style-type: none"> ● Aged 65 or above. ● Physical or mental disabilities that make them unfit to work. <p>The Company may apply to the central competent authority for approval to adjust the age stipulated in the preceding paragraph a. for workers under special circumstances, such as danger and strong physical strength. However, they must not be below 55 years old.</p> <p>3. Other welfare measures: In addition to labor and health insurance coverage in accordance with laws and regulations, the Company also provides group injury insurance, free health examination, flexible work working hours, parking subsidy, employee travel subsidy and other benefits.</p> <p>4. Diversity and equality in the workplace: The Company implements diversity and equality in the workplace, realizes equal pay for equal work and equal promotion opportunities for all genders, and maintains more than 20% executive positions for female workers to urge the sustainable inclusive growth. In 2024, the average proportion of female employees as 28.03%, and the average proportion of female managers 26.00%.</p>	
(III) Does the Company provide employees with a safe and healthy work environment, and provide employees with safety and health education on a regular basis?	V		<p>In order to maintain the safety and health of employees, the Company has implemented various measures including workplace safety and health conditions, employee health, fire safety, occupational safety and health education and training, and personnel safety and health software and hardware services. In addition to continuing to promote various safety and health measures, the Company also constantly pays attention to the status of risks and hazards in the workplace to maintain a good working environment, enabling the employees to work with peace of mind.</p> <p>1. Access control:</p> <ol style="list-style-type: none"> (1) We have adopted access control, employee card identification, and visitor ID card management systems. (2) There are security guards stationed to perform security control and inspection. (3) Full-time connection mechanism of the security system. <p>2. Employee recreation and sports promotion:</p> <ol style="list-style-type: none"> (1) A gym is available for employees to exercise and relax. (2) Encourage colleagues to use stairs instead of elevators for short distances as it can save waiting time and encourage exercise <p>3. Employee health examination, report analysis and consultation</p>	

Promotion items	Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
			<p>services:</p> <p>(1) Every two years, the Company conducts an employee health examination with items better than prescribed by law. The health examination report information is obtained by the Company's contracted physicians as a plan for health management interviews of employees.</p> <p>(2) On-site physicians are provided for two hours every three months, and on-site nurses are provided for two hours per week to perform health interventions and health guidance for colleagues, lower the number of high-risk healthcare personnel, and achieve the advocacy of relevant health promotion and preventive programs.</p> <p>(3) The execution rate of occupational health care interviews with employees in the 2023 annual health examination report: A total of 15 Level 4 personnel requiring enhanced care were interviewed, an interview rate of 100%; a total of 53 personnel out of 54 Level 3 personnel requiring care were interviewed, an interview rate of 98%.</p> <p>4. Fire safety:</p> <p>(1) We conduct fire safety seminars or drills every six months.</p> <p>(2) The Company is equipped with AED equipment and fire extinguishers.</p> <p>5. Implementation of occupational safety and health education and training for employees:</p> <p>(1) New recruits: Pre-employment training on safety and health is implemented.</p> <p>(2) In-service employees: On-the-job safety and health training is conducted regularly.</p> <p>(3) License training: Personnel license training is provided according to the needs, such as qualification of aerial work platforms, forklifts, electricians and related occupational safety and health personnel.</p> <p>6. Matters with regard to the promotion of friendly workplace in the public sector:</p> <p>(1) A smoke-free workplace policy is promoted.</p> <p>(2) Good work environment with lactation rooms are provided.</p> <p>7. Determination of the suitability of the work environment for employees every six months:</p> <p>(1) Carbon dioxide concentration in workplaces, such as offices and computer rooms, is tested.</p> <p>(2) Luminance of offices and server rooms is measured.</p> <p>8. Workplace patrol and occupational safety and health committee meetings:</p> <p>(1) Daily inspections of the work environment is conducted for possible hazards to personnel or property and prevent them from occurring.</p> <p>(2) Occupational safety and health committee meetings are held on a quarterly basis to discuss work environment and risk issues, as well as the promotion and implementation of related improvement matters.</p>	
(IV) Does the Company have an effective career capacity development training program established for employees?	V		<p>1. The Company provides a comprehensive orientation training program for new recruits, proactively develops the core professional competencies of various categories, and prepares a professional training budget every year, requiring employees to participate in external and internal training to meet the need for diversified learning channels. In 2019, an online Learning Management System was</p>	

Promotion items	Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
			<p>implemented to allow employees to spend their spare time flexibly for online education and training or to listen to the courses repeatedly, thereby significantly improving employees' learning and work efficiency.</p> <p>2. For the external education and training in 2024, the number of participants: 151, total hours: 1311 hours; for the internal education and training, the number of participants: 2583, total hours: 3242 hours; for the orientation training: the number of participants: 476, total hours: 476 hours. The courses include the introduction to human rights, introduction to human resources, introduction to general affairs, introduction to information systems and security, and introduction to finance.</p>	
(V) Whether the Company complies with the related laws and international practices with respect to customers' health and safety, customers' privacy, marketing and labeling for its products and services, and adopts related consumers protection policy or customer interest and right policy, and complaining procedures?	V		The Company has set up a contact window for stakeholders in the ESG/Stakeholders/Stakeholder Communication Channels section on the Company's website to respond to the complaints in a timely and effective manner. Meanwhile, the Company's employees or contractors are required to sign a non-disclosure letter of undertaking on the onboard date or before executing the project business. The Company also regularly promotes the importance of Personal Data Protection Act, and the ethical issues, legal and criminal liability to be derived by disclosure of the suppliers' business secrets.	
(VI) Does the Company have a supplier management policy defined to require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights, and the implementation status thereof?	V		<p>1. The Company has formulated the "Supplier Management Regulations" and the "Contractor Safety and Health Management Regulations" for the management of suppliers or contractors, and stated in the contract the Company's requirements on environmental protection, occupational safety and health, or labor rights. It is expected that suppliers or contractors may focus on and strive to solve these issues together with the Company.</p> <p>2. Meanwhile, a supplier management section has been set up on the Company's intranet to require suppliers undertaking the Company's business to comply with the safety, health and environmental protection regulations required by various types of projects and owners, which are also made available to the suppliers for perusal or downloading.</p> <p>3. The Company will perform on-site visits to the suppliers working with the Company frequently each year, in order to verify the suppliers' implementation results of the sustainability-related issues and provide related assistance or counseling.</p>	
V. Whether the Company prepares the report disclosing the Company's non-financial information, such as CSR report, based on the guidelines or directions for preparation of reports applicable internationally? Whether said report has been assured or guaranteed by a third party certification unit?	V		<p>1. According to the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies", the Company should be to complete the preparation and filing of the Sustainability Report by August 2025. As we have long been committed to promoting corporate sustainability, we have taken the initiative to publish a corporate social responsibility report (renamed sustainability report since 2021) since 2019, and we continue to publish a sustainability report on an annual basis.</p> <p>2. The 2023 sustainability report of the Company has been prepared in accordance with the Global Reporting Standards (GRI Standards) to disclose non-financial sustainability information, and was completed on August 29, 2024. The report has been uploaded to MOPS and the Company's website; however, the report has not yet been verified by</p>	No difference.

Promotion items	Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
			a third-party verification agency.	
<p>VI. If the Company has established its own sustainable development best practice principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the current practices and any deviations from the Principles:</p> <p>The Company has established its own "Sustainable Development Best Practice Principles" in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies." The Company has been committed to practicing corporate sustainable development and the relevant operations follow the Company's "Sustainable Development Best Practice Principles." There was no material difference.</p>				
<p>VII. Other important information helpful to understand the implementation of sustainable development</p> <p>1. In addition to proactively promoting the practice of corporate sustainable development, the Company also participates in sustainability activities organized by the Group or customers every year, such as care for public welfare groups, donation of supplies on a regular basis, sponsorship of sports events, and participation in tree planting to clean the beach, hoping to make the world more sustainable through the collective power.</p> <p>2. Since 2019, the Company has regularly issued the sustainability report (referred to as the Corporate Social Responsibility Report in 2019 and 2020) by August of each year, and simultaneously issued the English version of the sustainability report in 2023. By the report, the Company reports to all stakeholders about the Company's commitment and performance in corporate governance, environmental sustainability, social responsibility and other sustainability issues. The report is made available in both Chinese and English languages, and is posted in the ESG section of the Company's website (https://www.idtech.com.tw/resource-101-105-page189) for downloading by stakeholders.</p>				

Note 1: If the implementation status is specified "Yes," please specifically explain the key policies, strategies, and measures taken and the execution progress. If the implementation status is specified "No," please explain deviation and cause of deviation in the field titled "Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof," and state any policy, strategy, and measure planned for the future.

Note 2: The materiality principle refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and stakeholders.

2. Companies meeting certain criteria shall disclose climate-related information.

(1) Climate-related information implementation status

Item	Status
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<p>The Company's Management Division has established the "Sustainable Development Committee". Meanwhile, the "Risk Management Committee (RMC)" was also established. The first-level head of each unit of the Company serves as a Committee member, reporting risk issues, risk countermeasures, and operation results to the Board of Directors on a regular basis.</p> <p>1. The Sustainable Development Committee has voluntarily compiled and filed a sustainability report in accordance with the GRI Standards. The issues of concern include corporate governance, environmental sustainability, and social welfare. The report submitted to the Board of Directors on February 25, 2025 includes the corporate governance, social welfare, green operation, information security certification, occupational safety, education and training results, and contractor evaluation, etc. In terms of greenhouse gas inventory, the implementation status will be reported to the Board of Directors on a quarterly basis in 2023.</p> <p>2. Risk Management Committee (RMC): Hold quarterly meetings to discuss the Company's response to major risks. The Company, via its Risk Management Committee, collects information on operational risks that may be caused by climate change through various units within the Company, and conducts risk identification, analysis and evaluation through the risk management meeting, and takes relevant countermeasures.</p>

Item	Status
2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term).	<p>As a professional system integrator, the Company does not have production equipment or products. The current extreme climate poses no significant impact on the Company's operations. According to the "Sustainable Development Action Program of TWSE/TPEX Listed Companies" published by the FSC in March 2023 and the "IFRS General Requirements for Disclosure of Sustainability Connection Roadmap" promulgated in August 2023, the Company's short-, medium- and long-term strategic plans are stated as follows:</p> <p>Short-term: Establish greenhouse gas inventory standards and requirements, set a carbon reduction base year, and formulate carbon reduction plans and targets.</p> <p>Mid-term: Reduce carbon emissions by 10% by 2030 compared to 2022.</p> <p>Long-term: Net-zero emissions by 2050.</p>
3. Describe the financial impact posed by extreme climate events and transformation actions.	For the time being, there is no operation transformation planned by the Company, except for energy-saving and carbon reduction plans, such as replacement with energy-saving LED lamps, replacement of refrigerators, or renting of gasoline-electric official vehicles, which will increase expenditure, but posing no significant impact on the Company's overall finance.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Risk Management Committee organizes four risk categories, namely, strategy, finance, operation, and hazard. The risk identification, risk analysis, and risk assessment are used to generate the risk radar chart. Each committee member formulates the responsive strategies against risk based on major risks in the unit, and reports, discusses, supervises and reviews the effectiveness of risk management during RMC meetings. Report the implementation of risk management to the Audit Committee and Board of Directors on a yearly basis.
5. If a scenario analysis is used to evaluate the resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained.	The Company is a professional system integration technology service provider, without production equipment or products. The equipment suppliers are well-known leading brand companies at home and abroad. The greatest threat posed by climate change risk to the Company's sustainable development refers to the carbon reduction exposure of supply chain equipment. In order to avoid this scenario, the Company has started to require original equipment suppliers to provide carbon reduction equipment that meets customers' needs and related supporting information at the same time, and has established an internal verification mechanism for the supply chain and customers' carbon reduction to make the demand and supply seamlessly connected. Besides, the Company does not need excessive costs or investments and, therefore, there will be no impact on the Company's finance.
6. If there is a transformation plan in response to the management of climate-related risks, describe the contents of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	The Company is a professional system integration technology service provider. In the future, the Company will strengthen the effective use of external and OEM resources and internal management resources to reduce supply chain risks and achieve the goals of the Company's energy-saving and carbon-reduction plan. The Company has no transformation plan.
7. If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	Due to the nature of the business, after assessment and analysis, the Company can only set carbon reduction targets and action plans from routine operational equipment replacement, so there is no internal carbon pricing policy established.
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve the goals, please explain the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs) for which they are exchanged.	<p>The Company took 2022 as the base year and inspected the carbon emissions of its office operations throughout Taiwan. The total carbon emissions was 1,111.9933 mt CO₂e.</p> <p>Short-term: Establish greenhouse gas inventory standards and requirements, set a carbon reduction base year, and formulate carbon reduction plans and targets.</p> <p>Mid-term: Reduce carbon emissions by 10% by 2030 compared to 2022.</p> <p>Long-term: Net-zero emissions by 2050.</p>
9. GHG inventory and assurance, and reduction targets, strategies and specific action plans	Not applicable.

(VI) The state of the company's performance in the area of ethical corporate management, any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

Assessment Items	Operation status			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and plans				No difference.
(I) Does the Company establish a set of board-approved business integrity policy, and stated in its Memorandum or external correspondence about the policies and practices it implements to maintain business integrity? Are the Board of Directors and the senior management committed to fulfilling this commitment?	V		(I) The Company adopted the "Ethical Management Best Practice Principles" approved by the Board of Directors on March 18, 2016, and promotes and enforces it accordingly.	
(II) Does the Company develop systematic practices for assessing integrity risks? Does the Company perform regular analyses and assessments on business activities that are prone to higher risk of dishonesty, and implement preventions against dishonest conducts that include at least the measures mentioned in Paragraph 2, Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		(II) The "Ethical Management Best Practice Principles" established by the Company has expressly stated how to prevent unethical behaviors and the Company has implemented them proactively.	
(III) Does the Company define and enforce operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conducts? Are the above measures reviewed and revised on a regular basis?	V		(III) The Company convenes meetings and conducts unscheduled reviews on business activities with a higher risk of unethical conduct, in order to prevent the occurrence of unethical conducts that damage the Company's property and image.	
II. Implementing ethical management				No difference.
(I) Does the Company evaluate the ethical records of its trading counterparts, and specify the ethical conduct clauses in the contracts signed with its trading counterparts?	V		(I) When the Company enters into a contract with a third party, the Company will try to understand the ethical management of the other party as much as possible, and has included the ethical management in the business contract.	
(II) Does the Company establish a unit dedicated to promoting ethical corporate management under supervision of the Board of Directors which shall be responsible for reporting the status of implementation of the ethical management policy and unethical conduct prevention program to the Board of Directors periodically (at least for once per year)?	V		(II) The Company has established an ethical management unit as the dedicated unit to engage in the promotion and enforcement of ethical management in conjunction with the Legal Office. The dedicated unit reported its implementation to the Board of Directors on February 23, 2024. In May and October 2024, internal employee education and training were organized to promote the prohibition and prevention of insider trading, and ethical management and legal education and training.	
(III) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflict of interest, and implement the same precisely?	V		(III) The "Employee Code of Integrity and Ethics" established by the Company specifies various measures to be complied with, and employees are requested to implement the recusal for conflict of interest precisely.	
(IV) Does the Company fulfill the ethical management by establishing an effective accounting system and internal control system, and have an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or	V		(IV) The Company operates in accordance with the accounting system and internal control system. The annual audit plan is formulated and audited by the internal auditors in accordance with the Company's accounting system and internal control system. Meanwhile, through the annual corporate internal control self-assessment, each department of the Company	

Assessment Items	Operation status			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such deviation
	Yes	No	Summary	
<p>appoint a CPA to conduct the audits?</p> <p>(V) Does the Company organize internal or external training on a regular basis to maintain ethical management?</p>	V		<p>shall self-examine the effectiveness of the design and implementation of the internal control system.</p> <p>(V) In addition to designing the ethical management issues in the orientation training, the Legal Affairs Office organizes the education and training program on corporate governance and ethical management for all employees once a year, and also promotes it through various activities and meetings from time to time. For the Company's suppliers, the Company also promotes the Company's ethical management guidelines to ensure that they understand it.</p>	
<p>III. The operation of the Company's whistle-blowing system</p> <p>(I) Does the Company establish a specific whistle-blowing and reward system, and establish a convenient channel for whistle-blowing, and assign appropriate dedicated personnel to handle the reported subjects?</p> <p>(II) Does the Company establish standard operating procedures for the investigation of whistle-blowing matters, the follow-up measures to be taken after the investigation is completed, and the related confidentiality mechanism?</p> <p>(III) Does the Company have taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?</p>	V	V	<p>(I) The Company has formulated the "Procedures for Reports and Grievances", designated the Human Resources Department of the Management Division and Legal Affairs Office as the dedicated units to accept reports, and set up the email address :report@idtech.com.tw.</p> <p>(II) The standard operating procedures for the investigation of whistle-blowing matters and related confidentiality mechanisms are specified in the "Procedures for Reports and Grievances".</p> <p>(III) The protective measures are specified in the "Procedures for Reports and Grievances".</p>	No difference.
<p>IV. Enhanced information disclosure</p> <p>Does the Company disclose the contents of its ethical management best practice principles and the result of implementation at its official website and MOPS?</p>	V		The Company's management philosophy has been disclosed on the Company's website and the status of ethical management has been disclosed in the annual report.	No difference.
<p>V. If the Company has established its own ethical management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe the current practices and any deviations from the Principles:</p> <p>The Company has established the its own "Ethical Management Best Practice Principles" and abides by the principles of ethical management. There is no significant deviation from the Principles.</p>				
<p>VI. Other important information that is helpful in understanding the Company's ethical management practices (e.g., the circumstance in which the Company is reviewing and amending the Company's ethical management best practice principles):</p> <p>(I) The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, securities-related laws and regulations, and other laws and regulations pertaining to business activities, as the basis for implementing ethical corporate management.</p> <p>(II) The Company has defined the directors' recusal system for conflict of interest in the "Regulations Governing Procedure for Board of Directors Meetings," to provide that when any motion identified by the Board of Directors involves conflict of interest with a director or the juristic person represented by him/her and thereby is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>(III) The Company has established the "Procedures for Handling Internal Material Information and Management for Prevention of Insider Trading," which specifies that insiders and those who knows any material information based on their duties shall not disclose the same to others.</p> <p>(IV) The Company implements the ethical corporate management philosophy, abides by relevant laws and regulations and internal control system, strictly prohibits dishonest or illegal behavior, and promotes the relevant regulations of the "Ethical Management Best Practice Principles" to its employees from time to time.</p>				

(VII) Other information material to the understanding of corporate governance within the Company

Continuing education of directors and managers in the most recent year:

Job Title	Name	Date of continuing education	Organizer	Course name	Course hours
Chairman	Wen-Fang Huang	2024/06/13	Taiwan Independent Directors Association	Introduction to IFRS Sustainability Disclosure and Sharing of Net-Zero Trends at Home and Abroad	6
		2024/11/13	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends That Managers Need to Know	
Vice Chairman	Mei-Lan Liu	2024/06/13	Taiwan Independent Directors Association	Introduction to IFRS Sustainability Disclosure and Sharing of Net-Zero Trends at Home and Abroad	9
		2024/09/20	Securities and Futures Institute	2024 Insider Trading Prevention Conference	
		2024/11/13	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends That Managers Need to Know	
Director	Pei-Shun Chiu	2024/06/21	Taiwan Corporate Governance Association	Initiation of Succession Plan - Employee Remuneration Plan and Inheritance of Equity	6
		2024/11/13	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends That Managers Need to Know	
Director	Jung-Huang Wang	2024/04/12	Taiwan Academy of Banking and Finance	Corporate Governance Forum	9
		2024/07/03	TWSE	2024 Cathay Pacific Sustainable Banking and Climate Change Summit	
Independent Director	Yang-Chen Chuang	2024/06/21	Taiwan Corporate Governance Association	International Economic Situation and China's Political and Economic Changes; How Taiwanese Companies Respond	6
		2024/11/14	Securities and Futures Institute	Awareness and Connotation of Corporate Sustainability Governance-Global Net Zero Trend and Corporate Responsiveness	
Independent Director	Chao-Fu Shih	2024/05/14	Taiwan Corporate Governance Association	Analysis of Renewable Energy Certificate System and Green Power Trading	6
		2024/05/28		The New Era of AI: Chatbot ChatGPT Turns Over a New Industry Trend	
Independent Director	Ching-Ying Wang	2024/05/16	Taiwan Academy of Banking and Finance	Corporate Governance Seminar - Review and Analysis of Directors and Supervisors' Financial Statements	6
		2024/08/28	Corporate Organization Association	M&A Transaction Due Diligence and Financial Evaluation	
Accounting Officer	Mei-Chi Chen	2024/07/11	Accounting Research and Development Foundation	Continuing Education Course for Accounting Managers of Issuers, Securities Firms and Stock Exchanges	12
		2024/07/12			
Corporate Governance Officer	Mei-Chi Chen	2024/06/13	Taiwan Independent Directors Association	Introduction to IFRS Sustainability Disclosure and Sharing of Net-Zero Trends at Home and Abroad	12
		2024/11/05	Taiwan Corporate Governance Association	How to Draw a Corporate Sustainability Roadmap	
		2024/12/04	Securities and Futures Institute	Sustainability Committee and Sustainability Officer Symposium	
		2024/12/05	Taiwan Corporate Governance Association	Impact of Climate Change on the Financial Statements	

Job Title	Name	Date of continuing education	Organizer	Course name	Course hours
Proxy of Chief Accounting Officer/Accounting Personnel Preparing Financial Statements	Chi-Nan Cheng	2024/05/13	Accounting Research and Development Foundation	Analysis of the latest "Annual Report/Sustainability Information/Financial Report Preparation" Related Laws and Regulations and Internal Control Management in Practice	12
		2024/12/03		The Latest Amendments to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and the Internal Audit and Internal Control Laws and Regulations Compliance Practices Related to the Financial Report Preparation	
Internal Auditors	Chia-Yi Chen	2024/04/30	Computer Audit Association	Seminar on the Practice of Digital Transformation of Internal Audit	18
		2024/09/05	Accounting Research and Development Foundation	How to Apply Robotic Process Automation (RPA) to Improve Internal Control Efficiency	
		2024/11/16	Computer Audit Association	Mastering ChatGPT for Internal Audits	
Audit agent	Chao-Yi Wang	2024/05/13	Accounting Research and Development Foundation	Analysis of the latest "Annual Report/Sustainability Information/Financial Report Preparation" Related Laws and Regulations and Internal Control Management in Practice Professional Training Course	12
		2024/11/14	Securities and Futures Institute	Discussion of Enterprise Risk from the Perspective of Corporate Governance	

(VIII) Disclosures relating to the execution of internal control system:

1. Statement of Internal Control System

Interactive Digital Technologies Inc.

Statement of International Control System

Date: February 25, 2025

The following declaration is made based on the 2024 self-appraisal on the Company's internal control system:

- I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board of Directors and managers, and that such a system has been implemented within the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance and asset security, etc.), reliable, timely and transparent financial reporting, and regulatory compliance.
- II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, the Company's internal control system is equipped with a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.
- III. The Company has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The criteria introduced by the Regulations consist of five major elements, each representing a different stage of internal control: 1. Control environment; 2. Risk assessment; 3. Control operation; 4. Information and communication; and 5. Supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.
- IV. The Company has adopted said criteria to assess the effectiveness of its internal control system design and implementation thereof.
- V. Based on the assessment result referred to in the preceding paragraph, the Company believes that the design and implementation of the internal control system (including monitoring and management on subsidiaries) as of December 31, 2024, including the achievement rate of effectiveness and efficiency of operations and reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws, are effective and may reasonably ensure the achievement of said goals.
- VI. The Statement will be the major contents of the annual report and prospectus of the Company and to be publicly disclosed. Any illegalities such as misrepresentations or concealments in the published contents mentioned above will be considered a breach of Articles 20, 32, 171 and 174 of the Securities and Exchange Act and incur legal liability.
- VII. The Statement was passed unanimously without objection by all 7 directors present at the Board meeting dated February 25, 2025.

Interactive Digital Technologies Inc.

Chairman: Wen-Fang Huang

Signature/Seal

President: Mei-Lang Liu

Signature/Seal

2. The external auditor's report issued by the CPA commissioned to conduct an internal control audit, if any:
None.

(IX) Material resolutions of a shareholders meeting (including the execution status) or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

1. Important resolutions of shareholders' meetings and their implementation

Date	Important resolution	Status
2024/05/28	1. Ratification of the 2023 Business Report and Financial Statements.	Resolved to pass the motion.
	2. Ratification of the 2023 earnings distribution.	Resolved to pass the motion. The cash dividends were distributed at NT\$5.2 per share. The Board of Directors authorized the Chairman to set July 23, 2024 as the ex-dividend record date. The distribution was completed on August 7, 2024.
	3. Lifting the non-competition restrictions imposed on the current directors and their representatives.	Resolved to pass the motion.

2. Important resolutions of the board of directors

Date	Important resolution
2024 1st 02/23	<ol style="list-style-type: none"> 1. Passed the 2023 Statement of internal control system and self-assessment result report. 2. Passed the distribution of 2023 remuneration to employees and directors, which was reported to the shareholders' meeting pursuant to laws. 3. Passed the 2023 Financial Statements and Business Report, and 2024 Business Plan, which were reported to the shareholders' meeting for ratification pursuant to law. 4. Passed the 2023 earnings distribution proposal, which was submitted to the shareholders' meeting for ratification pursuant to law. 5. Passed the 2023 distribution of cash dividends from earnings, which was reported to the shareholders' meeting pursuant to laws. 6. Passed the distribution of cash from capital surplus, which was reported to the shareholders' meeting pursuant to laws. 7. Passed the lifting of non-competition restrictions imposed on current directors and their representatives, which was submitted to the shareholders' meeting for discussion pursuant to laws. 8. Passed the determination of the date of 2024 annual general meeting and meeting agenda. 9. Passed the review on the CPA service fee for 2024. 10. Passed the distribution of 2023 employee remuneration to senior managers. 11. Passed the 2024 remuneration indicators for senior managers. 12. Passed the 2024 senior manager bonus and raise policy. 13. Passed the application for the registration of capital change and issuance of new shares for the conversion of the Company's domestic 2nd unsecured convertible corporate bonds into ordinary shares in Q4 of 2023. 14. Passed the Company's investment in Transnet Corporation.
2024 2nd 04/19	<ol style="list-style-type: none"> 1. Passed the 2024 Q1 consolidated financial statements 2. Passed the amendments to the "Organization Rules of Audit Committee." 3. Passed the amendments to the "Rules of Procedure for Board Meetings". 4. Passed the application for the registration of capital change and issuance of new shares for the conversion of the Company's domestic 2nd unsecured convertible corporate bonds into ordinary shares in Q1 2024.
2024 3rd 07/24	<ol style="list-style-type: none"> 1. Passed the 2024 Q2 consolidated financial statements 2. Passed the amendments to the "Regulations Governing Financial Operations among Related Parties." 3. Passed the application for the registration of capital change and issuance of new shares for the conversion of the Company's domestic 2nd unsecured convertible corporate bonds into ordinary shares in Q2 2024.
2024 4th 10/23	<ol style="list-style-type: none"> 1. Passed the "Sustainable Information Management Procedures". 2. Passed the "Procedures for Compilation and Verification of Sustainability Report." 3. Passed the amendments to the "Internal Control System". 4. Passed the establishment of 2025 internal audit plan. 5. Passed the 2024 Q3 consolidated financial statements 6. Passed the appointment of the Company's CPAs for 2025 financial statements. 7. Passed the revision of the Company's pre-approval policy for non-assurance services. 8. Passed the application for the registration of capital change and issuance of new shares for the conversion of the Company's domestic 2nd unsecured convertible corporate bonds into ordinary shares in Q3 2024.

Date	Important resolution
2024 5th 11/14	1. Passed the Company's investment in Fiber Logic Communications, Inc.
2025 1st 02/25	1. Passed the 2024 Statement of internal control system and self-assessment result report. 2. Passed the distribution of 2024 remuneration to employees and directors, which was reported to the shareholders' meeting pursuant to laws. 3. Passed the 2024 Financial Statements and Business Report, and 2025 Business Plan, which were reported to the shareholders' meeting for ratification pursuant to law. 4. Passed the 2024 earnings distribution proposal, which was submitted to the shareholders' meeting for ratification pursuant to law. 5. Passed the 2024 distribution of cash dividends from earnings, which was reported to the shareholders' meeting pursuant to laws. 6. Passed the distribution of cash from capital surplus, which was reported to the shareholders' meeting pursuant to laws. 7. Passed the definition of entry-level employees of the Company. 8. Passed the amendments to the "Articles of Incorporation," which was submitted to the shareholders' meeting for discussion. 9. Passed the amendments to the "Internal Control System." 10. Passed the lifting of non-competition restrictions imposed on current directors and their representatives, which was submitted to the shareholders' meeting for discussion pursuant to laws. 11. Passed the determination of the date of 2025 annual general meeting and meeting agenda. 12. Passed the review on the CPA service fee for 2025. 13. Passed the distribution of 2024 employee remuneration to senior managers. 14. Passed the 2025 remuneration indicators for senior managers. 15. Passed the 2025 senior manager bonus and raise policy.

- (X) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the Board of Directors or Audit Committee has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

IV. Information on CPA Fees

Unit: NTD thousand

Name of CPA Firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remark
KPMG Taiwan	Ming-Hung Huang	2024.01.01~2024.12.31	2,000	300	2,300	Tax visa: 300
	Hui-Chen Chang					
BDO Taiwan	Shu-Cheng Chang	2024.10.01~2024.12.31	0	60	60	Industrial and commercial registration:60

- (I) Change of accounting firm and the audit fee paid in the year of replacement is less than the audit fee of the previous year, disclose the amount of audit fees before and after the change and the reason for the change: None.
- (II) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10% or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: None.

V. Information on Replacement of CPAs

If the Company has replaced its CPA within the last 2 fiscal years or any subsequent interim period, it shall disclose the following information:

(I) Regarding the former CPA:

Date of replacement	October 25, 2023		
Reason for replacement and description	(2) In response to the Company's business and management needs, BDO Taiwan has been replaced by KPMG Taiwan since Q4 of 2023.		
Appointment terminated or unacceptable by the client or the CPA	Party concerned	CPA	Client
	Situation		
	Voluntary termination of appointment		V
	No longer accepting (continuing) appointment		
An audit report issued during the most recent 2 years containing an opinion other than an unqualified opinion, state the opinion and reason.	None		
Any disagreement with the issuer	None		
Other disclosures (Matters covered in items 1-4~1-7, subparagraph 6, Article 10 of the Regulations should be disclosed.)	None		

(II) Regarding the successor CPA:

Name of CPA Firm	KPMG Taiwan
Name of CPA	Ming-Hung Huang and Hui-Chen Chang
Date of appointment	Approved by the Board of Directors on October 25, 2023
Consultation about the accounting treatment of or application of accounting principles to a specific transaction or the type of audit opinion that might be rendered prior to the formal engagement, and the consultation result.	None
Written opinion from the succeeding CPA regarding the matters disagreed by the former CPA	None

(III) The former CPA's response to the items referred to in Items 1 and 2-3, the subparagraph 6, Article 10 of the Regulations: N/A.

VI. Where the Company's Chairman, President, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the firm of its external auditor or at an affiliated company of such firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

VII. Any transfer of equity and changes in the pledge of equity by a director, manager, or shareholder with a stake of more than 10 percent from the most recent year until the date of publication of the annual report

(I) Changes in the equity of directors, managers and major shareholders

Unit: Thousand shares

Job Title	Name	2024		2025 until March 25	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman and major shareholders with more than 10% stake	HITRON TECHNOLOGIES INC.	-	-	-	-
	Representative: Wen-Fang Huang	-	-	-	-
Vice Chairman and major shareholders with more than 10% stake	HITRON TECHNOLOGIES INC.	-	-	-	-
	Representative: Mei-Lan Liu	-	-	-	-
Directors and major shareholders with more than 10% stake	HITRON TECHNOLOGIES INC.	-	-	-	-
	Representative: Pei-Shun Chiu	-	-	-	-
Director	Jia Lai Development Ltd.	-	-	-	-
	Representative: Jung-Huang Wang	-	-	-	-
Independent Director	Yang-Chen Chuang	-	-	-	-
Independent Director	Chao-Fu Shih	-	-	-	-
Independent Director	Ching-Ying Wang	-	-	-	-
President	Mei-Lan Liu	-	-	-	-
Executive Vice President	Feng-Ju Li	(7)	-	-	-
Executive Vice President	Yuan-Sen Cheng	-	-	-	-
Vice President	Cheng-Tsung Kuo	-	-	-	-
Vice President	En-Lin Chang	-	-	-	-
Vice President	Chih-Lung Lin	-	-	-	-
Vice President	Kuo-Chi Chang	-	-	-	-
Vice President	Kuo-Hua Lin	-	-	-	-
Vice President	Chong-Sheng Wang	-	-	-	-
Vice President	Yao-Ting Wu	1	-	-	-
Vice President	Mei-Chi Chen	-	-	-	-

Note: Incumbent on the date of publication of the annual report.

(II) Information on equity transfer and related parties: None.

(III) Information on equity pledge and related parties: None.

VIII. Information on the top ten largest shareholders who are related parties or have a spousal relationship or family relationship within the second degree of kinship

March 25, 2025 Unit: Thousand Shares%

Serial number	Name	Number of shares held on own name		Shares held by spouse and underage children		Total shares held in someone else's name		If there is relationship, such as related party, spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship.		Remarks
		Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
1	HITRON TECHNOLOGIES INC. Representative: Wen-Fang Huang	16,703	32.82	-	-	-	-	Note 1		-
		-	-	-	-	-	-			
2	Enrich Investment Corporation Representative: Tsai-Fen Chen	2,575	5.06	-	-	-	-	Note 1		-
		-	-	-	-	-	-			
3	Xing Chuang Investment Ltd. Representative: Chi-Ming Huang	1,029	2.02	-	-	-	-	None	None	-
		-	-	-	-	-	-			
4	Jia Lai Development Ltd. Representative: Yen-Hui Wang	720	1.41	-	-	-	-	None	None	-
		-	-	-	-	-	-			
5	Chih-Lung Lin	447	0.88	-	-	-	-	None	None	-
6	Chi-Hsiang Lin	440	0.86	-	-	-	-	None	None	-
7	Chia-Sheng Chang	367	0.72	-	-	-	-	None	None	-
8	Citibank as a custodian of Berkeley Capital SBL/PB investment account	352	0.69	-	-	-	-	None	None	-
9	HSBC Bank (Taiwan) Limited, as custodian for ING Retirement Fund Investment Account	351	0.69	-	-	-	-	None	None	-
10	Ching-Wen Wang	238	0.47	-	-	-	-	None	None	-

Note 1: The parent company of both HITRON TECHNOLOGIES INC. and Enrich Investment Corporation is Alpha Networks Inc..

IX. The total number of shares held by the Company, its directors and managers, and enterprises directly or indirectly controlled by the Company in the same investee, and the consolidated shareholding ratio.

March 31, 2025 Unit: Shares; %

Invested business	Invested by the Company		Invested by directors, managers and enterprises directly or indirectly controlled by the Company		Comprehensive investment	
	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)
Hua Chi Communication Equipment (Shanghai) Co., Ltd.	—	100.00	—	—	—	100.00
Transnet Co., Ltd.	4,000,000	80.00	—	—	4,000,000	80.00
Fiber Logic Communications, Inc.	1,350,000	6.00	—	—	1,350,000	6.00

Note: Investments accounted for using the equity method.

Three. Status of Fund Raising

I. Capital and shares

(I) Source of share capital:

1. Types of shares

March 30, 2025 Unit: Thousand Shares

Type of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Ordinary shares	50,893	29,107	80,000	TPEX-listed stocks

2. The formation of share capital

March 30, 2025; Unit: NT\$ thousand; Thousand Shares

Year/month	Issuing price	Authorized share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Offset by any property other than cash	Others
2003.05	10	10,000	100,000	3,000	30,000	Establishment capital 3,000,000 shares	—	Letter No. Fu-Jian-Shang-Zi No. 09210194110 dated May 14, 2003
2003.10	10	10,000	100,000	4,100	41,000	Cash capital increase by 1,100,000 shares	—	Letter No. Fu-Jian-Shang-Zi No. 09219890910 dated October 8, 2003
2004.07	10	10,000	100,000	5,351	53,510	Cash capital increase by 1,251,000 shares	—	Letter No. Fu-Jian-Shang-Zi No. 09316225700 dated July 16, 2004
2005.08	10	10,000	100,000	5,672	56,721	Capital increase through earnings by 321,060 shares	—	Letter No. Fu-Jian-Shang-Zi No. 09417384400 dated August 22, 2005
2006.08	10	10,000	100,000	6,239	62,393	Capital increase through earnings by 567,206 shares	—	Letter No. Fu-Jian-Shang-Zi No. 09582135310 dated August 18, 2006
2009.06	10	10,000	100,000	8,423	84,230	Cash capital increase by 2,183,743 shares	—	Letter No. Fu-Chan-Ye-Shang-Zi No. 09885966900 dated June 25, 2009
2011.07	10	12,000	120,000	11,418	114,180	Cash capital increase by 2,995,000 shares	—	Bei-Fu-Jing-Deng-Zi No. 10085181800 dated July 7, 2011
2012.02	10	32,000	320,000	32,000	320,000	Issued new shares to increase capital by 20,581,991 shares	—	Bei-Fu-Jing-Deng-Zi No. 1015007413 dated February 10, 2012
2012.11	16	60,000	600,000	42,000	420,000	Cash capital increase by 10,000,000 shares	—	Bei-Fu-Jing-Deng-Zi No. 1015074558 dated November 28, 2012
2016.09	33	60,000	600,000	46,180	461,800	Cash capital increase by 4,180,000 shares	—	Letter No. Xin-Bei-Fu-Jing-Zi No. 1055312557 dated September 23, 2016
2018.08	10	60,000	600,000	36,944	369,440	Cash capital decrease by 9,236,000 shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1078049816 dated August 3, 2018
2021.02	10	60,000	600,000	37,718	377,178	Convertible bonds converted into 773,773 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1108008389 dated February 3, 2021
2021.05	10	60,000	600,000	38,751	387,509	Convertible bonds converted into 1,033,089 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1108031362 dated May 10, 2021
2022.01	10	60,000	600,000	38,755	387,553	Convertible bonds converted into 4,477 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1118006007 dated January 28, 2022
2022.05	10	60,000	600,000	39,391	393,911	Convertible bonds converted into 635,757 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1118033214 dated May 17, 2022
2022.08	10	80,000	800,000	39,570	395,702	Convertible bonds converted into 179,097 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1118057547 dated August 11, 2022
2022.11	10	80,000	800,000	40,250	402,499	Convertible bonds converted into 679,690 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1118084177 dated November 24, 2022
2023.03	10	80,000	800,000	40,253	402,532	Convertible bonds converted into 3,266 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1128015285 dated March 13, 2023
2023.08	10	80,000	800,000	41,569	415,695	Convertible bonds converted into 1,316,261 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1128057172 dated August 18, 2023
2023.11	10	80,000	800,000	43,137	431,373	Convertible bonds converted into 1,567,868 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1128080344 dated November 7, 2023
2024.03	10	80,000	800,000	45,899	458,991	Convertible bonds converted into 2,761,816 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1138015709 dated March 8, 2024
2024.05	10	80,000	800,000	47,686	476,856	Convertible bonds converted into 1,786,546 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1138031638 dated May 7, 2024
2024.08	10	80,000	800,000	48,372	483,717	Convertible bonds converted into 686,048 new shares	—	Letter No. Xin-Bei-Fu-Jing-Si-Zi No. 1138057749 dated August 8, 2024
2024.11	10	80,000	800,000	50,893	508,932	Convertible bonds converted into 2,521,558 new shares	—	Letter No. Jing-Shou-Shang-Zi No. 11330204810 dated November 31, 2024

(II) List of major shareholders

March 25, 2025 Unit: Thousand Shares %

Serial number	Name of major shareholder	Number of shares held	Shareholding ratio
1	HITRON TECHNOLOGIES INC.	16,703	32.82%
2	Enrich Investment Corporation	2,575	5.06%
3	Xing Chuang Investment Ltd.	1,029	2.02%
4	Jia Lai Development Ltd.	720	1.41%
5	Chih-Lung Lin	447	0.88%
6	Chi-Hsiang Lin	440	0.86%
7	Chia-Sheng Chang	367	0.72%
8	Citibank as a custodian of Berkeley Capital SBL/PB investment account	352	0.69%
9	HSBC Bank (Taiwan) Limited, as custodian for ING Retirement Fund Investment Account	351	0.69%
10	Ching-Wen Wang	238	0.47%

(III) The Company's dividend policy and implementation status

1. The Company's dividend policy is as follows

The Company operates in a volatile market environment and its corporate life cycle is in a stable growth stage. The dividend policy shall take into account the Company's future capital needs and long-term financial planning in order to achieve sustainable operation. The Company's adopts a residual dividend policy; the terms, timing and amount of which shall be handled in accordance with Article 19 of the Articles of Incorporation, and in consideration of the Company's future capital planning. The total amount of dividends to be paid each year shall not be less than 50% of the total distributable earnings for that year, of which cash dividends shall not be less than 10% of the total amount of cash and stock dividends paid in that same year.

Article 19-1 of the Articles of Incorporation: The Company shall first make up for the accumulated deficit in the annual closing accounts if there is any net income after tax for the period and set aside 10% as legal reserve in accordance with the law; however, if the accumulated legal reserve has reached the Company's total paid-in capital, the Company may cease to set aside the legal reserve. The special reserve is allocated or reversed in accordance with the law or the regulations of the competent authority. If there is any surplus earnings remaining, the remaining balance will be added to the unappropriated earnings at the beginning of the period and the Board of Directors will prepare a proposal for distribution of the earnings to the shareholders for resolution. If the aforementioned appropriation of earnings is in the form of cash dividends, the Board of Directors is authorized to resolve and report the appropriation at the shareholders' meeting.

Article 19-2 of the Articles of Incorporation: The Company may allot new shares or cash from legal reserve or additional paid-in-capital in accordance with Article 241 of the Company Act. If the foregoing is distributed in cash, the Board of Directors is authorized to resolve and report at the shareholders' meeting.

2. Dividend distribution proposed for the current shareholders' meeting

On February 25, 2025, the Board of Directors of the Company resolved to distribute NT\$298,744 thousand as cash dividends to shareholders in 2024, at NT\$5.87 per share, of which the cash dividend distributed from retained earnings was NT\$5.07 per share and from capital surplus NT\$0.8 per share. The resolution will be reported to 2025 annual general meeting.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable.

(V) Remuneration to employees, directors, and supervisors:

1. The percentages or ranges with respect to the remuneration to employees, directors, and supervisors, as set forth in the Company's articles of incorporation.

According to the Articles of Incorporation, if the Company makes a profit in a year, it shall first set aside 5% to 20% of such profit as employee compensation, which shall be distributed in stock or cash by resolution of the Board of Directors, and the targets of such distribution may include employees of affiliated companies who meet certain conditions, as determined by the Chairman of the Board. The Company may allocate the remuneration of directors to the above-mentioned amount of profits up to a maximum of 1% of the current year's profits. Where the Company has accumulative losses for the prior year, the Company should make up the losses before making any appropriation for employee and director remuneration in the current year, and the remaining amount should be appropriated in accordance with the ratio of the two preceding items.

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

- (1) The basis for estimating the amount of remuneration to employees and directors: Estimated in accordance with the Articles of Incorporation.
- (2) If the employee's remuneration is distributed in the form of shares, the number of shares shall be calculated based on the closing price on the day before the resolution of the shareholders' meeting and by taking into consideration the effect of ex-dividend dividends. Employees' remuneration amounting to less than one share shall be paid in cash.
- (3) The accounting treatment of the discrepancy between the actual distributed amount and the estimated figure in the current period: If there is any discrepancy between the actual distributed amount and the estimated figure, it is deemed as a change in estimates and is recognized as profit or loss for the current period.

3. Information on any approval by the Board of Directors of distribution of remuneration:

The Company's 2024 earnings distribution proposal was approved per the resolution of the Board of Directors on February 25, 2025.

- (1) The amount of remuneration to employees, directors and supervisors in cash or in shares: The Company's 2024 remuneration to employees was NT\$39,980 thousand and remuneration to directors NT\$2,997 thousand, all of which were distributed in cash, and was equal to the estimated amount recognized in 2024.
 - (2) The amount of remuneration to employees distributed in shares, and the size of that amount as a percentage of the sum of the net income stated in the parent company only financial statements for the current period and total remuneration to the employees: Not applicable.
4. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated.
- (1) Cash remuneration to employees was NT\$36,590 thousand, and the actual distribution amount was NT\$36,568 thousand. The difference was NT\$22 thousand, which was not paid and recognized as profit or loss for 2024 as some employees had left the Company at the time of distribution.
 - (2) The cash remuneration to employees amounted to NT\$2,744 thousand, which was actually the same as the amount recognized as expenses.

(VI) Repurchase of the Company's shares: None.

II. Issuance of corporate bonds:

Up to the date of publication of the annual report, the Company's corporate bonds are stated as follows:

Type of corporate bond	Domestic 2nd secured convertible corporate bonds
Issuance (process) date	2023.1.11
Par value	NT\$100,000
Location of issuance and trading	Not applicable
Issuing price	Issued at a premium of 106.15% of the par value
Total amount	NT\$600 million
Interest rate	Coupon rate at 0% per annum
Term	3 years, 2023.1.11~2026.1.11
Guaranteeing institution	First Commercial Bank
Trustee	Taipei Fubon Commercial Bank Co., Ltd.
Underwriting Institution	Fubon Securities Co., Ltd.
Attesting Attorney-at-Law	Ya-Wen Chiu, Attorney-at-Law, Handsome Attorneys-at-Law
Independent auditor	Kun-Hsi Hsu, CPA and Shu-Cheng Chang, CPA of BDO Taiwan
Repayment method	Except for those converted into the ordinary shares of the Company in accordance with Article 10 of the Regulations for the Offering and Conversion (hereinafter referred to as the Regulations), or the shares repurchased by the Company in accordance with Article 18 of the Regulations, or the shares repurchased by the Company from the business place of securities firms for cancellation, the Company will repay the bonds at face value in cash within 10 business days after the maturity date of the convertible bonds.
Outstanding principal	NT\$0 thousand
Terms of redemption or early settlement	Please refer to the Regulations for details.
Restrictive clauses	Please refer to the Regulations for details.
Name of credit rating, date of rating, and result of corporate bond rating	Not applicable
With other rights	Amount converted to ordinary shares up to the date of publication of the annual report NT\$600,000 thousand
	The Regulations for details. Please refer to the Regulations for details.
Possible dilution of equity by the regulations and conditions of issuance, conversion, exchange or subscription and impact on existing shareholders' equity	None
Name of custodian for exchange object	None

Information on convertible corporate bonds

Type of corporate bond	Domestic 2nd secured convertible corporate bonds
Item\Year	2024
Market price of convertible corporate bonds	Highest
	Lowest
	Average
Conversion price	56.7
Issuing (processing) date and conversion price at the time of issue	July 23, 2024 53.3
Method of performance conversion obligation	Issuance of new shares

III. Issuance of preferred shares: None.

IV. Issuance of overseas depository receipts: None.

V. Issuance of employee stock warrants and restricted stock awards: None.

VI. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VII. Execution of the fund application plan: None.

Four. Business Overview

I. Business contents:

(I) Business scope:

1. Main business activities:

The Company is a professional system integration service supplier. Its sales model is intended to combine the software, hardware and professional technology of international leading network and telecommunications operators to integrate and develop application platforms to provide complete solutions, including system integration planning, consultation, construction and after-sale maintenance service. The main business activities include system integration services for telecommunications and broadband networks, wireless transmission, digital media, cloud information and geographic information.

2. The proportion of business operation of the main business

Unit: NTD thousand

Business contents \ Year	2024	
	Net operating revenue	Weight (%)
Telecommunications and broadband network system services	1,153,661	45.58
Wireless transmission service	733,111	28.96
Digital media system service	115,554	4.57
Cloud-based information system service	320,006	12.64
Geographic Information System Service	208,906	8.25
Total	2,531,238	100.00

3. The Company's current products (services)

(1) Telecommunications and broadband network system services

The diversified services provided by the Company mainly include the integration services for the systems including cable TV broadband network system, optical fiber broadband network transmission system, microwave communication system, IP network communication and value-added application system, network security, telecom cloud SDN/NFV and network function virtualization, next-generation telecommunication network NGN/IMS equipment, network performance bandwidth management and optimization management.

(2) Wireless transmission service

Mobile network base station construction and optimization, 4G/5G base station construction, 3G network offline and demolition works, and maintenance project, wireless local area network (LAN/Wi-Fi) construction project, indoor/outdoor mobile network coverage project, mobile network co-configuration project, mobile network optimization, electromagnetic wave measurement, satellite communication construction and mobile vehicle services.

(3) Digital media system service

Provide digital media high-definition video platform, digital TV head-end system, media main control and sub-control automatic playout system, media program post-production system, virtual studio and broadcast animation system, news digital production and playback system integration and 4K/ UHD broadcast and transmission system integration services.

(4) Cloud-based information system service

Provide a full range of integration services for cloud-based service platform, multimedia video conferencing, corporate network and information security planning and construction, information system equipment virtualization, server and storage system planning and construction and information security management, and peripheral cloud-based service applications.

(5) Geographic Information System Service

As an agent of the Environmental Systems Research Institute, Inc. (Esri) for a full range of Geographic Information Systems (GIS) products, and their application development projects and

system integration services, GIS foundation and professional services, GIS professional training, school GIS basic education and environment construction services.

4. New products (services) planned to be developed

(1) Telecommunications and broadband network system services

After the ultra-high bandwidth Internet access infrastructure is constructed, network quality and IP/OTT multimedia application services will become the focus of the new products (services) planned by the Company to be developed. Among the other things, they include optical fiber broadband network system, microwave communication system, next-generation IP backbone network and IP multimedia application systems, network security, network quality management, mobile fixed network integrated video applications, value-added service systems, and cloud computing-related products, etc., all of which will be the focus products planned by the Company to be developed.

(2) Wireless transmission service

The focus of wireless network construction has shifted from provision of mobile network indoor/outdoor coverage optimization services to the capacity, low-latency and user experience services and satellite communication services required for resilient networks. All of them refer to the wireless transmission services planned by the Company to be developed. The related wireless transmission service analysis tools and personnel's professional skills required by them will also become one of the important services to be developed by the Company.

(3) Digital media system service

4K audio and video head-end broadcast/transmission system, VR/AR application value-added services, new media OTT, multimedia social network applications and media signal center IP are all digital media integration and application services to be developed by the Company in the future.

(4) Cloud-based information system service

Virtual data center, cloud virtual service, cloud information security, multimedia integrated communication, data storage and remote backup are all integrated products planned by the Company to be developed.

(5) Geographic Information System Service

The geospatial Information is fully 3D visualized, integrated with the AI Internet of Things (AIoT), to establish a digital twin in the real world, using the containerization technology to integrate the geospatial information Micro Service into 5G devices to extend the geospatial information application from the cloud to the edge and fog computing and to provide users with the local information physically by taking advantage of the characteristics of 5G, such as large bandwidth and low latency.

(II) Industry overview

1. Current status and development of the industry

The Company engages in the business lines including agency of the latest professional technology software and hardware of domestic and foreign leading brands in communications, media, Internet, and geographic information, and integration and development of application platforms to provide complete solutions, system integration planning, consulting, and after-sale maintenance services. The current status and development of the system integration industry and the industry in which the Company is engaged is described as follows:

(1) Telecommunications and broadband network system services

Currently, the main broadband technology users in Taiwan primarily tend to adopt the three services, i.e. fiber optic network (FTTx), Cable Modem and ADSL, as the mainstream ones. In recent years, given the increasing demand of consumers for applications and quality, including download of videos and files, use of social network sites to upload information, watching of high-quality videos and application of virtual reality services, as well as the strict demand for high-bandwidth networks from enterprises and government agencies, FTTx subscribers tend to be growing year by year. Meanwhile, in response to the NCC policy, Chunghwa Telecom has continuously increased the transmission rate and reduced service fees for its Hi-Net subscribers. Besides, the built-in fiber optic connectors are becoming more and more popular in new communities and thereby causes Taiwan's consumers and corporate subscribers to be more willing to apply for or switch to fiber-optic broadband, thus driving the number of FTTx subscribers' growth year by year.

In terms of the Internet access via Cable Modem, although domestic fiber optic network services are becoming more and more popular, cable TV operators are proactively promoting the Cable Modem Internet access services at preferential rate to attract consumers to use cable TV to access the TV and Internet integrated value-added services. Besides, cable TV operators are upgrading the Cable Modem Internet access technology in order to provide high-speed Internet service to its cable TV subscribers, thus driving the steady growth of the Cable Modem subscribers in Taiwan.

In terms of ADS, the advantages reside in the dedicated line, independent bandwidth and easy installation. However, the poor transmission speed and the type of housing in Taiwan shifted to elevator apartments with high public facility rate has driven the popularization of optical fiber network wiring. As a result, consumers chose the optical fiber network access service voluntarily, and the number of ADSL subscribers in Taiwan kept declining in the recent years.

A. Telecommunications operators promote the optical fiber network access proactively

FTTx refers to the use of "fiber optic" to construct a network to provide the subscribers with network communication services. For the time being, the optical fiber technology primarily refers to the Ethernet Passive Optical Network (EPON) and the Gigabit-capable PON (GPON). Given the announcement of Chunghwa Telecom to launch the "Hi-Net" investment plan and to promote the development of FTTx broadband services and network construction projects, and the promotion of "optical fiber broadband buildings" by the Ministry of Economic Affairs to encourage construction companies to build optical fiber buildings, as promoted by the telecommunications operators and government policies, large-size enterprises have expanded their IT software and hardware or replaced the existing information systems. For the time being, Taiwan's FTTH services mostly use the circuits provided by Chunghwa Telecom. The FTTH of Chunghwa Telecom adopts the GPON or EPON structure subject to different regions.

The service providers including Chunghwa Telecom also combined the optical fiber and Wi-Fi 6 applications to launch 2G/1G optical fiber new speed networks to enhance the growth of optical fiber broadband subscribers in Taiwan. Therefore, since 2020, the number of optical fiber broadband subscribers and the growth rate of high-speed optical fiber demand have been increasing significantly.

B. The global cable TV operators are proactively developing "Gbps" Gigabit-capable Internet access and value-added services.

In recent years, the competition between the global cable TV operators and telecommunications companies has been fierce increasingly. In the past, the cable TV industry in the United States and Europe has developed rapidly, and major cable TV operators in the United States strove to upgrade their technology to the Data Over Cable Service Interface Specification 3.1 (DOCSIS 3.1), in order to have the cable TV broadband network attain the "Gbps" Gigabit-capable level comprehensively. DOCSIS 4.0 is a compilation of the supplements and amendments to the previous generation technology, i.e. DOCSIS 3.1. Its downloading and uploading rates both reach 10Gbps, achieving great results for dual 10G, including full-duplex DOCSIS (FDX), which enables downloading and uploading traffic to run in the same frequency band, with low latency (target < 1ms) at the same time. Further, the DOCSIS (EDS) band expansion function is added to support HFC 1.8GHz (600MHz expansion over DOCSIS 3.1) network traffic.

For the time being, Taiwan Cable TV is still affected by the integration of network platforms such as OVO and other TV box companies to launch Internet TV services and the FTTx high-speed Internet service promoted by telecommunications operators, thus unfavorable to the development of Cable Modem subscribers. Notwithstanding, Taiwan's cable TV operators still carry out upgrading and improvement subject to the need for high-speed Internet and TV Service digitization, home video streaming service and other VR/AR and 4K contents, and promote the Cable Modem Internet access service at preferential rate to attract consumers to use cable TV to access the TV and Internet integrated value-added services. Besides, driven by the epidemic effectively, the number of cable modem subscribers has been increasing in recent years, thus prompting a surge in the number of cable modem installations and cable modem technology upgrades and replacements of cable TV companies.

C. Network security lays the foundation of the information age.

As enterprises rely on information and communication services increasingly, the target of hacker attacks is directed to the expanding network, thus making the information security threats more and more severe, and cyber attacks and cross-border attacks increasing accordingly. Therefore, enterprises impose higher requirements for network attack and information security prevention measures. In response to such needs, it is necessary to adopt more advanced design services and multi-layer integrated network automatic response devices. Therefore, the output value related to network security is increasing day by day. Among the other things, the output value of "terminal and mobile device protection" and "network security" accounted for the largest proportions of the related information security output value.

According to the IEK statistics of the Industrial Technology Research Institute, the output value of network security has reached NT\$16.88 billion in 2021 and NT\$22.1 billion in 2025. For the being, the international information security manufacturers (Cisco, F5, Fortinet, Netscout, Palo Alto, Redware, Trend Micro, etc.) are proactively planning and building the most appropriate security equipment for each network endpoint and even the 5G private network environment and framework, in order to improve network security. With the emerging network applications, such as the Internet of Things, cloud data, remote online office, and Metaverse, the connection between enterprises and network is getting closer, and the demand for related network security levels is upgraded relatively. It is expected that the output value of the related network security industry will keep booming because of the continuing development of network applications.

(2) Wireless transmission service

5G refers to a general technology with three major features, namely, ultra-large bandwidth, ultra-large connection and ultra-reliable low-latency, thereby enabling various smart application services to become possible. The significance of 5G commercial services is not limited to provision of faster network speeds. It is also an important driving force for subverting the digital ecosystem and creating new business models. In terms of 5G development trend, although 5G communication services are mainly made available to the general consumers, more 5G applications based on enterprise innovation will appear in the future, and communications service providers will also focus 5G services on corporate customers. It is expected that 5G network will expand the mobile ecosystem and facilitate the development of emerging industries, such as smart agriculture, smart factories, self-driving cars, telemedicine, smart retail, and other 5G private network services for corporate customers.

In 2020, Taiwan has officially entered the 5th generation (5G), the stage of commercialization. 5G's high bandwidth, wide connection, and low latency features are favorable to the development of services, such as big data, AI, and IoT, and may drive the value-added innovative applications, such as high-quality audiovisual entertainment, smart medical care, smart factories, self-driving cars, UAVs, and smart cities.

With the benefits that 5G applications will provide with more application services for industrial upgrading and a smart society, it will become a key technology for the development of IoT applications, such as the Internet of Vehicles, smart cities, and Industry 4.0. Due to the strong demand and the characteristics of 5G spectrum (the higher the frequency, the shorter the coverage distance), the number of 5G base stations will keep increasing and exceed the number of 4G base stations.

Additionally, in recent years, the network resilience has been strongly advocated by the government, and the derived demand for satellite communications, including the demand for the establishment of fixed ground satellite receiving terminals and satellite communication mobile vehicles, is expected to grow significantly.

(3) Digital media system service

The Over-the-Top TV (OTT TV) has emerged rapidly in recent years. OTT refers to the provision of various application services to subscribers via the Internet. The survey also shows that as the public becomes more familiar with OTT TV, and the epidemic prevailing in the previous years also helps fan the flame, OTT TV has become a new choice for the viewers. It is expected that OTT TV will reach the compound annual growth rate by 7.3%.

Also, with the advancement of 4K and 8K display technologies, the image computing technology becomes more and more mature. Besides, the rapid development of 5G data transmission, 4K and 8K will become the next wave of mainstream audio and video. For the time being, PTS self-produced videos are all filmed using the 4K technology. It is worth noting that TVs are no longer used as the main device for presenting audio and video contents. With the booming development of

OTT, mobile devices are used as the main movie viewing device instead. In addition to 4K, 8K, and 5G technologies that will upgrade digital contents, the industry will also integrate IoT, big data, artificial intelligence (AI), and virtual reality (VR)/augmented reality (AR), etc.. In the past, Taiwan has accumulated hardware manufacturing momentum enough to provide a perfect stage to present said emerging technologies. These software technologies will be extended to the physical fields through hardware, to smart cities and other related environments, and will also drive the innovation and add value of cities or local industries.

In response to the development of digital convergence, the inter-industry operation of communications, telecommunications, and the Internet will be the trending in the future. After the digital transformation in the post-converging era, cable TV will become a smart home platform. It is expected that consumers may enjoy high-definition audio and video quality and program contents, and the industry may also provide the innovative interactive services including high-speed broadband Internet access, home care, Internet of things and cloud applications, which are bound to drive a series of demand and supply chains. After the cable TV is digitized comprehensively, it can create digital economic output value through digital value-added application services, big data analysis and application, OTT and online audio and video services, and Internet of Things technology application development, so that the government, industry, and consumers can share the bonus derived from the digitization.

(4) Cloud-based information system service

A. The government's policy for promoting forward-looking and innovative information and communications development.

In response to the era of cloud, big data, ultra-wideband (UWB), Internet of Things, and digital networks, and in order to regain the momentum of economic development and drive the transformation of Taiwan's industries to value-added applications, we need more forward-looking and innovative information and communications development policies. In 2017, the Executive Yuan approved the "Digital Nations.Innovative Economic Development Plan (2017-2025)." The mission scheduled for Phase 1 has been completed in 2020. In response to the vision of the future "Smart Nation," the Executive Yuan approved the "Smart Nation Program (2021-2025)" in 2021 for continued promotion. It is expected to invest a special budget of NT\$95.4 billion (NT\$80.4 billion for technology development, and NT\$15 billion for public work) over five years (2021-2025), in order to promote the Company to "become an important hub for digital space and innovation in the Asia Pacific region," "achieve universal 5G service penetration and lay out the global 5G industry chain," and "seek the leading position in industrial digital transformation and consolidation of advanced industries."

In order to achieve the vision of the smart nation solution development, Taiwan's government has set the overall indicators for the three major aspects, namely "innovative digital economy," "active network society," and "advantageous broadband environment," expecting to achieve digital economy scale amounting to NT\$6.5 trillion by 2025, growth rate of digital economy in the GDP attaining 29.9%, the penetration rate of digital life services attaining 80%, and the high-speed Internet broadband service reaching 2Gbps (90% coverage rate).

As the Internet and ubiquitous computing environment are getting mature, knowledge workers solve various problems with shared group work and collective intelligence, and use data analysis, AI, blockchain, chip design, cloud computing, VR, AR and e-commerce to create a "digital economy" era that may creates high added value. The "digitization" and "intellectualization" trends brought about by the digital economy have changed not only the human life style but also the way and pace of work, and also lay the foundation of digital economic industry.

B. The Internet of Things (IoT) will trigger emerging industries in the future.

The Internet of Things (IoT) will realize the applications commonly heard, such as smart city, smart traffic and smart home. Meanwhile, with the development of forward-looking technologies, such as 5G and AI, the Company will further promote the evolution of the Internet of Things into the Artificial Intelligence of Things (AIoT). Meanwhile, driven by the COVID-19 pandemic in 2020, the digital transformation speed has been accelerated, causing enterprises to value the related technology development more and enhance the investment strength.

Given the commercialization of 5G mobile communications, cloud services and big data, the network speed becomes faster, network capacity larger, costs lower, and computing power higher, thus driving the AI technology to be widely applied in many start-up industries' plans. The businesses derived from the IoT, such as smart power grid, smart building, smart traffic, smart home, smart logistics, smart energy conservation, smart medical care and smart manufacturing, etc., have brought about the innovative shared operating models and digital innovation trends. Therefore, the IoT era will drive the booming cloud computing services, big data and innovative services and thereby trigger many emerging industries in the future around the world.

In conclusion, the enterprises' demand for cloud computing services and platforms that combine with telecommunication services to provide IoT services, coupled with big data analysis and mobile value-added application services, will increase inevitably due to the environment and technology trends. In consideration of the emerging cloud-based information system services and booming development of innovative technologies, cloud-based information system services that provide high-value system solutions become more important. Through software and hardware integration and cross-border resource utilization, it will become an effective means to strengthen corporate innovation and create more related service output value.

(5) Geographic Information System Service

A geographic information system (GIS) is a system that processes, applies, analyzes, and displays the geospatial data in the real world. The geographic information generally refers to all things related to space. Notwithstanding, for some geographic information, it is necessary to take longer time in observation of its changes and phenomena; therefore, a huge amount of data beyond one's imagination have been accumulated. The geographic information system is applied in the fields including urban planning, police and disaster relief, commercial space analysis and business intelligence, college and high schools' geography education programs, forest management, transportation, water and electricity pipelines, national defense applications, engineering applications, social culture and environmental ecology, etc. In response to the popularization of IoT and AI technologies, transformation to digital intelligence becomes an opportunity. If the traditional relational database is no longer able to handle more than tens of billion pieces of data, the GIS can make full use of the network connection technology that may exert the computing power of many computers to assist in the storage, analysis, and computing based on a specific topic, and has become a Web platform that integrates the cloud. Meanwhile, the technology is becoming complete and mature, in the context of the support and application of IoT (Internet of Things) and big data. As hardware specifications and data storage technology advance over time, the integration of big data and geographic information will facilitate interactive data exploration, perform spatio-temporal analysis of complex and important data, and connect streaming data via devices from multiple sources. It is an important tool for innovative applications under the current technology trend of IoT and big data analysis. It is expected to generate the global output value growing at a CAGR13.1%, and reaching US\$21.1 billion in 2027.

2. Correlation of the up-stream, mid-stream and down-stream dealers in the industry

The Company is a professional system integration service provider involved in the fields including communications, wireless transmission, media, network products and geographic information systems (GIS), and also playing multiple roles, such as exclusive agent and midstream distributor, in order to add value for the Company's business development. The upstream dealers in the industry are primarily hardware and software manufacturers. As the manufacturers are leading domestic and foreign brands, there is no technical barrier to the supply of upstream hardware and software. The hardware and software equipment units are provided via the midstream distributors or suppliers. The downstream system integrators develop application software and complete the integration of software and hardware systems to provide overall professional solutions to meet the needs of customers and satisfy customers' expectations toward the investment benefits. The correlation diagram between the upper-stream, mid-stream and down-stream dealers in the industry is shown below:

The role of IDT

Software and hardware distributors and system integrator



3. Various product development trends

- (1) Strong demand for broadband network infrastructure in the context of the promotion of government policies

In 2017, the Executive Yuan approved the "Digital Nations.Innovative Economic Development Plan (2017-2025)." The mission scheduled for Phase 1 has been completed in 2020. In response to the vision of the future "Smart Nation," the Executive Yuan approved the "Smart Nation Program (2021-2025)" in 2021 for continued promotion. It is expected to invest a special budget of NT\$95.4 billion (NT\$80.4 billion for technology development, and NT\$15 billion for public work) over five years (2021-2025), in order to promote the Company to "become an important hub for digital space and innovation in the Asia Pacific region," "achieve universal 5G service penetration and lay out the global 5G industry chain," and "seek the leading position in industrial digital transformation and consolidation of advanced industries." In order to achieve the vision of the smart nation solution development, Taiwan's government has set the overall indicators for the three major aspects, namely "innovative digital economy," "active network society," and "advantageous broadband environment," expecting to achieve digital economy scale amounting to NT\$6.5 trillion by 2025, growth rate of digital economy in the GDP attaining 29.9%, the penetration rate of digital life services attaining 80%, and the high-speed Internet broadband service reaching 2Gbps (90% coverage rate). The government's promotion campaign is expected to drive the demand for related infrastructure.

- (2) Telecommunications operators are striving for the 5G market proactively.

Since the launch of 5G services in June 2020, the number of 5G mobile broadband accounts has grown to 8,390,300 in 2023, increasing by 25.11% from 2022. Various telecommunication operators have successively launched into the 5G market, increase the quantity of their 5G base stations and secure the coverage to increase the penetration rate of their subscribers. Therefore, the demand for 5G base station construction is increased significantly. Besides, due to the characteristics of 5G spectrum (the higher the frequency, the shorter the coverage distance), the number of 5G base stations is expected to keep increasing and exceed the number of 4G base stations.

- (3) Internet penetration helps boost the development of OTT

Due to the factors, such as popularization of 4G, 5G and fixed network, the government's promotion of reduction of network charges, and the significant increase in the number of smart phone users, the threshold for viewing OTT has been lowered significantly. Consumers are getting rid of the traditional TV viewing method, and also giving up TV sets per se and entering the multi-screen era. Under this new user experience, contents become very important, quality is critical, and personalized service is certainly indispensable. Under the circumstances of changes in consumer demand and technological innovation, OTT TV technology has emerged and continued to develop rapidly. Some emerging media companies have successfully expanded their businesses with technological and service innovations, in

order to better meet the needs of users Any Time, Any Where, Any Device, thus triggering the development of new media OTT applications and value-added services. The related system integration business opportunities also arise accordingly.

(4) Cloud, Internet of Things (IoT), and artificial intelligence (AI) drive the arrival of the digital era.

The global cloud data center has begun to be booming after experiencing the mobile cloud waves. The public cloud services launched by the major Internet companies have greatly helped enterprises and users solve the problems about complicated IT systems and IT installation, without needing to worry about data backup and MIS errors resulting in losses. They may help enterprises focus on improvement of the enterprises' core businesses. The cloud information application drives the global IoT trends and utilization of new technologies. Due to the vigorous development of IoT, various innovative applications have been proposed successively, and AI has been applied and implemented into the industry. From the Internet of Things (IoT) to artificial intelligence (AI), innovative products and smart applications are all competing with each other to catch the public's eyes, including virtual reality/augmented reality (VR/AR) and online/offline (O2O) innovative business models, demonstrating the digital transformation of enterprises and limitless imagination of the smart future triggered by the technology.

In recent years, the important technology industries developed by new technologies and trends include "artificial intelligence (AI), machine learning, and process robot." The robot and AI have become mainstream technologies recognized by various industries. "Edge computing": More and more enterprises tend to accept the cloud computing. The cloud computing has become the mainstream accordingly. However, edge computing is emerging. Some defects in the cloud computing under certain circumstances may be fixed by the edge computing through bypassing the lag caused by cloud computing and sending data to the data center. "Virtual reality (VR) and augmented reality (AR)" is not only used for entertainment, but also have the great potential in training, entertainment, education and marketing. The technology triggered by the "Internet of Things (IoT)" is getting more and more mature. The cloud-based information application and AI-based innovative technologies are about to trigger the AI+IoT convergence to accelerate the digital transformation of enterprises, and will also make life more convenient due to the innovative value-added application of mobile AI. Apparently, AI technology is an indispensable element widely applied to all new industrial projects. The global digital economy era brought about by the digital trend wave is coming.

(5) It is easier to access the geographic information and improve the data quality and computing ability, thereby stimulating the development of GIS applications.

The GIS refers to the phenomenon or characteristics of objects existing in the surface space, from nature to culture and from ecology to geology. As long as there are spatial characteristics, it will be considered as the geographic information research field. The geographic information can be divided into geographical location (where), attributes (what), spatial relevance (How) and time (when) by its nature. It uses computer software and hardware as tools and applies the concept of database management to store, process, analyze and display the geographic data. With the development of high-tech communication network, portable mobile devices and wireless communication technology will be combined. From real estate site selection, fleet management to natural resource protection, GIS can help people understand the world around us visually, so that the mobile GIS may be realized. The social demand for mobile GIS is expanding day by day, as an important foundation for the booming of GIS, and the cloud-based product architecture connects with the development trend of big data and the IoT.

4. Competition

In recent years, manufacturers have entered the domestic system integration industry constantly, and the competition became increasingly fierce. The products under the same brand were often represented by multiple companies at the same time. Therefore, for one single renowned product, there might be multiple vendors participate in the competition for the product sales project. Sometimes, there are even multiple companies competing with each other for the products under the same brand, thus reducing the profits of the system integrators. Therefore, system integrators shall continue to introduce products with excellent functions, develop software to add value, or integrate products of different natures to increase added value, improve competitiveness and profitability. Meanwhile, the system integrators shall also continue to increase maintenance manpower and capabilities, and improve the after-sale service quality to enhance customer loyalty and warrant the future sales of related products. Therefore, only by verifying customer needs, continuously introducing market demand integration solutions, and providing good after-sales service, the Company is able to engage in sustainable operations in the domestic system integration industry with fierce competition and have a role to play in the industry.

The Company's niche is quite solid and always based on the advantage of leading technology. The

Company's greatest assets are the strong technical manpower, the products represented and distributed by it, and the corporate culture. Although sales personnel are very important to the Company's business development, the key to retention and attraction of customers is still the professional technical skills. Therefore, the Company has repeatedly been favored by domestic companies to assist them in the establishment and maintenance of many large-size telecommunications and broadband network systems, including the IP network required for the mobile phone network, the optical fiber transmission network, and the cable TV head end system.

(III) Technology and R&D overview

The Company is engaged in the system integration business. The Company mainly acts as the agent of the latest professional software and hardware for domestic and foreign leading brands, integrates the development application platforms, and focuses on professional consulting and establishment services related to telecommunications and broadband networks, wireless transmission, digital media, cloud information, and geographic information. . The Company analyzes market development trends from time to time, master market changes accurately, finds new product lines with potential, develops product technology, provides customers with the latest product information, and help customer solve problems based on professional consulting services and complete solutions.

The Company does not set up a dedicated R&D department, but has hired multiple dedicated personnel to research and develop new products and new technology services, and lead personnel from engineering and technology related units to carry out research and development activities, in order to provide innovative and complete solutions required in the process to meet customers' needs, assist in solving project problems, and enhance the value of the Company's technical services.

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

1. Short-term business development plan

(1) Telecommunications and broadband network system services

With the maturity of 5G technology, the government's release of the license for 5G spectrum and the commercial application thereof, 5G mobile communication and Internet of Everything (IoE) will become the main trend. In order to obtain competitive niches, various domestic telecommunications operators strive to bid for the 5G spectrum at high price, comprehensively deploy and develop 5G services and applications, and increase the number of mobile subscribers. The fixed network operators strengthen the UHF bandwidth infrastructure construction and deploy basic network software. The innovation and development of new technologies also brings about new business opportunities to the Company. With the commercialization and innovation of NB-IOT network technology and Internet of Things (IoT) services, the Company will accelerate the combination of the traditional telecommunication industry and the information technology industry. In this context, the development and application of mobile network communications technologies will be the future network communications industry's development trend. The Company will continue to provide mobile and broadband Internet access infrastructure and related services, and simultaneously strengthen the next-generation voice mail value-added service (IMS). For telecommunications and fixed network customers, the main products to be sold in the short term are optical fiber transmission equipment, optical fiber home network system, carrier-grade VoIP phone system, cable TV cable data head end system and audiovisual value-added integrated application services. In terms of enterprises and government customers, the Company will focus on the sale of data centers, data storage equipment, networks, video conference, information network security, and other products, and strengthen the business organization and improve personnel capabilities, in order to secure the cooperation with existing large-size customers and sales opportunities.

(2) Wireless transmission service

Considering that the quality and transmission rate required for 5G are much higher than those for previous mobile networks, the density of base stations and excellent network quality are critical to the high-speed transmission. Meanwhile, in response to the booming of low-orbit satellites and the demand for domestic network resilience construction will also be considered as one of the Company's development directions. The Company started to develop new products and services:

A. Base station landscaping project

Although base stations have been rigorously reviewed by telecommunications units, the public still has have doubts over them. As 4G requires more base stations, it is necessary to design base station landscaping projects that may be integrated into the local landscape.

B. Network optimization service

Since the radio waves are transmitted in the air, the denser the base stations, the greater the problem about the interference between the radio waves. Therefore, the Company continues to aim at providing good network optimization services to the telecommunication operators.

C. Satellite communication vehicle and terminal station construction

For the low/medium-orbit satellite communication, the active development of mobile vehicles for carrying satellite terminals and the investment in the construction of low/medium-orbit satellite ground terminals are also considered as one of the Company's business development directions.

(3) Digital media system service

In response to the development trend of digital transformation of the global multimedia industry and the government's digital industry planning policy, the Company will orient its business toward the global market trend of the multimedia industry and focus on the latest domestic and foreign digital broadcasting technology related software and hardware sales, and develop the interactive digital media application platform. Based on the world-renowned manufacturers' products represented by the Company, the Company provides domestic cable, wireless, satellite, telecom broadband and other system operators with a full range of digital multimedia system integration services, such as, the construction of virtual sound studios for TV companies, digital news production and broadcasting system construction, audio and video processing construction for 4K relay, and construction of digital TV head end. Meanwhile, the Company will also provide complete customized media solutions and planning and consulting services for system integration of digital production, broadcasting, and transmission with producers of broadcasting, post-production, animation, games, and multimedia contents.

(4) Cloud-based information system service

Due to the rapid development and popularization of cloud computing in recent years, enterprises or telecommunications operators are all engaged in the establishment, planning and evaluation of private clouds, cloud computing services, information network security, and integration of telecommunications services to provide platforms required for IoT services. The Company continues to provide professional system integration services, such as corporate network and information security planning and construction, server and storage system planning and construction, information system equipment virtualization, and multimedia video conferencing construction planning, etc. based on its existing technologies. Subject to the development of industrial technology and customers' needs, the Company will integrate the Company's core technology of telecommunication network, and strive to provide customers with high-value system solutions. The Company will adopt software and hardware integration and cross-border resource utilization to strengthen business organization, improve personnel capabilities, and continue to provide new products & technical services with advantages, in order to satisfy customers' needs.

(5) Geographic Information System Service

Through the combination of new product features for business promotion, the main customers in the region are set as the target for planning and promotion. Meanwhile, the Company also evaluates the demand for the feasibility of implementation of the cloud architecture to build the unit's public cloud, helps plan and evaluate the establishment of private cloud subject to the cloud architecture's features, and set up data sharing, management and collaboration operating mechanism to maximize the benefits of geospatial data applications. The Company has implemented a large-scale licensing sales model to increase the number of fixed customers for a long time.

2. Long-term business development plan

(1) Telecommunications and broadband network system services

The telecom and broadband network business is one of the important core businesses of the Company. Therefore, in terms of the telecom and broadband, the Company will continue to sprout the existing telecom and fixed network customers, expand the range of products that can be provided, maintain excellent service quality, and keep the long-term cooperation with customers. The Company's long-term business plan primarily focuses on the optical fiber broadband network transmission systems, next-generation IP backbone network communications and value-added application services, Internet broadband management and video & audio cache system, and cloud computing related products. In the future, the Company will still focus on communication products and multimedia value-added network applications, and continue to introduce information software

products and integrate customized products, in order to provide customers with communication, information software products, network security, and complete solutions combining the value-added development products. For enterprises and government customers, the Company will combine products such as cloud computing and storage, data communication network, network security, video conference and wireless local area network to provide integrated solutions and services.

(2) Wireless transmission service

With the development of new mobile communication technologies, the mobile phone service has evolved from 2G, 3G and 4G to 5G in 2020. The new equipment and replacement support required for mobile communication technology conversion fall within the Company's professional technical services.

For the time being, in addition to continuing to receive commissions from telecommunications operators for 5G base station construction and related business projects, in the future, the Company will also provide co-engineered core components to domestic telecommunication operators to satisfy the demand for 5G networks, in order to transform from provision of base station equipment or equipment construction project to provision of the 5G network equipment.

Meanwhile, in response to the global low-orbit satellite communications development, the Company is also developing satellite terminal mobile vehicles and related fixed receiving terminal stations proactively.

(3) Digital media system service

Driven by the government's digital convergence policy, technology and media are combined, and the multimedia industry's cross-border combination of the advantages in technology and telecommunications will provide many amazing digital contents, including 4K/8K ultra-high definition technology, virtual reality (VR) and augmented reality (AR).

For the long-term development of the digital media system business, the Company will follow the government policies and the execution of forward-looking infrastructure plans, in order to provide TV stations, cable TV operators and MOD, and other 4K/UHD/media signal center IP construction and new media OTT multimedia applications, namely, the comprehensive digital application value-added services in audio and video 4K/VR/AR, and AI technology application services in the media industry, to meet customers' needs for integration and development of the audio & video and digital industries, enable customers to engage in interdisciplinary and cross-industry business, and also integrate creativity and digital technology to achieve the goal of complete digital applications.

(4) Cloud-based information system service

Due to the insufficient privacy protection and information security protection, enterprises have suffered many information security incidents in recent years, which led to the establishment of privacy management regulations internationally, and also emerging of many information security protection technologies and industries. Privacy and information security issues will be a major concern. Notwithstanding, a crisis may also a business opportunity, and the information security will also be a key to the future industry development trends. As a result, the focus of global information security privacy and data protection laws and regulations has gradually shifted from the protection of critical information infrastructure to the security of IoT devices.

The network and security functions required by the customer's data center are established dynamically, through built-in to the hypervisor or in the form of Network Virtual Machines, in order to provide network and security functions as required. In other words, when a new system or service is to be established, in addition to the required virtual machines and applications, the network segment and route settings required at the bottom of the system, firewalls and other related security inspection requirements, load balancing requirements and VPN settings may, during the system setup, dynamically request the corresponding components from the network virtualization system to configure the required network settings and functions. As a result, users no longer need to purchase new network equipment for specific service systems, or change the underlying hardware network equipment configuration, just like server virtualization, which may reduce the cost of equipment procurement for customers and also make the functions required by the business more flexible and convenient. The virtualized IT functions are implemented in the software to operate. The hardware carries the existing and new business requirements in a resource pool and can be dynamically expanded. The deployment and maintenance of users are automated and centralized. In the cloud and enterprise data centers, virtualized network technology creates a high degree of freedom of network resources. In the new digital era, the rise of virtualized networks constitutes the significant irreversible evolutionary driving force to boost 5G networks, the Internet of Things (IoT), and artificial

intelligence (AI).

The application and development of new technologies will not be isolated, but integrated with each other. In the future, innovative services and solutions will be gradually developed and widely applied in various industries. In response to the development and evolution of this new technology, the Company will Internally improve its value-added application capabilities based on its existing core technologies. Externally, the Company will proactively seek partners for new product technologies, cultivate outstanding talents, and reserve future momentum to meet customers' needs.

(5) Geographic Information System Service

The establishment of 5G technology standards will trigger the innovative applications of IoT. The GIS software information application platform represented by the Company is the exclusive agent of ESRI, a US-based company, in Taiwan. The Company will establish the GIS service platform by combining the cloud with the original excellent value products, in line with the new technology development trend and need, develop the IoT connection technology strategy, and apply customization to sprout the core demand of the entire market. BIG DATA has gradually taken shape in the promotion of geographic information applications. ESRI product solutions can be used to provide a full range of service applications, including the new application functional framework of products, technology update information, and regular product technology exchanges. The Company will improve the ability to operate and explain products, gain further advanced and in-depth understanding of customers' data, functions, and demand operation contents, and provide product solutions to solve customers' practical needs in a timely manner.

II. Overview of the market, production and sales

(I) Market analysis

1. Territories where the main products (services) are sold (supplied)

The Company's products (services) are mainly sold in the domestic market. In 2024, the proportion of domestic sales was 99.66%, and the proportion of export sales 0.34%.

2. Market share

The Company's five major business lines refer to telecommunications and broadband network system services, wireless transmission services, digital media system services, cloud information system services, and geographic information system services, among which the Company is the domestic exclusive agent of the geographic information system service, and the wireless transmission services refer to the mobile communication base station construction projects and there is no peer company engaged in such services domestically. Further, as the service provided by the Company refers to some interdisciplinary system integration service, even if the technology and the quality of services is well recognized and trusted by customers, in order to evaluate the market share of the Company, it is difficult to obtain samples for calculation and analysis due to the wide range of system integration business. Therefore, it is difficult for the Company to evaluate the market share.

3. Future supply and demand and growth in the market

(1) Strong demand for broadband network infrastructure in the context of the promotion of government policies

In terms of the cable broadband market, according to the statistics published by the NCC National Communications Commission in recent years, among the number of cable broadband accounts in Taiwan, FTTX accounted for the highest ratio of FTTX, followed by Cable Modem. With the innovative development of new communication technologies, the demand for broadband network infrastructure still has considerable room for growth in the next few years. In addition to the telecommunications and fixed network operators, even the cable TV operators have actively invested in the infrastructure of UHF. In the future, with the new technology innovation and market demand, the Company will continue to deploy basic network software, network virtualization, and bandwidth performance construction projects. The Company has extensive professional integration technology and construction experience ranging from cable TV systems, digital set-top boxes and WiFi networks to Hinet FTTx, and also wins the trust and praise from customers for its service quality.

With the booming of the Internet, diversified services, such as audio & video and e-commerce, the demand for Internet bandwidth has increased. In order to satisfy consumers' needs for high-speed Internet access and multi-media transmission, as supported by the government policy, domestic

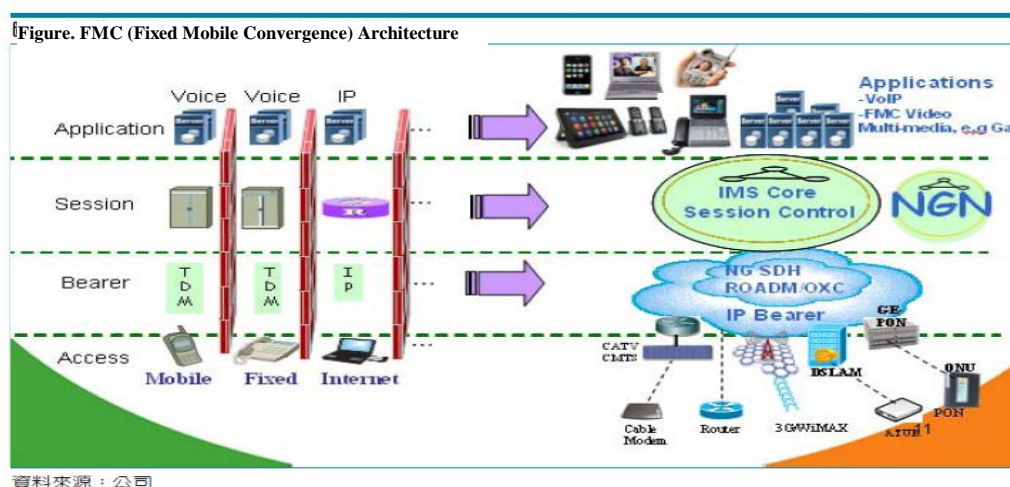
telecommunications and cable TV operators all engage in broadband network facilities construction proactively.

(2) The establishment of wireless broadband network plays an important role

Compared to fixed network broadband, the subscriber growth rate of mobile broadband is astonishing. With the completion of 5G spectrum licensing and infrastructure construction, the business opportunities of related network equipment and commercialization are expectable. The increasing penetration rate of smart devices in recent years has driven the significant growth of mobile broadband network usage. With the growing applications and service models, the number of interconnected devices has increased rapidly. 5G services and applications will enhance mobile broadband and support a wider range of The Internet of Things (IoT). All of these factors will boost the demand for wireless network equipment used by telecommunication operators and enterprises, and the related system integration business opportunities will also arise accordingly. Further, the booming low-orbit satellite communications in recent years, combined with the construction of the national resilient network, and the planning and construction of related terrestrial fixed and mobile terminal stations, will also drive another wave of business opportunities.

(3) Mobile fixed network integrated application service is about to emerge

Mobile fixed network integrated application services have gained traction increasingly in the global telecommunication market and the communication equipment market in recent years. Meanwhile, the OTT services have enabled mobile telecommunication operators to expand their service scope from the existing single personal wireless mobile communication service to more diversified application scope (What App, Line and Facebook, Instagram, etc.), including the replacement of existing fixed network communications services. Subscribers are used to engage in wireless communications via their cellphones when they go outside. However, they can still integrate mobile services with fixed network communications through the device equipped with the OTT service at home or in the office to directly replace the existing fixed network with 4G or 5G. In this way, the mobile service subscribers can use the fixed network broadband traffic through the device at home after returning to their home or office.



(4) OTT film and television is setting off a reform force

The OTT-TV personalized video services will be the future development trend in the industry. The industry development trend is to provide 4K content-on-demand video streaming and download service in response to OTT-TV. Wireless/cable TV, contents industry, and telecommunications/Internet service providers will face an industrial revolution of "multi-content" and "multi-platform," as they have entered a new era of cross-industry operation and digital convergence. In addition to the original audio/video services, the service providers also need to develop various interactive services, such as time-shift and on-demand services. Besides, the development of new media OTT and 4K/VR/AR digital convergence application value-added services will urge the film and television service providers to update their digital media equipment, and the related system integration business opportunities will arise accordingly.

(5) New technical information will not exist independently

With the active construction of smart networking devices, 4G/5G mobile communication base stations, and broadband Internet access infrastructure, the value to the development of the industry and consumers includes not only broadened bandwidth and faster transmission speed, but also more valuable smart life services that involve the application of cloud computing and IoT. Therefore, the cloud computing, the Internet of Things and mobile communications will be more closely connected. With the booming of data centers, the netcom equipment used in data centers is expected to grow accordingly. With the change of cloud service model, AI applications originally executed on the cloud can also be executed on small-size terminal devices, such as smart phones, so that AI applications can be more accurate and real-time. In the future, more mobile devices are likely to be equipped with built-in AI functions, which can be used to provide voice assistants, smart photography, connection optimization, and enhanced personal data protection. In the future, enterprises will start to use Apps to integrate AI functions. Further, given that domestic major telecommunications operators start to build the IoT, AI, big data, VR/AR, and new generation IoT wireless communication technology NG-IoT commercial services, the collaborative business service model communicates the message that new technologies and information application services will not exist independent in the future, but will be applied reciprocally or integrated with each other.

(6) Innovative applications of geographic information systems (GIS)

In addition to presenting the geospatial information in traditional maps, the GIS can also provide diversified displays to enable better understanding about the distribution and patterns of features or geographical phenomena, and correlation thereof. The GIS can be seen everywhere in daily life. For example, on the electronic map website, we may query the house number and the traffic routes from Place A to Place B. It can even combine with the global positioning system (GPS), the navigation system of communication technology and the mobile phone, and also provide daily life services based on the user's location. With these devices and services, no matter where you are, you can know your location and related living resources around you. After the ultra-high-speed broadband Internet access infrastructure is constructed, a GIS service platform will be built through the cloud framework. With big data analysis services and IoT connection technology, it not only provides direct life applications, but also execute the management, planning and decision-making, relying on the efficiency and diversity of the inquiry services provided on the GIS application platform, with respect to the government's disaster prevention, land management, police and fire safety.

4. Competitive niche

Competitive niche that enables the Company to gradually grow in the highly competitive market

(1) Strong system development and integration capabilities

The Company's technology field covers telecommunications, TV media and cable TV, cloud information, and geographic information. Unlike some system integrators, the Company only focuses on specific fields. Therefore, the Company's technical capabilities and diversified integration capability are certainly stronger than the other system vendors'. When selling products, system integrators usually need to provide a full range of services from planning, sales, installation, education and training to after-sales consultation, etc., subject to the customers' needs. The product sale procedure requires specific technical ability, as well as value-added applications and system integration. The Company is a domestic professional system integration service provider that spans into the fields of telecommunications, communications, media TV, and enterprises. In addition to its rich performance and experience, the Company has diversified technical capabilities, which deliver the synergistic advantage in the competition for it.

(2) Well received by customers and stable cooperative relations

The Company's customers are mainly domestic telecommunications fixed network operators, cable TV operators, domestic TWSE-listed group companies, etc.. The quality of services provided by the Company is well received by the customers, and both parties have engaged in the cooperation for a long term. The relationship between the Company and customers is stable. the Company is also familiar with the customers' environment and needs and, therefore, is relied on by the customers very much.

(3) Diversification of value-added services

With the rapid development of optical fiber broadband networks by the domestic telecommunications operator and domestic TV companies' entry to the digital era, the Company will continue to provide fine-quality and diversified services to all customers, such as voice, data, video and other multimedia services, and verify the market demand and master the development trend of communication. The Company maintains good long-term agency relationship with international leading manufacturers. With the technical support from the original manufacturers, the Company participates in the original manufacturer's training programs, masters and introduces the first-hand industry trends and latest technologies, and complete the value-added applications and system integration, thus not only providing customers with integrated solutions but also improving the Company's technical capabilities to achieve a win-win situation for the Company and customers.

(4) High stability of the technical team

The Company provides a good and friendly working and learning environment and also sound employee welfare system that gives each employee the space and stage to exert themselves. Employees have strong cohesion and high team stability, and a high degree of stability to pass on relevant experience and technology. This benefits the maintenance of long-term relationship with customers a lot. Further, the high stability of the technical team can not only help maintain the Company's original traditional culture, but also help the engagement of external professional managers needed by the Company's operations to motivate the internal team and expand room for the Company's growth.

(5) Good project management skills

The Company has established standard procedures and management for customer needs, schedule planning and control of procurement costs, and also the rigorous control over pre-sale risk assessment management, delivery schedule, fees, and after-sale inspection and acceptance. Therefore, the Company is able to complete various projects according to the milestones and ensure a certain degree of profitability. This forms the Company's strong competitive strength.

5. Favorable and unfavorable factors of development outlook, and countermeasures

(1) Favorable factors

A. New technology development and innovative services

With the continuous development of new technologies in the future, the future life of human beings will be changed by the application of technology products, including the IoT, smart cities, VR and AR, blockchain, speech recognition and AI. However, these technology products or applications will not exist independently, but will applied interactively or integrated. The application and development of new technologies will provide better operational solutions or drive business opportunities for innovative services.

To building a mobile broadband smart Taiwan requires government policies to accelerate the construction of mobile broadband networks, so that all citizens can enjoy fine-quality and affordable high-speed mobile broadband services as soon as possible. The government plans to release the spectrum licensing periodically. By forming contiguous bandwidth to fully utilize the efficiency of spectrum and implement the rural mobile broadband construction to mitigate the digital gap, the government will lead the innovative application of mobile broadband network and promote mobile broadband 5G forward-looking technology development and system equipment layout.

Taiwan has entered the 5G era. After the domestic mobile broadband base station construction projects are completed successively, the subscribers may enjoy better mobile Internet experience and proactively create a favorable environment for the development of a mobile society and digital economy. Besides, in the context of the government's proactive promotion of mobile broadband policies, related telecommunications and network communication equipment vendors and system integrators will continue to benefit therefrom and build a smart mobile broadband Taiwan, thereby creating a comfortable and convenient life free from distance and time lag in access to information.

B. With the ability to develop and integrate systems

The Company is not only an agent of communication products. The Company is also capable of developing and integrating professional technologies. For example, for the telecommunications and broadband network system services provided by the Company, the product sale requires not only the sale and installation of a single equipment unit but also provision of a full range of services from planning, sales, construction and installation, education and training, and after-sale consultation based on the subscribers' needs. The closure and acceptance of product sales requires professional and technical capabilities. With the developed technology and experience, the Company is the only manufacturer in Taiwan that spans both telecommunications manufacturing and communications, which deliver the synergistic advantage in the competition for it.

C. Excellent human resources, especially the stability of the technical team

The Company hires fine-quality employees, and also sets forth a complete education and training plan, including arrangement of sales and technical personnel to attend training programs overseas, and participation in foreign seminars, and regular internal training, so that the employees can continue to grow and have a wealth of practical experience and professional knowledge. The Company also attaches great importance to the employees' turnover. In addition to comprehensive welfare measures, each employee is given space and arena to exert themselves, so that employees have a sense of work accomplishment and, therefore, the employees' cohesion may be enhanced greatly. As a result, the related experience and technology can be passed on to make a technical team with high stability for the Company.

D. Establish long-term and excellent cooperative relations with customers, which is helpful to consolidate position and expand the market

The Company is the only manufacturer in Taiwan that simultaneously engages in telecommunications, communications, media and cable TV, cloud-based information, and geographic information products, and also provides solutions in the telecommunications, cable TV, and media industries. The Company is well received and favored by domestic customers and, therefore, its leading position in the system integration field is established.

(2) Unfavorable factors, and countermeasures

A. The life cycle of high-tech products is short and the market changes rapidly.

Countermeasures

- a. Continue to expand the existing product lines to meet the market demand, and launch new products in a timely manner in response to future market changes.
- b. Introduce foreign advanced software and hardware systems, integrate existing technologies and expertise, provide the best solutions according to customers' needs and future plans, and even participate in customized software development systems to avoid price competition among products same in nature.
- c. Adjust the product portfolio and eliminate outdated and low-margin products to reduce the pressure caused by price competition.

B. Intense competition in the market

As the domestic communication market is optimistic, this business opportunity has attracted many domestic telecommunications equipment manufacturers and other system integrators to invest capital, and the increase of new competitors result in reduction in profit.

Countermeasures

In addition to establishing good cooperative relations with original suppliers, the Company also provides customers with the one-stop shopping service in response to the market and customers' needs, and adds value to product applications and system integration to provide customers with a complete solution. By increasing the overall value of products, integrating technology and enhancing customer service, the Company builds the unique advantage in differentiated services from the other system vendors to avoid being entangled in the price competition.

(II) Important applications and manufacturing processes of main products

Main products	Important purpose
Telecommunications and broadband network system services	Provide broadband operators with higher speed and stabler networks, software and hardware decoupling network solutions, optical fiber transmission equipment, microwave communication systems, network synchronous clock systems, IP network communications, telecom cloud SDN/NFV and network function virtualization, integration of next-generation telecom network NGN/IMS and wireless network VoLTE multimedia mobile fixed network service, 5G Transport/OTN/ROADM optical fiber network, telecom WiFi wireless network applications, telecom network performance management and optimization solutions, OTT audio and video value-added service, telecom network deep packet inspection and marketing application strategy customized management services, network security framework design and construction, Mediation customized management platform and other related system planning, construction, integration and service applications.
Wireless transmission service	Provide telecommunications operators with 4G/5G base station construction, 3G network offline and demolition works, and maintenance projects, 5G enterprise private network smart application construction, wireless local area network (Wi-Fi) planning and construction, mobile network indoor coverage planning and construction, various mobile network providers' co-configuration/co-site planning and construction, and planning and construction of mobile vehicles for mobile networks, and planning and construction of low/medium-orbit satellite ground mobile vehicles/fixed stations.
Digital media system service	Provide digital media high-quality video platform, digital head-end and OTT (Over-The-Top) audio & video service platform, media master and auxiliary control automatic playout system, program post-production system, virtual sound studio, news production and broadcasting system, system integration services such as the application of AI technology in the media industry.
Cloud-based information system service	Provide network computing management and optimization engineering required for the digital transformation of enterprises, SD-WAN wide area network optimization solutions, corporate network and information security system planning and construction, information security management and information system equipment integration; improve and upgrade customers' hybrid office environment network efficiency; strengthen network security access control mechanism; construct secure access service edge architecture, and zero trust network of enterprise data center; assist customers from the manufacturing industry in OT network border security and integrate the SOC with peripheral related clouds computing service applications.
Geographic Information System Service	Act as an agent of Esri's full range of geographic information systems in the U.S.A. for added value of geospatial data and applications, development and integration of cloud-based geographic information application systems, geospatial information IoT, geospatial big data analysis, 3D/AR/VR/MR integrated applications, GeoAI deep learning and story map, and extensively apply the same to education & research, national basic map, agriculture, forestry and fishery, environmental protection, economic development, health care, and public facilities and pipelines such as oil, power, water, communication, and gas, transportation, national defense, and intelligence.

(III) Supply of primary raw materials

The Company is a system integration service provider and provides solutions according to the needs of customers' projects, so there is no supply of primary raw materials.

(IV) Name of the customer representing more than 10% of total purchases (sales) in any of the previous two years, and the amount and percentage of its purchases (sales).

1. Name of the supplier representing more than 10% of total purchases in any of the previous two years, and the amount and percentage of purchase. Describe the cause of any variation.

Unit: NTD Thousand

Item	2023 (after restatement)				2024				2025 until the previous quarter			
	Name	Amount	To the annual net purchase amount (%)	Relationship with the issuer	Name	Amount	To the annual net purchase amount (%)	Relationship with the issuer	Name	Amount	To the annual net purchase amount (%)	Relationship with the issuer
1	Company A	180,748	12.72	None	Company A	310,046	17.54	None	Company A	26,445	10.07	None
2	Others	1,239,959	87.28	—	Others	1,457,731	82.46	—	Others	236,397	89.93	—
	Purchase Net Amount	1,420,707	100.00	—	Purchase Net Amount	1,767,777	100.00	—	Purchase Net Amount	262,842	100.00	—

Describe the cause of any variation:

The Company purchases goods based on the needs of customers' customized projects or the tenders won in each year. Since there are many procurement projects and most of them are customized, the change in suppliers is considered as the industrial characteristic and no significant abnormality is caused.

2. Name of the customer representing more than 10% of total sales in any of the previous two years, and the amount and percentage of its sales. Describe the cause of any variation.

Unit: NTD Thousand

Item	2023 (after restatement)				2024				2025 until the previous quarter			
	Name	Amount	To the annual net sale amount (%)	Relationship with the issuer	Name	Amount	To the annual net sale amount (%)	Relationship with the issuer	Name	Amount	To the annual net sale amount (%)	Relationship with the issuer
1	Company A	805,564	35.12	None	Company A	720,016	28.45	None	Company B	102,970	24.88	None
2	—	—	—	—	Company B	286,254	11.31	None	Company C	62,480	15.09	None
3	Others	1,488,006	64.88	—	Others	1,524,968	60.24	—	Others	248,497	60.03	—
	Revenue Net Amount	2,293,570	100.00	—	Revenue Net Amount	2,531,283	100.00	—	Revenue Net Amount	413,947	100.00	—

Describe the cause of any variation:

The Company sells goods based on customers' customized project orders or participation in tenders, and then executes the planning, installation, construction, testing and completion acceptance. Therefore, the change in customers is considered as the industrial characteristic and no significant abnormality is caused.

- III. The number of employees employed for the most recent two fiscal years and until the date of publication of the annual report, and their average years of service, average age, and education distribution ratio

Unit: Person; Year; %

Year		2023	2024	2025 until March 31
Number of employees	Direct personnel	—	—	—
	Indirect personnel	366	370	370
	Total	366	370	370
Average age		42.3	43.6	43.7
Average years of service (years)		9.2	9.8	9.9
Education distribution ratio (%)	Doctoral Degree	0%	0.3%	0.3%
	Master's Degree	16%	15.7%	15.9%
	Junior College	78%	77.8%	77%
	Senior high school (and below)	6%	6.2%	6.8%

IV. Information on environmental protection expenditure

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None, as the Company is engaged in providing the system integration service and the Company's industrial characteristics pose no significant environmental pollution issue.

V. Labor-management relations

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

The Company attaches great importance to employee benefits, employee training, employee retirement and employee feedback, so the labor-management relations have always been harmonious.

1. Employee welfare

Employees are entitled to special leave and birthday celebration leave immediately upon arrival. We provide better leave days than that set forth by law. The Company provides a flexible commuting system, as well as gifts such as Labor Day, Mid-Autumn Festival, and Dragon Boat Festival, employee health exams, parking space subsidies, loan subsidies for the purchase of cars, various club activity subsidies, year-end bonus, performance bonus, employee stock ownership trust and remuneration to employees, in order to enhance the employees' cohesion. Meanwhile, the Company has established the Worker Welfare Committee. The Committee members are elected by employees through open votes, and the welfare funds will be allocated pursuant to the relevant regulations, including domestic and foreign employee travel subsidies, subsidies for weddings, funerals, festivals and celebrations, subsidies for childbirth, subsidies for education of the employees' children, birthday gift money, afternoon tea parties, corporate family days, and year-end activities.

2. Employee insurance

In addition to labor insurance and national health insurance as required by the government, the Company also provides a comprehensive group insurance plan covering life insurance, critical illness insurance, group hospitalization insurance, cancer insurance, and accident insurance to provide employees with more comprehensive insurance and protection.

The Company maintains the liability insurance for managerial officers to cover the liability of damages to be borne by them within their job duty pursuant to laws.

3. On-the-job training

The Company delegates full-time personnel responsible for the orientation and on-the-job training. Meanwhile, each department also plans and executes internal and external education and training programs for employees according to their needs, in order to cultivate employees' professional skills, thereby improving the Company's service quality and management performance. Meanwhile, based on the systematic performance evaluation and promotion regulations, the Company enables the employees to practice their career goals while their experience and skill are growing.

4. Retirement system and implementation thereof

The Company complies with the "Labor Standards Act" and applies the pension system under the "Labor Pension Act." According to the "Labor Pension Act," the Company shall contribute no less than 6% of the monthly salary as the labor pension. According to the monthly salary scale approved by the Executive Yuan, the funds shall be deposited into the labor pension personal account established by the Bureau of Labor Insurance. Meanwhile, the Company shall deduct voluntary contributions from employees' monthly salaries and deposits them into their personal pension accounts at the Bureau of Labor Insurance.

Conditions for claiming the pension under the new system: Employees who are at least 60 years old and have worked for 15 years or more can choose to receive it in a lump sum or on a monthly basis. Employees with the service seniority less than 15 years can only receive it in a lump sum. According to Article 53 of the Labor Standards Act, the retirement conditions of employees: (1) Employees who have worked for 15 years or more and are at least 55 years old. (2) Those who have worked for more than 25 years. (3) Those who have worked for 10 years or more and are 60 years old or above may apply for retirement voluntarily.

5. Labor-management agreement

Since the Company was founded, it has always attached great importance to the labor-management relations, and all labor rights and interests have complied with the "Labor Standards Act." Therefore, the Company always maintains the harmonious labor-management relations. Any employee welfare policy and important measures are published and promoted by the management unit. Employees may use various communication channels to fully express their opinions and understand the original intent of the Company's relevant regulations.

6. Measures taken to protect the rights and interests of employees

- (1) The Company regards employees as its important assets, and proactively establishes and builds a comfortable and healthy work environment that relieves stress. For example, a gym, entertainment lounge, video lounge, and sky garden leisure area are planned for employees, and unlimited coffee, tea and dessert are provided, in order to maintain the physical and mental health of employees.
- (2) The Company has a comprehensive file management system, which sets out various management measures, clearly defines the rights and obligations of employees and welfare items, and regularly reviews and revises the contents of welfare, in order to protect all employees' interests and rights.
- (3) The Company holds the labor-management meetings on a quarterly basis, in order to establish a mechanism for regular communication between the labors and management and protect the employees' interests and rights.

- (II) List any losses suffered by the company in the most recent fiscal year and up to the date of publication of the annual report due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

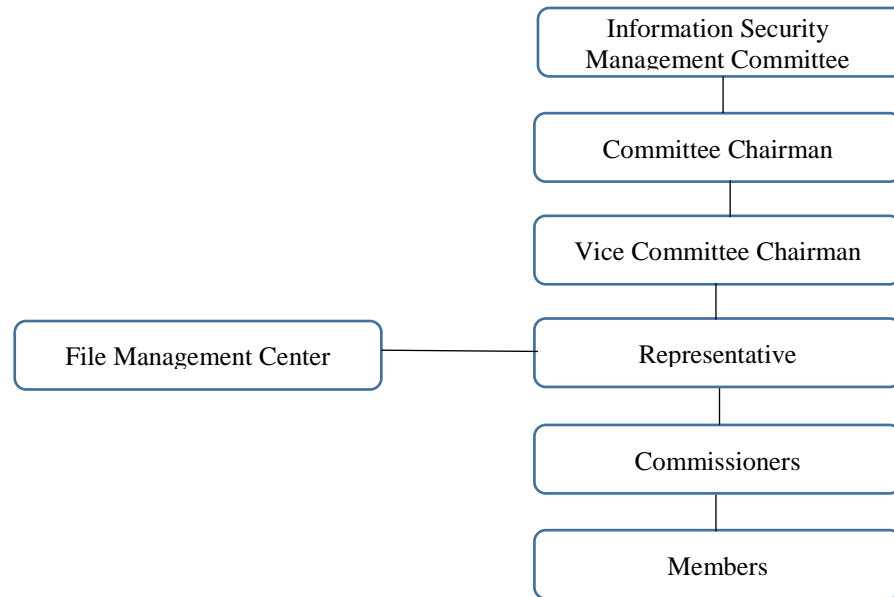
The Company is used to valuing harmonious labor-management relations. Therefore, in the most recent year and up to the date of publication of the annual report, no significant losses have resulted from any labor-management disputes. Meanwhile, no significant losses are expected to be incurred due to labor-management disputes in future.

VI. Cyber security management

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security risk management framework

In 2021, the Company established the "Information Security Management Committee" consisting of Chairman, Vice Chairman, management representatives, management committee members, management members, and the File Management Center. The President serves as the Chairman of the Committee. The Committee promotes the ISMS (Information Security Management System), regularly reviews and audits related information security matters, and implements preventive and corrective measures for the cyber security. For the concrete management programs, the Company conducts information security overview identification, information security risk assessment, internal information security audit, and personnel information security education and training, and holds information security review meetings, every year. The management framework is shown in the following chart:



2. Cyber security policy

The Company's cyber security policy aims to strengthen the Company's information security management, establish the concept of "Each One shall be Responsible for Information Security," and ensure the confidentiality, integrity and availability of customers' and colleagues' data, in order to secure and protect the data throughout the whole processing and provide, safe, stable and high-performance information services.

3. Specific management programs

The Company's cyber security covers 14 management programs to avoid human negligence, natural disasters and other factors, resulting in unfair use, disclosure, tampering, and destruction of information, which may bring various possible risks and hazards to the Company. Management programs: (1) Information Security Policy and Objectives, (2) Information Security Organization, (3) Classification and Management of Information Assets, (4) Human Resource Security, (5) Access Control, (6) Information Security Incident Management, (7) Physical and Environmental Security; (8) Communication and Operation Security; (9) System Acquisition, Development and Maintenance; (10) Identification of Risk and Risk Assessment; (11) Legal Compliance; (12) Business Continuity Management, (13) Regular Review and Update on the Operations to Confirm the Implementation, (14) Auditing on Information Security Management.

4. Resources invested in cyber security management

In 2021, the Company promoted the ISMS (Information Security Management System) in accordance with the ISO27001 standard, and completed the establishment of the Information Security Procedures and Information Security Operation Form. Implement the operating procedures in routine operations, and complete the annual information asset inventory and risk assessment, annual information security internal audit, annual information security education and training, and information security policy promotion courses and tests. In 2022, the Company passed the ISO27001 international information security certification.

- (II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important contracts

Nature of the contract	Party concerned	Start/end date of contract	Main Contents	Restrictive clauses
Agency contract	Cisco	2024.05.04~2025.05.04	As the sales agent of Cisco's all product series	None
Agency contract	Infinera	2024.10.02~2025.10.01	As a sales agent of Infinera products and services	None
Agency contract	Esri	2022.04.01~2025.03.31	As a sales agent of all product series of EsriArcGIS	None
Agency contract	Ribbon	2024.07.01~2025.06.30	As a sales agent of Ribbon products and services	None

Note 1: Due to the large number of agency/distribution contracts, only the agency contract that is still significant is listed.

Note 2: The contracts signed by the Company with sales customers are mostly purchase contracts. These contracts are signed based on general business practices and there is no any restrictive clause rendering material adverse impacts. As there are a large number of such contracts, they are not listed herein.

Five. Discussion and Analysis of Financial Status and Financial Performance, and Risk Management

I. Financial position

Financial Position Analysis

Unit: NTD Thousand

Item \ Year	2024	2023 (after restatement)	Difference	
			Amount	%
Current assets	2,435,128	2,175,701	259,427	11.92
Non-current assets	1,019,579	926,728	92,851	10.02
Total assets	3,454,707	3,102,429	352,278	11.35
Current liabilities	1,351,005	1,044,808	306,197	29.31
Non-current liabilities	72,369	301,151	(228,782)	(75.97)
Total liabilities	1,423,374	1,345,959	77,415	5.75
Share capital	508,933	458,991	49,942	10.88
Capital surplus	967,454	786,038	181,416	23.08
Retained earnings	543,526	495,436	48,090	9.71
Other equity	(294)	(734)	440	(59.95)
Equity of previous party under common control	0	16,739	(16,739)	(100.00)
Non-controlling interest	11,714	0	11,714	-
Total shareholders' equity	2,031,333	1,756,470	274,863	15.65

The main reasons for the material changes in assets, liabilities and shareholders' equity in the last two years (more than 10% in the previous period and the absolute change amounted to NT\$10 million) and their effects and future countermeasures:

1. Increase in current assets, non-current assets, and total assets: Mainly due to the increase in 2024 revenue and profit compared to the previous period, the increase in cash and cash equivalents, the increase in inventories for the implementation of projects, and the addition of new investments accounted for under the equity method.
2. Increase in current liabilities: Mainly due to the increase in contractual liabilities for invoicing as per the contract for the projects undertaken and the accounts payable to suppliers.
3. Decrease in non-current liabilities: Mainly due to the issuance of the 2nd domestic secured convertible bonds issued in January 2023 that have been fully converted, resulting in a decrease in non-current liabilities.
4. Increase in share capital and capital reserve: Mainly due to an increase in share capital and capital reserve from the conversion of the 2nd secured convertible corporate bonds to common shares.
5. Increase in total shareholders' equity: Mainly due to the increase in share capital and capital surplus from the issuance of 2nd domestic secured convertible corporate bonds, and the increase in 2024 net income.

II. Financial performance

(I) Comparative analysis of business performance

Unit: NTD Thousand

Item	2024	2023 (after restatement)	Increase (decrease) amount	Percentage of change (%)
Operating revenue	2,531,238	2,293,570	237,668	10.36
Operating cost	1,711,476	1,336,997	374,479	28.01
Gross operating profit	819,762	956,573	(136,811)	(14.30)
Operating expenses	483,966	640,987	(157,021)	(24.50)
Operating profit	335,796	315,586	20,210	6.40
Non-operating income and expenses	20,369	11,288	9,081	80.45
Net income before tax	356,165	326,874	29,291	8.96
Income tax gains (expenses)	(70,180)	(65,068)	(5,112)	7.86
Net income from continuing operations	285,985	261,806	24,179	9.24

The main reasons for the material changes in operating revenue, operating profit and net income before tax in the last two years (more than 10% in the previous period and the absolute change amounted to NT\$10 million):

Increase in operating revenue: Mainly due to the increase in revenue from projects undertaken in 2024 compared to the previous period.

(II) Expected sales volume and the basis thereof, possible impact on the Company's future finance and business, and response plan

With the evolution and development of the new 5G communication network, the Company will continue to work hard in the existing products and markets to maintain the trust and trust of customers. For product value-added application development, the Company will spare no efforts to develop new technologies and applications, and provide differentiated services to distinguish itself from peer companies. The change in and demand for innovative application development present both business opportunities and challenges for the Company, which provides integrated solution services. It is expected that the Company's operating performance in the coming years can still be maintained at a certain level.

III. Cash flow

(I) Analysis on changes in cash flow in the most recent year

Unit: NTD Thousand

Cash at the beginning of the year (1)	Net cash flow from operating activities for the year (2)	Net cash flow from investing activities for the year (3)	Net cash flow from financing activities for the year (4)	Effect of exchange rate changes (5)	Cash surplus (deficit) amount	Remedies for insufficient cash	
					(1)+(2)+(3)+(4)+(5)	Investment plan	Wealth management plan
900,699	517,954	(103,477)	(274,481)	434	1,041,129	—	—

Analysis:

Analysis on changes in the percentage of increase or decrease:

- (1) Operating activities: The net cash inflow for the current period was mainly due to the decrease in net cash outflow from contract liabilities and accounts payable.
- (2) Investing activities: The net cash outflow in the current period was mainly due to the cash outflow of investment under the equity method.
- (3) Financing activities: The net cash outflow in the current period was mainly due to the cash outflow from cash dividends .

(II) Improvement plan for insufficient liquidity: N/A.

(III) Cash flow analysis for the next year (2025)

Unit: NTD Thousand

Cash at the beginning of the year (1)	Projected net cash flow from operating activities for the year (2)	Projected net cash flow from investing activities for the year (3)	Projected net cash flow from financing activities for the year (4)	Projected cash surplus (deficit) amount	Remedies for insufficient cash	
				(1)+(2)+(3)+(4)	Investment plan	Wealth management plan
1,041,129	230,124	(15,049)	(307,525)	948,679	—	—

Analysis:

(1) Analysis on changes in cash flow in the coming year:

Operating activities: The net cash inflow from operating activities was mainly due to the expected operating profit in 2025.

Investing activities: The net cash outflow from investing activities is mainly due to the cash outflows for refundable deposits for purchases.

Financing activities: The net cash outflow from financing activities is mainly due to the expected cash outflow for the distribution of cash dividends.

(2) Remedial measures for projected insufficient cash and liquidity analysis: N/A.

Investment plan: N/A.

Wealth management plan: N/A.

- IV. The annual report shall describe the effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.
- V. The annual report shall describe the company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.

(I) Investment policy in the most recent year

The Company's investment policy is mainly related to the Company's business. Before investing, the Company will follow the relevant provisions of the Company's "Procedure for Acquisition or Disposal of Assets" to perform evaluation.

(II) The main reasons for the profit or loss of reinvestment in the most recent year, and the improvement plan

Unit: NTD Thousand

Investee	Profit or loss of the investee in 2024	Main reason for profit or loss	Improvement plan
Hua Chi Communication Equipment (Shanghai) Co., Ltd.	1,177	In good standing	None
Transnet Co., Ltd.	8,573	In good standing	None
Fiber Logic Communications, Inc.	79,039	In good standing	None

(III) Investment plan for the next year: The Company has no new investment plan for the next year.

VI. Analysis and assessment of risk matters in the most recent year and up to the publication date of this annual report

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

Unit: NTD Thousand/Percentage %

Item of the year	2024			2023 (after restatement)		
	Amount	As a percentage of net operating revenue	As a percentage of operating profit	Amount	As a percentage of net operating revenue	As a percentage of operating profit
Interest revenue	15,256	0.60	4.54	8,886	0.39	2.82
Interest expense	2,782	0.11	0.83	8,733	0.38	2.77
Net foreign exchange gain (loss)	(2,078)	(0.08)	(0.62)	532	0.02	0.17

Source of data: Financial reports audited and certified by CPAs.

1. Changes in interest rates

(1) Impact on the Company's operating revenue and profit

For 2024 and 2023, the ratio of interest revenue to operating revenue and operating profit of each period was 0.60%, 4.54%, 0.39% and 2.82%, respectively; the ratio of interest expense to operating revenue and operating profit of each period was 0.11% and 0.83%, 0.38%, and 2.77%, respectively. As the ratios were insignificant, changes in interest rates had limited impact on the Company's revenue and profit.

(2) Concrete measures

As of the date of publication of the annual report, the Company's working capital income is still sufficient to cover operating expenses. Based on a prudent and conservative financial management principle, the Company will master the latest interest rate changes and make appropriate plans for bank loans depending on the actual fund demand to reduce the impact on the capital cost caused by interest rate changes.

2. Changes in foreign exchange rates

(1) Impact on the Company's operating revenue and profit

The Company's business is mainly sold in the domestic market, and changes in exchange rates have no impact on the Company's accounts receivable. For the procurement at purchase cost, the currency for domestic procurements is mainly denominated in NTD, and the purchases made overseas are mostly denominated in USD. Therefore, the Company closely monitors the trend of USD and takes sufficient preparation measures. The proportion of net exchange gain (loss) to operating revenue and operating profit were (0.08)%, (0.62)%, 0.02%, and 0.17%, respectively, respectively for the years ended December 31, 2024 and 2023. The proportions are negligible, which shows that exchange rate changes are closely controlled by the Company and the impact posed on the Company's operating revenues and profits is not significant.

(2) Concrete measures

- A. When the Company's business units make quotations to customers, if foreign procurement is involved, the quotation decision must take the exchange rate into account, and the quotations must be dynamically adjusted to avoid exchange rate fluctuations that have a significant impact on the Company's profits.
- B. Finance Dept. of the Company keeps close contact with the banks at any time to observe the changes in exchange rates, and flexibly adjusts foreign currency positions in the spot market when necessary depending on the Company's foreign exchange receipts and payments and changes in the foreign exchange market to mitigate exchange rate risks.

3. Inflation

(1) Analysis on impact on the Company

In recent years, due to the increase of global resources and materials, the overall economic environment presents a slight inflation trend. However, the Company has not yet suffered any significant impact posed by the inflation in the most recent year and up to the date of publication of the annual report.

(2) Concrete measures

The Company pays attention to inflation at all times, and maintains a good interactive relationship with suppliers and customers to prevent the inflation from posing any impact on the Company.

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

- 1. The Company focuses on its core business operations and does not engage in high-risk, high-leverage investments, loaning of funds to others, endorsements and guarantees, and derivative commodity transactions. Therefore, it does not cause significant risks to the Company's operations.
- 2. If the Company has the need to provide endorsements/guarantees for others, loan funds to others, or engage in derivative financial instrument transactions due to business development or hedging needs in the future, the Company will follow the "Operating Procedure for Endorsements/Guarantees," "Operating Procedure for Loaning of Funds to Others" and "Procedures for Acquisition or Disposal of Assets," and announced various transaction information according to laws and regulations.

(III) Future R&D plans and expected R&D expenses

The Company acts as the agent for the latest professional software and hardware of leading brands at home and abroad, integrates the development of application platforms and focuses on the professional consulting and construction services related to telecommunications and broadband network, wireless transmission, digital media, cloud information and geographical information. The Company currently obtains technology from foreign equipment suppliers. The Company does not set up a dedicated R&D department, but has hired multiple dedicated personnel to research and develop new products and new technology services, and lead personnel from engineering and technology related units to carry out research and development activities, in order to provide innovative and complete solutions required in the process to meet customers' needs, assist in solving project problems, and enhance the value of the Company's technical services.

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

The Company's daily operations are carried out in accordance with relevant domestic and foreign laws and regulations, and it always pays attention to the development trends of domestic and foreign policies and changes in laws and regulations, and collects relevant information to provide management with decision-making reference and adjust the Company's relevant operating strategies. Therefore, in the most recent year and up to the date of publication of the annual report, the Company has not been affected by important domestic and foreign policies and legal changes that have affected the Company's financial business.

(V) Impacts of changes in technology (including information communication security risks) and industry changes on the Company's financial operations, and responsive measures

In response to changes in technology and industry, the Company not only regularly sends personnel to foreign original factories to receive new technology training, but also regularly organizes technical seminars and seminars to continuously improve and pass on the Company's core technology, service quality and efficiency to maintain Competitive advantage. Meanwhile, in response to the increasing number of information security issues, the Company particularly strengthens information security management and establishes the concept of "Each One shall be Responsible for Information Security," and ensure the confidentiality, integrity and availability of customers' and colleagues' data, in order to secure and protect the data throughout the whole processing and provide, safe, stable and high-performance information services to maintain the Company's business continuity environment, and in line with related laws and regulations and also in order to prevent the Company from internal or external intentional or accidental threats. Therefore, in the most recent year and as of the printing date of this annual report, the Company was not affected by changes in technology and industry that have affected its financial business.

(VI) The impact of changes in corporate image on corporate crisis management and countermeasures

The Company is committed to maintaining its corporate image, complying with laws and regulations, and upholding the principles of professionalism and integrity. Therefore, in the most recent year and as of the date of publication of the annual report, there has been no incident that could affect the Company's corporate image.

(VII) Expected benefits and possible risks of mergers and acquisitions, and countermeasures

During the most recent year and as of the date of publication of the annual report, the Company did not have any merger or acquisition plan. However, in the event of any future merger and acquisition plan, the Company will carefully evaluate it in accordance with the Company's "Procedure for the Acquisition or Disposal of Assets" to consider whether the merger can bring concrete and synergistic effects to the Company to ensure protection of the Company's interests and shareholders' rights.

(VIII) Expected benefits and possible risks associated with any plant expansion, and countermeasures

In the most recent year and as of the date of publication of the annual report, the Company has no plan for plant expansion.

(IX) Risks associated with any concentration of purchases or sales, and mitigation measures being or to be taken

1. Procurement: The Company purchases goods based on the needs of projects or the execution progress, so as not to cause the risk of excessive procurement. In addition to establishing good interaction with existing suppliers, the Company is also proactively developing new suppliers to ensure a stable source of supply for products, thereby reducing procurement costs.
2. In terms of sales: The Company has five major core products and services, and the customers are diversified due to the different products and services provided, so there is no risk of concentration of sales. In addition to existing major customers, the Company is also proactively exploring new customers, and regularly and continuously assessing customers' financial status to reduce risks.

(X) Effects and risks to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than 10% stake in the Company has been transferred or has otherwise changed hands, and countermeasures: None.

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

VII. Other important matters.

The Company's information security strategy focuses on information security governance, legal compliance and the use of technology. Enhance information security protection from system to technology, from personnel to organization. In order to strengthen information security management, in addition to planning the network architecture in accordance with information security requirements, a related detection system has been established to detect possible problems in advance and rectify them. In terms of system design and development, the Company also follows information security development specifications. The Company conducts annual information security health check, organizes information security related courses, releases information security propaganda from time to time, and reports information security-related matters to the Board of Directors every year. The information service process management, from service demand to launch, based on asset management, establish demand management, change management, go-live management, event management, problem management, and usability management as the bases for future risk management.

Six. Special Disclosure

I. Information on affiliates

(I) Consolidated business report of affiliated enterprises and Affiliation report

Please refer to the Public Information Observation Station (URL: [https:// mops.twse.com.tw](https://mops.twse.com.tw)) / Single Company > Electronic Document Download / Related Enterprise Three-Book Form Area / Enter company code 6486 and Annual Inquiry.

(II) Consolidated financial statements of affiliated companies: Please refer to Page 91-135 of the annual report.

Please refer to the Public Information Observation Station (URL: [https:// mops.twse.com.tw](https://mops.twse.com.tw)) / Single Company > Electronic Document Download / Financial Report / Enter Company Code 6486 and Annual Inquiry.

- II. For the private placement of securities in the most recent year and up to the publication date of this annual report, disclose the date and amount of resolutions by the shareholders' meeting or the board of directors, the basis for setting the price and the reasonableness thereof, the method of selecting specific persons, the reasons for private placement, and the proprietary shares has completed the plan for the utilization of funds since the issuance of sufficient funds or proceeds from the private placement, and utilization of the proceeds from the private placement of securities and progress of the plan implementation: None.
- III. Other supplementary information: None.
- IV. Matters with material influence on shareholders' equity or securities prices as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, in the last year up till the date of publication of the annual report: None.

Interactive Digital Technologies Inc.

Chairman: Wen-Fang Huang