

Stock Code: 6861

# **InnoCare Optoelectronics Corporation**

## **2024 Annual Report**

*Notice to readers*

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

Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>  
InnoCare Optoelectronics Corporation Annual Report is available at: <https://www.innocare-x.com/>  
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# I. Letter to Shareholders

## 1.1 Report on operating results for 2024

The last year was full of changes and surprises, and the global situation can be summarized as “turbulent”. During the year, the world experienced a number of geopolitical conflicts. The Russia-Ukraine war, which has lasted for nearly three years, has yet to start peace talks, and the armed conflict between Israel and the Gaza Corridor and neighboring countries in the Middle East has yet to be fully resolved. In terms of economy, global GDP growth is sluggish, inflation in Europe and the US has cooled down but has not yet returned to the desired level, and trade frictions and rising tariff barriers are adding more headwinds to the economy. In terms of technology, the development of AI, quantum computers, and space technology has provided prosperous expectations for the future, but it has also added the governance problems for countries and enterprises, and the formulation and adjustment of relevant laws and regulations will add uncertainties to the industrial strategy.

The Company runs businesses around the world, with raw materials supplied from many different countries and products sold and customers located in various regions, and it is unavoidable for the Company to be affected by political and economic activities. Over the past year, the US dollar, Japanese yen and other currencies have fluctuated significantly against the New Taiwan Dollar, changes in the situations in the Middle East have affected shipping from time to time, and tariffs have been used as a political and economic tool by a number of countries, all of which have made it more difficult for the Company to run its business. Although the external environment is unpredictable and difficult to control, the Company’s team is still committed to providing customers with better products, technology and services in order to enhance operational performance.

The Company’s main business is the sale of X-ray flat panel detector products and the provision of related design services, mainly focusing on medical examination and industrial non-destructive detection areas, and gradually expanding the application areas with the development of products and technologies. In the past few years, the Company has continued to research and develop new technologies and lay out new products. Among them, products such as IGZO and flexible substrates have maintained the growth trend over the past few years, and have been recognized and adopted by many customers, which gradually increase the shipments and revenue share, and progress has also been made in expanding sales in emerging markets. In the field of non-destructive test, we continue to be optimistic about the growth of the demand for the intelligent manufacturing and precision manufacturing related products. Combined with our expertise in field domain and image processing accumulated in recent years, we are planning to extend our products to a full range of solutions that incorporate X-ray and other detection modes, and we anticipate sustained growth in the next few years.

The Company’s products and technologies continue to receive external recognition. In 2024, the Company, together with the affiliated hospital of College of Medicine, National Cheng Kung University, won the “2024 Storm Media AI Medical Leadership Award - Judges’ Special Award” for its “Dual-energy Chest X-ray Imaging AI Auxiliary Diagnostic System”. Winning these awards in consecutive years is a demonstration of the Company’s R&D capabilities. Such awards not only is a recognition of the achievements made by efforts of the R&D personnel, but also can improve the product and technology image and visibility of the Company, benefiting sales of the products a lot.

In order to fulfill our corporate social responsibility and to realize the positive value to the environment and the people, we continue to participate in social welfare activities. We have extended the “Early Lung Cancer Screening - X-Ray Universal Screening Tour Bus Program for Remote Townships” in 2023, and once again cooperated with the Imaging Center of the National Cheng Kung University Hospital and Tainan Fucheng Chest Disease Society in the “Free X-Ray Early Screening Tour Bus for Lung Cancer”, as well as participated in the “Fucheng 400 Tainan City Friends Year-end Prayer Dinner” organized by the Tainan City Government, the Tsz Lian Social Welfare foundation, and the Taiwan Guan Gong Temple Volunteer Association; in March, we participated in the “Chiayi Chukou Environmental Education Activity”; in April, we joined with the Yi-Meng Biotech to arrange for a digital X-ray tour bus to participate in the national sangha health examination and voluntary clinics in Puli, Nantou; and in November, we participated in an edutainment public welfare activity, “How-Mei, Chiayi Coastal Forest Sand-fixed Hedge and Cleanup. The Company will continue to use its core products and technologies with mobile X-ray vehicles to promote early screening for lung cancer and continue to contribute to the promotion of public health.

### 1.1.1 Results of Business Plan Implementation

For the year ended December 31, 2024, the Company's net operating income was NT\$ 1,989,666 thousand, an increase of 8.3% over the previous year. This was mainly due to the release of new products from customers, the increase in overall demand, and the gradual growth of business performance in emerging markets, and the Company's in-depth cooperation with international medical brand customers also contributed to the sales. For the year ended December 31, 2024, the net profit attributable to shareholders of the Company was NT\$ 152,939 thousand, with an increase of 31.1% compared with the previous year, and the earnings per share was NT\$ 3.75, with an increase of 25% compared with the previous year.

### 1.1.2 Results of Budget Execution

No financial forecast has been disclosed for 2023, therefore there is no need to disclose budget execution.

### 1.1.3 Analysis of Financial Income and Expenditure and Profitability

	Item	2023	2024
Financial structure (%)	Debts to assets ratio	43.36	41.69
	Ratio of long-term capital to property, plant, and equipment	635.85	600.65
Solvency	Current ratio (%)	218.89	255.31
	Quick ratio (%)	151.00	188.26
	Time interest earned (times)	17.75	68.98
Profitability	Return on assets (%)	5.74	6.69
	Return on equity (%)	11.10	11.46
	Operating profits as a percentage of paid-in capital (%)	7.75	8.05
	Net profits before tax as a percentage of paid-in capital (%)	30.55	47.76
	Net profit margin (%)	6.35	7.69
	Earnings per share (NT\$)	3.0	3.75

### 1.1.4 Status of Research and Development

With development and design of thin-film transistor-photodiode (TFT-PD) structure, detector module and testing image analysis as the core technology, the Company mainly develops X-ray flat panel detector related products based on this core technology, with the product categories covering components, modules, testing system and other different types, and they are mainly used for digital X-ray testing system in testing fields such as medical treatment and industrial manufacturing, etc. Since this type of product requires high precision, high reliability and durability, the product development and design verification often lasts for several years, so the product life cycle is generally over 5 to 7 years, and some even cost more than 10 years.

Since X-ray has different penetration capacities for objects with different thickness and materials, by measuring and analyzing the difference of X-ray energy after penetrating the measured object, the internal structure of the human body and the object can be visualized and interpreted, so it is irreplaceable in the field of testing. In recent years, with development of AI technology, there has been rapid growth in both imaging analysis speed and accuracy, and it can be expected that with advance in AI assisted imaging analysis technology, the application fields and types X-ray detecting will continue to expand in the future. In addition, for the X-ray flat panel detector using thin film transistor-photodiode (TFT-PD) technology, due to its advantage of easy to large size, therefore, together with a new generation of high-frame-rate technology, it will make the large-size dynamic testing more cost-efficient than before, and the market size of such part is increasing rapidly, which is estimated to be the key factor that drives growth of the Company in the recent years.

In order to continuously build competitiveness of both technologies and products, the Company is now devoted to R&D of new generation of high-frame-rate component and process, pixel design of high-pixel fill factor, new generation of scintillator material, updating the software and firmware interfaces and increasing product lines of X-ray detector module, as well as increasing investment in research and development of equipment for non-destructive industrial testing. In the field of AI imaging analysis technology, the Company accelerates its development by making independent development and cooperating with external partners. On the other hand, in view of the diverse testing

needs of industrial testing customers, the Company also plans to integrate the product lines of various optical testing modes. The expenses for research and development was NT\$ 275,035 thousand in 2024, accounting for 14% of net income from operations. In 2024, the Company had a total of 63 new domestic and foreign patents that were either approved or under application, showing the development achievements of the R&D team. In the future, we will continue to invest R&D resources, launch high-value-added products, as well as improve customer adhesion and market competitiveness. In the meantime, the Company will also regularly review the patent portfolio that it holds and patent application status of the competitors, so as to guarantee maximum benefit as much as possible in terms of patent layout and related expenditures.

## **1.2 Summary of Business Plan for 2025**

### **1.2.1 Business Guidelines**

The global political and economic situation in 2024 is like the “Exhaustion hexagram” in the I Ching, which means that only those who can stand on their own feet in a difficult situation will be able to thrive. The Company has been determined to build on its technology, products and management, which has led to the preliminary results in terms of revenue and profitability. The year 2025 will be like the “Making plans” in the I Ching. Since the end of the previous year, the U.S., France, and Germany have successively elected new leaders, symbolizing that the world is entering a situation of “change and reform”. The Company is also adapting to this situation by continuously changing its strategies and management practices, hoping to bring about further growth.

Core competitiveness of the Company comes from the thin-film transistor-photodiode (TFT-PD) technology of the R&D team, it continuously invests in the research and development of advanced technologies and products, and based on which integrates the design, manufacturing, and supply chain dispatching capabilities of components and modules; our goal is to expand the base of targeted customers, and enhance customer adhesion, as well as expand application fields, product application modes and target market size through leading technologies and integrated one-stop shopping services.

On this basis, our X-ray flat panel detector device products focus on increasing the penetration of new technologies and applications, increasing sales of high value products, and continuing to improve product specifications, yields, and quality stability, obtain more customers and new product cases and expand the customer base by virtue of leading technologies and quality, so as to achieve better profits. However, the development of module products will focus on expanding the product line and enhancing the breadth of customer base, and improving the product lines of static/dynamic, hard/soft, standard/high-resolution and other different products; for market expansion, continue to expand the OEM/ODM customer layout for medical and veterinary FPD products, as well as continue to explore and deepen sales channels and increase sales volume in emerging countries over the past two years, so as to achieve scale benefit from product development and production, and drive the profit growth. On the other hand, the high development potential of X-ray detection in the industrial and manufacturing sectors is now being converted to practical sales performance gradually, besides, the penetration rate of TFT-PD technology products in dynamic detection will gradually increase, so we plan to increase the resource and personnel allocation for R&D and sales of industrial detection systems.

The Company mainly implements the following operation management policies and guidelines:

1. Insist on supplying high-efficiency and high-quality detector products, to improve customer satisfaction;
2. Accelerate development of new technologies and new products, continue to promote new technologies and products, and improve shipment proportion of the products with high profitability;
3. Increase OEM/ODM service capacity for medical devices;
4. Expand the market of non-destructive testing products for industrial and semiconductor sectors;
5. Accelerate global presence to serve customers faster and cope with the impact of trade barriers;
6. Continue to improve operation and supply chain management, optimize the cost structure, enhance production yield, and while expanding the shipment volume and custom base, improve the contributive net profit per unit of product sold;
7. Be devoted to sustainable development of the enterprise, and from product development to daily operation decision-making, take impact of CSR level into account in a more extensive way.

With the mission of “providing a full range of reliable X-ray image sensing solutions”, the Company continues to promote R&D innovation in X-ray detection, image processing, and medical device manufacturing fields, and implement the product strategy of technical value maximization and profit orientation. Through innovative technologies, products and business models, the Company will cooperate with upstream and downstream partners in global supply chain to create new business opportunities, and enhance customer satisfaction to achieve continuous growth in revenue and profit. The Company is also actively strengthening long-term competitiveness and financial position, and moving toward our corporate vision of “perceiving the future to enrich the current performance, and using AI smart vision to protect health and safety”.

The concept of sustainable enterprise development has continued to develop in recent years, where, it is expected by the society that the enterprises could show their value of making contribution to the society, and then by laying emphasis on environmental protection and corporate governance, further improve welfare of the shareholders and all stakeholders. The Company will comply with the international trend, add the spirit and activities of sustainable development to all operation levels of the Company, so please all shareholders continue to show your support and encouragement.

### **1.2.2 Expected Sales Volume and Basis**

The Company’s main products are X-ray flat panel detector devices and modules for digital radiography systems or equipment. At present, our products are mainly used in human and animal medical applications, and on this basis, the Company also expands into the range of industrial detection products and provides OEM/ODM services to customers. Digital radiography system is a commercialized product and one of the widely used detection technologies, while the X-ray flat panel detector is its core component. According to the data of MarketsandMarkets Research (a market research company), the market of X-Ray Detectors, which cover veterinary, medical, dental, industrial and security detection fields, reached US\$3.1 billion in 2023 and is expected to reach US\$4.2 billion in 2029, with a compound annual growth rate of 5.0%. Therefore, this is a continuously and steadily growing market. In addition, technical progress improves the performance and application fields of the products. In such an industry environment, the Company expects the sales of X-ray flat panel detectors will continue to grow steadily in 2024.

### **1.2.3 Key Production and Sales Policies**

The Company is mainly engaged in customized products, and provide one-stop design, production, and supply chain dispatching services to OEM/ODM customers. The production capacity and inventory arrangement are adjusted based on customer procurement planning, order status, demand forecasts, and the market outlook of our sales team, and the safety inventory level of raw materials is adjusted taking into account the lead time and supply chain status.

## **1.3 Future Company Development Strategy**

The Company is committed to becoming a provider of various optical image sensing solutions, and mainly provides customers with a full range of one-stop products and services including X-ray flat panel detector device, module products, detection equipment, and supply chain planning and management services using TFT-PD as the main technology. Looking forward into the development of Smart Medicine and Industry 4.0, the Company will continue to invest in the development of composite testing technology, AI image integration and analysis, intelligent service platform, industrial detection systems, and medical device OEM/ODM services to increase new growth potential.

The market and trend analysis, in-depth technologies and long-term accumulation of customer trust are our most valuable intangible assets, therefore, we will continue to invest in resources, so as to build fast and good service capabilities, and strive to improve both quality and value of products, making such intangible assets continue to thrive. We will regard the actions that can’t provide value-added to long-term technology development, product and service, finance and cash flow as a waste of operating energy. The Company's management team will struggle to reduce such circumstances and continue to improve our operation. On the other hand, we will also make repeated analysis and review of the plans that are expected to proceed or under progress, guarantee that the benefits can reach our target level; we will also adjust or give up the plans that can’t reach the target, and reallocate the resources efficiently. No matter the plans are successful or failed, we will continue to learn from them and convert into the nutrients for our progress.

Excellent talents are the cornerstone for our continuous growth and excellent operation, therefore, we will continue to actively recruit and cultivate talents in various fields required by the Company. INCX expects that the

employees can be equipped with professional knowledge, invention and creation capacity, can make communication and coordination, can make careful planning and act rapidly, can actively create long-term benefit for the customers and shareholders, following which principle we will also make and execute long-term talent development plan.

#### **1.4 The Effect of External Competition, the Legal Environment, and the Overall Business Environment**

The Russia-Ukraine war has yet to end, and the impact of trade barriers may be imminent. The global economy is still facing great uncertainty, making the outlook for lower inflation pessimistic, which may lead to a slowdown in interest rate reductions in the U.S. and the European Union, and put pressure on investment and consumer confidence, resulting in sharp fluctuations of the exchange rate. This may suppress demand in the end market, and lead to price competition within the industry.

As of the Annual Report's publication date, there has been no adversely impact on financial or business of the Company and its subsidiaries due to any policy and law changed. The Company's quality system has passed ISO 13485 and ISO 9001 certifications, the Taiwan plant has obtained QMS, ISO14001 certification, and the medical device products have been certified by TFDA of the Ministry of Health and Welfare and USA FDA for marketing. The Company has also obtained ISO27001 certification for information security management. The Company and its subsidiaries have always complied with relevant domestic and foreign laws and regulations. All the Company's teammates would be closely watchful of potential changes in major policies and laws and ordinances concerned at home and abroad. Through such efforts we shall be able to take right countermeasures in real-time to minimize the potential impact upon the financial standing and business of the Company and its subsidiaries which might be incurred by major policies at home and abroad and change in laws.

INCX has always been grateful to the customers for selecting and trusting in our products and services, and hopes to contribute to the development of the medical and industrial testing fields, and positively impact the society and stakeholders. Thanks to every shareholder for their support and encouragement, and to all colleagues for their hard work day after day, thank you very much!

Chairman: Chu-Hsiang Yang

Managerial Officer: Chih-Sheng Lee

Chief Accountant: Chung-Wei Huang

## II. Corporate Governance Report

### 2.1 Directors and Management Team

#### 2.1.1 Directors

March 22, 2025; Unit: Shares

Title	Nationality/ Place of registration	Name (Note 1)	Gender /Age	Date Elected	Term (Y)	Date First Elected	Shareholding when Elected		Current Shareholding		Shareholding of spouse and underage children		Shares held through nominees		Experience (Education)	Other Position	Spouse or relatives of second degree or closer acting as managerial officer or director		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	TW	Innolux Corporation	—	2024.05.24	3	2019.04.02	20,200,000	48.63	20,200,000	48.63	—	—	—	—	—	—	—	—	—
		Representative: Chu-Hsiang Yang	Male 50-59 yrs. old	2024.05.24		2019.04.02	N.A.	—	396,138	0.95	—	—	—	—	M.S., Chemical Engineering, National Central University President, Innolux Corporation Associate VP, Chi Mei Optoelectronics Corporation	Note 2	—	—	—
Corporate Director	TW	Innolux Corporation	—	2024.05.24	3	2019.04.02	20,200,000	48.63	20,200,000	48.63	—	—	—	—	—	—	—	—	
		Representative: Tien-Jen Lin	Male 60-69 yrs. old	2024.05.24		2021.11.05	N.A.	—	28,000	0.67	—	—	—	—	M.S., Electronics Engineering, National Taiwan University Associate VP, Innolux Corporation Consultant of President Office, Unity Opto Technology Co., Ltd. Director of Product Development Division Group, Chi Mei Optoelectronics Corporation	Note 3	—	—	—

Title	Nationality/ Place of registration	Name (Note 1)	Gender /Age	Date Elected	Term (Y)	Date First Elected	Shareholding when Elected		Current Shareholding		Shareholding of spouse and underage children		Shares held through nominees		Experience (Education)	Other Position	Spouse or relatives of second degree or closer acting as managerial officer or director		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	TW	Jyh-Chau Wang	Male 60-69 yrs. old	2024.05.24	3	2021.11.05	58,838	0.14	62,588	0.15	—	—	—	—	M.S., Materials Engineering, National Tsing-Hua University Chairman, Innolux Corporation Vice President, Chi Lin Technology Co., Ltd. Deputy Plant Director, Unipac Optoelectronics Corp. Associate Researcher, Material Research laboratories, Industrial Technology Research Institute	Note 4	—	—	—
Director	TW	Chao-Hua Lee	Male 50-59 yrs. old	2024.05.24	3	2024.05.24	1,000	—	1,000	—	—	—	—	—	Executive Master of Business Administration (EMBA), Finance Institute, College of Management, National Taiwan University Department of Public Communications, College of Journalism and Communications, Shih-Hsin University	Note 5	—	—	—

Title	Nationality/ Place of registration	Name (Note 1)	Gender /Age	Date Elected	Term (Y)	Date First Elected	Shareholding when Elected		Current Shareholding		Shareholding of spouse and underage children		Shares held through nominees		Experience (Education)	Other Position	Spouse or relatives of second degree or closer acting as managerial officer or director		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	TW	Hung-Chi Lee	Male 60-69 yrs. old	2024.05.24	3	2021.11.05	—	—	—	—	—	—	—	—	MBA, George Washington University, USA President, Yuanta Securities Co., Ltd. Managing Director, Deutsche Securities Asia, Taipei Branch, Hong Kong Managing Director, Credit Suisse Securities Limited, Taipei Branch, Switzerland Managing Director, Barclays Securities Limited, Taipei Branch, United Kingdom	CEO, Quantum International Corp.	—	—	—
Independent Director	TW	Chi-Tsung Huang	Male 60-69 yrs. old	2024.05.24	3	2021.11.05	—	—	—	—	—	—	—	—	Department of Mechanical Engineering, Tatung University President, Taiwan Medical and Biotech Industry Association Advisory Committee Member, Engineering Technology Promotion Center, Ministry of Science and Technology	Note 6	—	—	—
Independent Director	TW	Yi-Hung Chou	Male 70-79 yrs. old	2024.05.24	3	2021.11.05	—	—	—	—	—	—	—	—	School of Medicine, Taipei Medical University Academic Vice President, Yuanpei University of Medical Technology Chair Professor, Yuanpei University of Medical Technology	Note 7	—	—	—

Note 1: Existing Directors as of the date of the annual report.

Note 2: Innolux Corporation Director, President & COO, CarUX Holding Limited Director, CarUX Technology Pte. Ltd. Director, Innocare Optoelectronics USA, Inc. Director, Innolux Japan Co., Ltd. Director, Innolux Singapore Holding Pte. Ltd. Director, KA Imaging Inc. Director, Yuan Chi investment co., Ltd. Director (Statutory representative), CarUX Technology Taiwan Inc. (Statutory representative), Innolux Education Foundation Director, Epileds Technologies, Inc Director (Statutory representative), GIO Optoelectronics Corp. Director (Statutory representative), InnoJoy

Investment Corporation Director (Statutory representative), FI Medical Device Manufacturing Co., Ltd. Director (Statutory representative), Ningbo CarUX Technology Co. Ltd. Director (Statutory representative).

Note 3: Innolux Europe B.V., Director, Innolux Technology Germany GmbH Director

Note 4: eLux Inc. Chairman & CEO, Innolux Education Foundation Chairm, Advanced Micro Lux Holding Limited Director, ChipMOS TECHNOLOGIES INC. Independent Director, Innolux Corporation Director,

Note 5: Director of EBC, Eastern Broadcasting Co., Ltd., Director of Sherpa Investment Holdings Co., Ltd

Note 6: Chairman and President of Apex Health Care Mfg., Inc., Chairman of Road Social Enterprise Co., Ltd., Member of the Enterprise Advisory Committee of Yunlin-Chiayi-Tainan Area, Executive Yuan, and Advisor of Taiwan Bio-medical Care Association

Note 7: Special Physician, Department of Radiology, Taipei Veterans General Hospital

Note 8: Where the chairman and president or equivalent position (highest level executive officer) is the same person, the spouse, or a first-degree relative, provide information on the reason, reasonableness, necessity, and future improvement measures: None.

1. Major shareholders of the institutional shareholders

March 22, 2025

Name of institutional shareholders	Major shareholders of the institutional shareholders
Innolux Corporation (Note)	Taipei Fubon Bank in custody for Innolux Corporation Trust Account(2.27%) Hyield Venture Capital Co., Ltd(1.63%) Hon Hai Precision Ind. Co., Ltd.(1.40%) Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds(1.31%) Foxconn Technology Co., Ltd.(1.21%) Vanguard Emer Ging Markets Stock Index Fund, a series of Vanguard International equity index funds(1.20%) Hua Zhun Investments Co., Ltd.(1.15%) Citibank in custody for Norges Bank Investment Account(0.88%) Gou, Tai-Ming (Terry Gou) (0.75%) Citibank in custody for Government of Singapore Investment Account(0.72%)

Note: The information is derived from the close of registrar information of the Company dated March 9, 2025.

2. Major shareholders of the Company's major institutional shareholders

March 22, 2025

Name of institutional shareholders	Major shareholders
Taipei Fubon Bank in custody for Innolux Corporation Trust Account	N.A.
Hyield Venture Capital Co., Ltd.	Hon Hai Precision Components Co., Ltd. (97.95%), Pao Shin International Investment Co., Ltd. (2.05%)
Hon Hai Precision Ind. Co., Ltd. (Note)	Gou, Tai-Ming (Terry Gou)(12.56%) New Labor Pension Fund(2.06%) Citibank Hosting Government of Singapore Investment Account(1.88%) LGT Bank AG 164,775,294(1.19%) JPMorgan Chase Bank Hosting Vanguard STAR Developed Markets Index Fund(1.18%) JPMorgan Chase Hosting Vanguard Developing Markets Index Fund(1.15%) Citibank Hosting Norges Bank Investment Account(1.13%) Citibank Hosting Hon Hai Precision Industry Co., Ltd. Depository Receipts Account(0.91%) Standard Chartered Bank's iShares Emerging Markets ETF Investment Account(0.81%) HSBC (Taiwan) Commercial Bank Co., Ltd. in custody for Morgan Stanley International Limited investment account(0.67%)
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	N.A.
Foxconn Technology Co., Ltd. (Note)	Hon Hai Precision Components Co., Ltd. (9.88%), Pao Shin International Investment Co., Ltd. (8.92%), Hyield Venture Capital Co., Ltd. (6.01%), Shin Shen Investments Co., Ltd. (4.45%), Hon Yuan International Investments Co., Ltd. (2.41%), Hon Chi International Investments Co., Ltd. (2.25%), LGT Bank AG (2.11%), Chunghwa Post Co., Ltd.(1.16%) Chase Managed Vanguard Emerging Markets Equity Index Fund Account (1.03%), Chase Custody Advanced Starlight Advanced Total International Stock Index Fund Investment Account (0.97%),
Vanguard Emer Ging Markets Stock Index Fund, a series of Vanguard International equity index funds	N.A.
Hua Zhun Investments Co., Ltd.	Foxconn Technology Co., Ltd. (100%)
Citibank in custody for Norges Bank Investment Account	N.A.
Citibank in custody for Government of Singapore Investment Account	N.A.

Note: The information is derived from the close of registrar information of the Company dated April 2, 2024.

### 3. Disclosure of professional qualifications and independence analysis of directors

#### (1) Professional qualifications and experience for directors

Name / Title	Professional qualifications and experience
Chairman Innolux Corporation Representative: Mr. Chu-Hsiang Yang	M.S., Chemical Engineering, National Central University. Mr. Yang is the Chairman of the Company. He possesses almost 30 years of display industry and over 5 years of work experience in Commerce, Finance and otherwise necessary for the Business of the Company. He possesses international perspectives and the ability to make professional market competition judgments, leading innovatively, conducting management administration, planning strategies and conducting crisis management to lead the Company to become an industry pioneer and move towards sustainable management.
Director Innolux Corporation Representative: Mr. Tien-Jen Lin	M.S., Electronics Engineering, National Taiwan University. He has nearly 28 years of experience in the complete TFT-LCD industry, and is specialized in IC design, CCD image and display drive circuit system design. He possesses over 5 years of work experience in commerce and otherwise necessary for the business of the Company, international perspectives and the ability to make professional market competition judgments, leading innovatively, and conducting management administration.
Director Mr. Jyh-Chau Wang	M.S., Materials Engineering, National Tsing-Hua University. Over 30 years of experience in flat display industry. He experiences in manufacturing and R&D of the display industry and has extensive business experience. He possesses over 5 years of work experience in commerce, finance and otherwise necessary for the business of the Company, internal perspectives and the ability to make professional market competition judgments, leading innovatively, conducting management administration, planning strategies and conducting crisis management.
Director Ms. Chao-Hua Lee	Executive Master of Business Administration (EMBA), Finance Institute, College of Management, National Taiwan University. Currently, she is the Director of EBC, Eastern Broadcasting Co., Ltd. She has over 10 years of experience in finance, securities, finance, investment and other related fields, with more than 5 years of working experience in business, finance and company business required. She has an international outlook, and possesses the insights of corporate governance, financial analysis, and industry development.
Independent Director Mr. Hung-Chi Lee	M.B.A., George Washington University, USA. He is now the CEO of Quantum International Corp. and the convener of the Company's Audit Committee and Remuneration Committee. He has more than 22 years of experience in finance, securities, finance, and investment related fields, with insight into corporate governance, financial analysis, and industry development.
Independent Director Mr. Chi-Tsung Huang	Bachelor, Department of Mechanical Engineering, Tatung University. He is now Chairman and President of Apex Health Care Mfg., Inc., and is a member of the Company's Audit Committee and Remuneration Committee. He has over 32 years of experience in industrial operations, with more than 5 years of experience in commerce, finance and otherwise necessary for the business of the Company, and the ability to conduct corporate governance, finance, commerce, marketing and industry-related operational planning, operation and management practices.
Independent Director Mr. Yi-Hung Chou	Bachelor, School of Medicine, Taipei Medical University. He is now Adjunct Professor of School of Medicine, National Yang Ming Chiao Tung University, and a member of the Company's Audit Committee and Remuneration Committee. He has over 18 years of academic research experience in medical imaging and radiology technology, and specializes in academic research on medical imaging and radiology technology. He has over 5 years of professional qualification as a lecturer or above in a public or private college or university with a department related to the Company's business.

## (2) Independence of directors

Name / Title	Independence	Number of positions as independent director in other public companies
<p>Chairman Innolux Corporation Representative: Mr.Chu-Hsiang Yang</p>	<p>Two years before being elected or during the term of office meets the following criteria in:</p> <ol style="list-style-type: none"> <li>(1) Not a Director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an Independent Directors of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</li> <li>(2) Not a Director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five shareholder, or appointed as the Company's Director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</li> <li>(3) Not a Director, supervisor, or employee of other companies controlled by the same person with over half of the Company's Director seats or shares with voting rights (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</li> <li>(4) Not a Director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</li> <li>(5) Not a Director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</li> <li>(6) Not a professional individual who, or an owner, partner, Director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.</li> <li>(7) Not having a marital relationship, or a relative within the second degree of kinship to any other Directors of the Company.</li> <li>(8) Not having any of the situations set forth in Article 30 of the Company Act of the ROC.</li> </ol>	None
<p>Director Innolux Corporation Representative: Mr.Tien-Jen Lin</p>	<p>Two years before being elected or during the term of office meets the following criteria in:</p> <ol style="list-style-type: none"> <li>(1) Not a Director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an Independent Directors of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</li> <li>(2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.</li> <li>(3) Not a Director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five</li> </ol>	None

Name / Title	Independence	Number of positions as independent director in other public companies
	<p>shareholder, or appointed as the Company's Director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(4) Not a Director, supervisor, or employee of other companies controlled by the same person with over half of the Company's Director seats or shares with voting rights (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(5) Not a Director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(6) Not a Director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(7) Not a professional individual who, or an owner, partner, Director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.</p> <p>(8) Not having a marital relationship, or a relative within the second degree of kinship to any other Directors of the Company.</p> <p>(9) Not having any of the situations set forth in Article 30 of the Company Act of the ROC.</p>	
<p>Director Mr.Jyh-Chau Wang</p>	<p>Two years before being elected or during the term of office meets the following criteria in:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a Director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an Independent Directors of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).</p> <p>(5) Not a Director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five shareholder, or appointed as the Company's Director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p>	<p>None</p>

Name / Title	Independence	Number of positions as independent director in other public companies
	<p>(6) Not a Director, supervisor, or employee of other companies controlled by the same person with over half of the Company's Director seats or shares with voting rights (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(7) Not a Director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(8) Not a Director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(9) Not a professional individual who, or an owner, partner, Director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.</p> <p>(10) Not having a marital relationship, or a relative within the second degree of kinship to any other Directors of the Company.</p> <p>(11) Not having any of the situations set forth in Article 30 of the Company Act of the ROC.</p> <p>(12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the ROC.</p>	
<p>Director Ms. Zhao- Hua Lee</p>	<p>Two years before being elected or during the term of office meets the following criteria in:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a Director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an Independent Directors of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).</p> <p>(5) Not a Director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five shareholder, or appointed as the Company's Director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(6) Not a Director, supervisor, or employee of other companies controlled by the same person with over half of the Company's Director seats or shares with voting rights (not applicable in cases where the person is an</p>	<p>1</p>

Name / Title	Independence	Number of positions as independent director in other public companies
	<p>Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(7) Not a Director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(8) Not a Director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(9) Not a professional individual who, or an owner, partner, Director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.</p> <p>(10) Not having a marital relationship, or a relative within the second degree of kinship to any other Directors of the Company.</p> <p>(11) Not having any of the situations set forth in Article 30 of the Company Act of the ROC.</p> <p>(12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the ROC.</p>	
<p>Independent Director Mr.Hung-Chi Lee</p>	<p>Two years before being elected or during the term of office meets the following criteria in:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a Director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an Independent Directors of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).</p> <p>(5) Not a Director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five shareholder, or appointed as the Company's Director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(6) Not a Director, supervisor, or employee of other companies controlled by the same person with over half of the Company's Director seats or shares with voting rights (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p>	<p>None</p>

Name / Title	Independence	Number of positions as independent director in other public companies
	<p>(7) Not a Director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(8) Not a Director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(9) Not a professional individual who, or an owner, partner, Director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.</p> <p>(10) Not having a marital relationship, or a relative within the second degree of kinship to any other Directors of the Company.</p> <p>(11) Not having any of the situations set forth in Article 30 of the Company Act of the ROC.</p> <p>(12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the ROC.</p>	
<p>Independent Director Mr.Chi-Tsung Huang</p>	<p>Two years before being elected or during the term of office meets the following criteria in:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a Director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an Independent Directors of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).</p> <p>(5) Not a Director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five shareholder, or appointed as the Company's Director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(6) Not a Director, supervisor, or employee of other companies controlled by the same person with over half of the Company's Director seats or shares with voting rights (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(7) Not a Director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an</p>	<p>None</p>

Name / Title	Independence	Number of positions as independent director in other public companies
	<p>Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(8) Not a Director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(9) Not a professional individual who, or an owner, partner, Director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.</p> <p>(10) Not having a marital relationship, or a relative within the second degree of kinship to any other Directors of the Company.</p> <p>(11) Not having any of the situations set forth in Article 30 of the Company Act of the ROC.</p> <p>(12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the ROC.</p>	
<p>Independent Director Mr. Yi-Hung Chou</p>	<p>Two years before being elected or during the term of office meets the following criteria in:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a Director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an Independent Directors of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).</p> <p>(5) Not a Director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five shareholder, or appointed as the Company's Director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(6) Not a Director, supervisor, or employee of other companies controlled by the same person with over half of the Company's Director seats or shares with voting rights (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(7) Not a Director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p>	<p>None</p>

Name / Title	Independence	Number of positions as independent director in other public companies
	<p>(8) Not a Director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an Independent Director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(9) Not a professional individual who, or an owner, partner, Director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.</p> <p>(10) Not having a marital relationship, or a relative within the second degree of kinship to any other Directors of the Company.</p> <p>(11) Not having any of the situations set forth in Article 30 of the Company Act of the ROC.</p> <p>(12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the ROC.</p>	

#### 4. Diversity and independence of the Board

The Company stipulates guidelines for diversity in its Corporate Governance Principles to strengthen the function of the Board of Directors. The nomination and election of the Company's Board members are in accordance with the provisions of its Articles of Incorporation, adopting the candidates' nomination system and submitted to the shareholders meeting for election upon the Board of Directors' resolution. According to Article 20, Paragraph 4 of the Corporate Governance Principles of the Company, all Board members shall have the knowledge, skills and experience necessary to perform their duties. To achieve the ideal goal of corporate governance. The Board of Directors shall possess the following abilities:

- (1) Ability to make operating judgments.
- (2) Ability to perform accounting and financial analysis.
- (3) Ability to conduct management administration.
- (4) Ability to conduct crisis management.
- (5) Knowledge of the industry.
- (6) An international market perspective.
- (7) Ability to lead.
- (8) Ability to make policy decisions.

To strengthen corporate governance and promote the sound development of the Board of Directors' composition and structure, the Company's policy on diversity of board members per Article 20, Paragraph 3 of its Corporate Governance Principles indicates that: the composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company managerial officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- (1) Basic requirements and values: Gender, age, nationality, and culture.
- (2) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology,) professional skills and industry experience.

The Company's current Board of Directors consists of 7 directors, including 4 non-executive directors and 3 independent directors. All members possess knowledge of finance, business and industry; an international market perspective; and professional ability to lead, make an operating judgment, manage the business and do crisis management. There are not any matters specified in Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act. Directors who are also employees of the Company account for 0% of the Board. Independent directors account for 42.86%. Female directors account for 14.29%. Three independent directors has served for less than 3 years. Two directors are aged 50-59. Three directors are aged 60-69 and two directors is aged 70-79. The Company values gender equality in the composition of the Board of Directors and has set a target of One third of the seats In the future, we will do our best to increase the number of female board seats to achieve our goal.

The Board of Directors shall direct the Company's strategy, supervise the management team, be responsible to the Company and shareholders, and make arrangements for the various operations and arrangements of the Company's governance system to ensure that it exercises its authorities in accordance with laws and regulations, the Company's Articles of Incorporation or the resolutions of the shareholders' meeting. The Board of Directors emphasizes the function of independent operation and transparency, and the directors and independent directors are independent individuals who exercise their duties and powers independently. The three independent directors also comply with the relevant laws and regulations, together with the duties and powers of the Audit Committee, they will review the control of the Company's existing or potential risks, so as to supervise the effective implementation of the Company's internal controls, the election (dismissal) and independence of certified public accountants, and proper preparation of financial statements. In addition, in accordance with the Company's "Procedures for Election of Directors", a cumulative voting system and a candidate nomination system are adopted for the election of directors and independent directors, and shareholders are encouraged to participate. Shareholders holding more than a certain number of shares can propose a list of candidates. The examination of the candidates' qualifications and the confirmation of whether there is any violation of Article 30 of the Company Act are conducted and announced in accordance with the law, so as to protect the shareholders' rights and interests, avoid monopoly or excessive abuse of nomination rights, and maintain independence.

5. If the number of directors of the same gender on the board of directors of the Company is less than one-third, the Company shall state the reasons and the measures to be taken to improve the gender diversity of the board of directors:

- (1) Reason: The Company has established 7 seats on the board of directors in accordance with its Articles of Association. The current directors have been elected by shareholders at the general meeting on May 24, 2024. There is only one female director, which complies with the relevant laws and regulations, but still does not reach one-third. Due to the characteristics of the industry, it is not easy to find talents in a short period of time.
- (2) Measures taken: The Company attaches great importance to gender equality in the composition of its Board of Directors and aims to increase the number of female directors to more than one-third. In the future, the Company will seek recommendations from various channels and strive to increase the number of female directors to enhance corporate governance effectiveness and implement the board diversity policy.

Implementation of the diversity of the Board members is as follows:

Title	Name	Basic requirements and values						Professional knowledge and skills									Seniority of Independent Director
		Nationality	Gender	Current positions in the Company	Age			Operational Judgments	Management Administration	Accounting & Financial analysis	Business & Economics	Crisis Management	Knowledge of the industry	International market perspective	Ability to lead and to make policy decisions	Below 3 years	
					50-59 yrs. old	60-69 yrs. old	70-79 yrs. old										
Corporate Director Chairman	Chu-Hsiang Yang	TW	Male	–	V	–	–	V	V	V	V	V	V	V	V	–	
Representative of Corporate Director	Tien-Jen Lin	TW	Male	–	–	V	–	V	V	V	V	V	V	V	V	–	
Director	Jyh-Chau Wang	TW	Male	–	–	V	–	V	V	V	V	V	V	V	V	–	
Director	Zhao- Hua Lee	TW	female	–	V	–	–	V	V	V	V	V	V	V	V	–	
Independent Director	Hung-Chi Lee	TW	Male	–	–	V	–	V	V	V	V	V	V	V	V	V	
Independent Director	Chi-Tsung Huang	TW	Male	–	–	V	–	V	V	V	V	V	V	V	V	V	
Independent Director	Yi-Hung Chou	TW	Male	–	–	–	V	–	V	V	–	V	V	V	V	V	

Specific management objectives of the Board’s diversity policy and their achievement

Management Objectives	Achievement
The number of directors who are also managerial officers of the Company should not exceed one-third of the total number of directors	Achieved
One-third of the board seats are held by one gender	Not achieved
Independent directors shall serve no more than three consecutive terms	Achieved

## 2.2.2 Management Team

March 26, 2024; Unit: shares

Title	Nationality	Name (Note 1)	Gender	Date Effective	Shareholding		Shareholdings of spouse and underage children		Shares held through nominees		Experience (Education)	Other Position	Spouse or relatives of second degree or closer acting as managerial officer		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
President	TW	Chih-Sheng Lee	Male	2019.09.01	220,203	0.53	—	—	—	—	M.S., Optoelectronics Research Institute, National Yang Ming Chiao Tung University Sales Deputy GM, Innolux Corporation	Chairman, Ningbo Innolux Electronics Ltd. Chairman, InnoCare Optoelectronics Japan Co., Ltd. Director, InnoCare Optoelectronics USA, Inc.	—	—	—
Associate VP	TW	Chien-Lang Lo	Male	2020.07.01	112,000	0.23	—	—	—	—	MBA, Financial Investment Institute, Bernard M. Baruch College-CUNY Division Group Director, Innolux Corporation Associate Manager, Sumitomo Mitsui Banking Corporation, Japan Associate Manager, The Hong Kong and Shanghai Banking Corporation Supervisor, MUFG Bank, Ltd., Japan	Director, InnoCare Optoelectronics Japan Co., Ltd. Director, Ningbo Innolux Optoelectronics Co., LTD Director, Ningbo Innolux Display LTD	—	—	—
Division Director	TW	Ming-Hsien Sun	Male	2019.09.01	67,200	0.16	—	—	—	—	M.S., Graduate Institute of Electronics Engineering, National Taiwan University Division Director, Innolux Corporation Associate Manager, TPO Displays Corp.	Director, InnoCare Optoelectronics Japan Co., Ltd.	—	—	—
Division Director	TW	Tun-Jen Cheng	Male	2019.09.01	—	—	37,200	0.09	—	—	M.S., Institute of Electronics Engineering, University of Southern California Deputy Business Director, Innolux Corporation Deputy Director, Chi Mei EL Corporation Manager, Chi Mei Optoelectronics Corporation	—	—	—	—
Division Director	JP	Fujisawa Yoshinori	Male	2020.11.01	—	—	—	—	—	—	BA, in Economics, Chiba University-Chiba, Japan Director, Innolux Japan Co., Ltd.	President, InnoCare Optoelectronics Japan Co., Ltd.	—	—	—

Title	Nationality	Name (Note 1)	Gender	Date Effective	Shareholding		Shareholdings of spouse and underage children		Shares held through nominees		Experience (Education)	Other Position	Spouse or relatives of second degree or closer acting as managerial officer		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Plant Director	TW	Yi-Chien Li	Male	2022.01.28	29,400	0.07	—	—	—	—	M.S., Institute of Microelectronics Engineering of National Cheng Kung University Manager, Innolux Corporation Assistant Engineer, Taiwan Semiconductor Manufacturing Company Limited	—	—	—	—
Financial Officer Accounting Officer	TW	Chung-Wei Huang	Male	2021.08.01	74,149	0.17	—	—	—	—	MBA, International Business Institute of National Cheng Kung University Manager, Innolux Corporation Chief Internal Auditor, Taiwan Pulp & Paper Corp. Manager, Luxshare Precision Industry Co., Ltd.	Supervisor, Ningbo Innolux Electronics Ltd.	—	—	—

Note 1: Existing Managerial Officers as of the printed date of the annual report.

Note 2: Where the chairman and president or equivalent position (highest level executive officer) is the same person, the spouse, or a first-degree relative, provide information on the reason, reasonableness, necessity, and future improvement measures : None.

## 2.2 Remuneration of Directors, President, and Vice President

### 2.2.1 Remuneration to Directors and Independent Directors

Unit: NT\$ thousand; thousand shares; %

Title	Name (Note 1)	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note8)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income (%) (Note8)		Remuneration Paid to Directors from an Invested Company Other than the Company's Subsidiary		
		Base Remuneration (A) (Note 2)		Severance Pay (B)		Directors Remuneration (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Special Disbursement (E) (Note 5)		Severance Pay (F) (Note 6)		Employees Remuneration (G) (Note 7)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report			
		Cash amount	Stock amount	Cash amount	Stock amount																	
Chairman	Innolux Corporation Representative: Chu-Hsiang Yang																					
Director	Innolux Corporation Representative: Tien-Jen Lin																					
Director	Jyh-Chau Wang	1,200	1,200	—	—	109	109	190	190	0.98	0.98	—	—	—	—	—	—	—	—	0.98	0.98	86,007
Director	Ta-Lun Huang(Note 9)																					
Director	Zhao- Hua Lee(Note 10)																					
Independent Director	Hung-Chi Lee																					
Independent Director	Chi-Tsung Huang	900	900	—	—	81	81	130	130	0.73	0.73	—	—	—	—	—	—	—	—	0.73	0.73	—
Independent Director	Yi-Hung Chou																					

1. Please describe the policy, system, standard, and structure of remuneration to Independent Directors, and the correlation between duties, risk, and time input with the amount of remuneration:

For the remuneration of Independent Directors, besides referring to results of Directors performance evaluations, the Remuneration Committee considers each Director's degree of participation and contribution to the Company's operations, links the reasonableness and fairness of performance and risks to remuneration, considers the Company's business performance and the remuneration standards of competitors, and makes recommendations to the Board of Directors in accordance with the Company's Articles of Incorporation.

2. Other than as disclosed in the above table, the remuneration earned by Directors providing services (e.g. providing consulting services as a non-employee) to the Company and all consolidated entities in the latest fiscal year: None.

Note 1: Refers to the remuneration information of directors (including independent directors) who served in 2024.

Note 2: Refers to directors' remuneration paid in 2024.

Note 3: The proposal of remuneration distribution resolved by the Board of Directors.

Note 4: Refers to the relevant service execution fees of directors in 2024.

Note 5: Refers to the total amount of various remunerations paid to the Company's directors by all companies (including the Company) in the consolidated financial statements in 2024.

Note 6: Refers to the amounts transferred to government authorities in 2024.

Note 7: These are proposed amounts; the amounts of individual employee remunerations have not been approved by the Board of Directors.

Note 8: Net income (loss) after tax refers to the net income (loss) after tax in the parent company only financial statements for the year ended December 31, 2024.

Note 9: After reelection,Resign on June 1, 2024

Note10: After reelection,take office on June 1, 2024

Remuneration Bracket Table

Range of Remuneration	Name of Directors			
	Total (A+B+C+D)		Total (A+B+C+D+E+F+G)	
	The Company	All companies in the financial report	The Company	All companies in the financial report
Less than NT\$ 1,000,000	Innolux Corporation/Chu-Hsiang Yang/Tien-Jen Lin/Jyh-Chau Wang /Ta-Lun Huang/Zhao- Hua Lee/Hung-Chi Lee/Chi-Tsung Huang/Yi-Hung Chou	Innolux Corporation/Chu-Hsiang Yang/Tien-Jen Lin/Jyh-Chau Wang /Ta-Lun Huang/Zhao- Hua Lee/Hung-Chi Lee/Chi-Tsung Huang/Yi-Hung Chou	Innolux Corporation/Chu-Hsiang Yang/Tien-Jen Lin/Jyh-Chau Wang /Ta-Lun Huang/Zhao- Hua Lee/Hung-Chi Lee/Chi-Tsung Huang/Yi-Hung Chou	Innolux Corporation/Ta-Lun Huang Zhao- Hua Lee /Hung-Chi Lee/Chi-Tsung Huang/Yi-Hung Chou
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)				
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)				
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)				Chu-Hsiang Yang/Jyh-Chau Wang
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)				
NT\$100,000,000 and above				
Total	9	9	9	9

## 2.2.2 Remuneration of the President and Vice Presidents

Unit: NT\$ thousand; thousand shares; %

Title	Name (Note 1)	Salary (A) (Note 2)		Severance Pay (B) (Note 3)		Bonuses and Special Disbursement (C) (Note 4)		Employee Remuneration (D) (Note 5)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 6)		Remuneration Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Chih-Sheng Lee	3,277	3,277	108	108	7,109	7,109	700	—	700	—	7.31	7.31	—

Note 1: Please fill in the remuneration information of president and vice president who served in 2024.

Note 2: Refers to remuneration paid in 2024.

Note 3: Refers to the amounts transferred to government authorities in 2024.

Note 4: Refers to the bonuses and special disbursement, etc. received by employees in 2024.

Note 5: These are proposed amounts; the amounts of individual employee remunerations have not been approved by the Board of Directors.

Note 6: Net income after tax refers to the net income after tax in the parent company only financial statements for the year ended December 31, 2024.

Note 7: According to the Company's organizational structure, there is no vice president or equivalent managerial officer, so the Remuneration Bracket Table is not disclosed separately.

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

March 31, 2025; Unit: NT\$ thousand

	Title	Name (Note 1)	Stock amount	Cash amount (Note 2)	Total	Ratio of total amount to net income (%) (Note 3)
Managerial Officers	President	Chih-Sheng Lee	—	2,470	2,470	1.62%
	Associate VP	Chien-Lang Lo				
	Division Director	Ming-Hsien Sun				
	Division Director	Tun-Jen Cheng				
	Division Director	Yung-Hsiang Liang(Note 4)				
	Division Director	Fujisawa Yoshinori				
	Plant Director	Yi-Chien Li				
	Financial Officer Accounting Officer	Chung-Wei Huang				

Note 1: The managerial officers who served in 2024.

Note 2: These are proposed amounts; the amounts of individual employee remunerations have not been approved by the Board of Directors.

Note 3: Net income after tax refers to the net income after tax in the parent company only financial statements for the year ended December 31, 2024.

Note 4: Dismissed on March 16, 2024

## 2.2.5 Comparison of Remuneration for Directors, Presidents, and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Presidents, and Vice Presidents

### I. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the most recent two fiscal years to Directors, presidents, and vice presidents of the Company to the percentage of net income stated in the parent company only financial reports or individual financial reports.

Item	Fiscal Year	Ratio of total remuneration paid to net income							
		2023				2024 (Note)			
		Total remuneration		Ratio in net income		Total remuneration		Ratio in net income	
		The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements
Director		2,639	2,639	2.26%	2.26%	2,610	2,610	1.17%	1.17%
Presidents & Vice Presidents		6,944	6,944	5.95%	5.95%	11,176	11,176	7.31%	7.31%

### II. The policies, standards, and packages, for the payment of remuneration, the procedures for determining remuneration, and its linkage to operating performance.

#### (I) Policies, standards and packages of remuneration of the Company

The remunerations of directors are paid in accordance with the Company's Articles of Incorporation, while considering each director's degree of participation and contribution to the Company's operations, and the remuneration standards of competitors. The President's remuneration includes salary, bonuses, special disbursements, employee remuneration, employee stock options, and new shares with restricted employee rights. It shall be determined by the Remuneration Committee after considering the Company's operation performance, personal performance and responsibilities, and incorporating into the contributions and performance of sustainable corporate governance indicators of three aspects, economic, environmental, and social, as well as the relationship and rationality between the industry development trend and future operation risks, and by referring to the level of external remuneration and similar positions in the industry; the Board of Directors shall comprehensively consider the amount of remuneration, payment method, etc. for a resolution.

The directors' and employees' remuneration are proposed by the Remuneration Committee after considering the industrial environment, and the Company's operating conditions, as well as the directors' and the president's responsibilities, contributions, and goal achievement, and then submit it to the Board of Directors for resolution,

and report to the shareholders' meeting.

(II) The procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

The remunerations to directors and managerial officers are regularly evaluated based on the performance evaluation results obtained according to the "Rules for Evaluating Board of Directors and Functional Committee Performance" and the "Performance Management Regulations" applicable to managerial officers and employees, respectively. In addition, the remuneration to managerial officers is determined with reference to the "Managerial Officers Remuneration Regulations" and the operating performance indicators of the associates, including financial indicators such as annual revenue and EPS, and non-financial indicators such as ESG sustainable management results. 0-5% weighting is given by reviewing the performance to formulate a high-level remuneration, which will be reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

In accordance with Article 32 of the Articles of Incorporation, in cases of profits for the year, the Company shall set aside no less than 5% as the remuneration to its employees and no higher than 1% as that to directors.

The Company allocates directors' and employees' remuneration based on the actual annual profit and the ratio specified in the Articles of Incorporation. The Remuneration Committee shall make a proposal after considering the industrial environment, the Company's operating conditions, as well as the directors' and the president's responsibilities, contribution and goal achievement, and then submit it to the Board of Directors for resolution, and report to the shareholders' meeting.

The reasonableness of the remuneration shall be reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system shall be reviewed from time to time according to the actual business situation and relevant laws and regulations, so as to achieve a balance between the Company's sustainable operation and risk control.

## 2.3 Implementation of Corporate Governance

### 2.3.1 Operations of the Board of Directors

A total of 5 meetings of the Board of Directors were held in the previous (2024) period. Directors' attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)(Note)	Remarks
Chairman	Innolux Corporation Representative: Chu-Hsiang Yang	5	—	100.00%	Reelected
Corporate Director	Innolux Corporation Representative: Tien-Jen Lin	5	—	100.00%	Reelected
Director	Jyh-Chau Wang	5	—	100.00%	Reelected
Director	Ta-Lun Huang	1	1	50.00%	Retired
Director	Zhao- Hua Lee	3	—	100.00%	New
Independent Director	Hung-Chi Lee	4	1	80.00%	Reelected
Independent Director	Chi-Tsung Huang	3	2	60.00%	Reelected
Independent Director	Yi-Hung Chou	5	—	100.00%	Reelected

Note: The Board of Directors was fully re-elected on May 24, 2024 and the newly elected directors took office on June 1 of the same year. The Board of Directors met two times before the re-election and three times after the re-election. The actual attendance (%) was calculated based on the number of Board meetings and the actual number of attendances during his/her tenure.

Other information required to be disclosed:

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

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Total 6 meetings of the Board were held in the period from 2024 to the printed date of the annual report. For the resolutions please refer the pages 59 of the annual report. All independent directors did not object to the matters listed in Article 14-3 of the Securities Exchange Act and approved the resolution as presented.

(II) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the Board of Directors : None.

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

**III. Execution of Board Performance Evaluation:**

Type	Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content and Result
Self-evaluation	Once a year	2024.01.01-2024.12.31	Board of Directors, functional committees (including the Audit Committee and the Remuneration Committee) and individual directors	Self-evaluation of Board of Directors, functional committees (including the Audit Committee and the Remuneration Committee) and individual directors	<p>Evaluation items:</p> <ol style="list-style-type: none"> <li>1. The evaluation of the Board as a whole: which should cover, participation in the Company’s operation; the Board’ decision making quality; the composition and structure of the Boards; the election and continuing education of directors; and internal control.</li> <li>2. Functional committees: which should cover participation in the Company’s operation; understanding of the duties of functional committees; the functional committees’ decision-making quality; the composition of functional committees and the election of their members and internal control.</li> <li>3. Individual directors: which should cover alignment of the goals and missions of the Company; understanding of the duties and responsibilities of directors; participation in the Company’s operation; management of internal relationships and communications; professionalism and continuing education; and internal control.</li> </ol> <p>Evaluation results:</p> <p>The evaluation results are divided into five levels: very poor (strongly disagree), poor (disagree), moderate (average), good (agree) and excellent (strongly agree). The internal self-evaluation results of the Company’s “Board of Directors”, “Board Members”, “Audit Committee” and “Remuneration Committee” are good, good, excellent, and excellent, respectively, which sufficiently indicate that the Company’s Board of Directors and functional committees are operating effectively.</p>

**IV. Targets for strengthening of the functions of the Board during the current and immediately preceding fiscal years (e.g. establishing an audit committee and enhancing information transparency) and the implementation status evaluation:**

- (I) In order to effectively establish the governance system of the Board of Directors and improve the supervisory function, the Company has established the Rules for Board of Directors Meetings, and material resolutions are announced on the MOPS in accordance with the law to achieve full disclosure of information and protect shareholders' interests. The Board of Directors shall direct the Company's strategy, supervise the management team, be responsible to the Company and shareholders' meeting, and make arrangements for the various operations and arrangements of the Company's governance system to ensure that it exercises its authorities in accordance with laws and regulations, the Company's Articles of Incorporation or the resolutions of the shareholders' meeting.
- (II) The Company has established an Audit Committee on November, 2021 to exercise the authorities required by the Securities and Exchange Act, the Company Act and other laws and regulations to assist the Board of Directors in supervising the Company's quality and integrity in the implementation of relevant accounting, auditing, financial reporting procedures and financial control. Please see pages 29- 30 for the detail of the Audit Committee's operation.
- (III) The Company has established Remuneration Committee on November, 2021 and set up standard for the directors and managers. The Remuneration Committee is also in charge of making regular review of performance of the directors and managers, and the related remuneration policy, system, standard, and structure. Please see pages 40-41 for the detail of the Remuneration Committee's operation.
- (IV) The Company has re-elected its Board of Directors at Shareholders meeting on May 24, 2024. The new Board is made of 7 Board members, including 3 independent directors for strengthening the Board function and corporate governance.
- (V) The Board members continuing education extending beyond the scope of the professional expertise of the Directors, and to select courses encompassing corporate governance related topics such as finance, risk management, business, commerce, legal affairs, accounting, and sustainable development, or courses relating to internal control systems or liability for financial reports to enhance the awareness and implementation of corporate governance by Board members. Please see page 55-56 for the detail of the status of directors ' participation in corporate governance related courses and trainings.

**V. Attendance of independent directors at 2024 Board Meetings**

Board Meetings	Independent Director Hung-Chi Lee	Independent Director Chi-Tsung Huang	Independent Director Yi-Hung Chou
16th meeting of the 3rd session 2024.02.20	Attend in person	Attend in person	Attend in person
17th meeting of the 3rd session 2024.04.11	Attend in person	By Proxy	Attend in person
1st meeting of the 4th session 2024.05.24	Attend in person	By Proxy	Attend in person
2nd meeting of the 4th session 2024.07.25	Attend in person	Attend in person	Attend in person
3rd meeting of the 4th session 2024.10.24	Attend in person	Attend in person	Attend in person

### 2.3.2 Operations of the Audit Committee

A total of 5 audit committee meetings were held in the previous (2024) period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director	Hung-Chi Lee	5	—	100.00%	Reelected
Independent Director	Chi-Tsung Huang	3	2	60.00%	Reelected
Independent Director	Yi-Hung Chou	5	—	100.00%	Reelected

Note : The Board of Directors was fully re-elected on May 24, 2024 and the newly elected directors took office on June 1 of the same year. The Audit Committee held 2 meetings before the reelection and 3 meetings after the reelection. The actual attendance (%) was calculated based on the number of meetings and the actual number of attendances during his term.

Other information required to be disclosed:

#### I. The annual work focus and authority of the audit committee

(I) The main function of the Audit Committee is to supervise the following matters:

1. Fair presentation of the financial reports of the Company.
2. The hiring (and dismissal), independence of certificated public accountants and their performance.
3. The effective implementation of the internal control system of the Company.
4. Compliance with relevant laws and regulations by the Company.
5. Management and control of the existing or potential risks of the Company.

(II) The powers of the Committee are as follows:

1. The adoption or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of any equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal auditing officer.
10. Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
11. Other material matters as may be required by the Company or by the competent authority.

**II. If any of the following circumstances occur, the dates of Board meetings, sessions, motion contents, resolutions of the audit committee and the Company’s response to the audit committee’s opinion should be specified:**

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

Board Meetings	Motion Contents	Resolution of the Audit Committee	The Company’s response to the members' opinions
16th meeting of the 3rd session 2024.02.20	<ol style="list-style-type: none"> <li>2023 Business Report and Financial Statements of the Company</li> <li>The appointment, remuneration, and assessment of the independence and competency of CPAs</li> <li>Proposal of the Company's 2023 Internal Control System Statement</li> </ol>	Approved by all committee members present as proposed	Approved by all directors present as proposed
17th meeting of the 3rd session 2024.04.11	<ol style="list-style-type: none"> <li>Proposal of the 2023 Earnings Distribution Table</li> <li>Acquisition of Right-of-Use Asset -Buildings from related party for business use</li> <li>Review the financial statements for the first quarter of 2024</li> <li>Proposal for investment in the establishment of an Indian subsidiary by the Company</li> </ol>	Approved by all committee members present as proposed	Approved by all directors present as proposed
2nd meeting of the 4th session 2024.07.25	<ol style="list-style-type: none"> <li>Review the financial statements for the second quarter of 2024</li> </ol>	Approved by all committee members present as proposed	Approved by all directors present as proposed
3rd meeting of the 4th session 2024.10.24	<ol style="list-style-type: none"> <li>Proposal for classifying the past due accounts receivable of the Company in Q3 2024 as not loan of funds</li> <li>Review the financial statements for the third quarter of 2024</li> <li>Amendments to some clauses of the Company’s internal control system</li> <li>Proposal of 2025 Audit plan</li> </ol>	Approved by all committee members present as proposed	Approved by all directors present as proposed

(II) Other matters which were not approved by the audit committee but were approved by two-thirds or more of all directors : None.

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

**IV. Communications between the Independent Directors and the Chief Internal Auditor Officer and the CPAs:**

(I) The Communication between independent directors and internal auditors:

The independent directors of the Company and the internal auditors shall meet regularly at least once a quarter and submit the audit report and deficiency tracking report for the previous month by the end of each month to report on the implementation status of the Company's annual audit plan and the improvement of internal control deficiency tracking; a meeting may be convened at any time in case of material unusual matters.

(II) The 2024 major matters of the communications between independent directors (Audit Committee) and the chief internal auditor officer:

Date	Descriptions of the major matters	Resolution
2024.01.08	December 2023 Audit Report was submitted to independent directors for review	No objection
2024.02.06	January 2024 Audit Report was submitted to independent directors for review	No objection
2024.02.20 Audit Committee	1. Report on the implementation of the audit plan for the 4th quarter of 2023 2. 2023 Internal Control System Statement	1.No objection 2.After review and submit to the Board for resolution
2024.03.08	February 2024 Audit Report was submitted to independent directors for review	No objection
2024.04.11 Audit Committee	Report on the implementation of the audit plan for the 1st quarter of 2024	No objection
2024.04.10	March 2024 Audit Report was submitted to independent directors for review	No objection
2024.05.10	April 2024 Audit Report was submitted to independent directors for review	No objection
2024.06.07	May 2023 Audit Report was submitted to independent directors for review	No objection
2024.07.11	June 2024 Audit Report was submitted to independent directors for review	No objection
2024.07.25 Audit Committee	Report on the implementation of the audit plan for the 2nd quarter of 2024	No objection
2024.08.08	July 2024 Audit Report was submitted to independent directors for review	No objection
2024.09.09	August 2024 Audit Report was submitted to independent directors for review	No objection
2024.10.09	September 2024 Audit Report was submitted to independent directors for review	No objection
2024.10.24 Audit Committee	Report on the implementation of the audit plan for the 3rd quarter of 2024	No objection
2024.11.14	October 2024 Audit Report was submitted to independent directors for review	No objection
2024.12.09	November 2024 Audit Report was submitted to independent directors for review	No objection

(III) The communication between independent directors (Audit Committee) and the CPAs:

The Company's independent directors and the independent auditors meet regularly at least once a quarter. The independent auditors discuss the results of the audit/review of the Company's financial reports at the Audit Committee meeting, and communicate fully with the Company regarding whether the amendments to laws have any material impact on the Company.

(IV) The 2024 major matters of the communications between independent directors (Audit Committee) and the CPAs:

Date	Descriptions of the major matters	Resolution
2024.02.20	1. 2023 Consolidated and Individual Financial Reports 2. Communication of key audit items in audit reports 3. Impact of recent important legislative amendments and application of the new gazette 4. The appointment, remuneration, and appropriateness assessment of the independence and competency of CPAs	No objection
2024.04.11	1.Review the financial statements for the 1st quarter of 2024	No objection
2024.07.25	1.Review the financial statements for the 2nd quarter of 2024	No objection
2024.10.24	1. Overdue accounts receivable in the third quarter of 2024 are proposed to be classified as non-capital loans 2. Review the financial statements for the 2nd quarter of 2024	No objection



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>(1) Whether the Board of Directors has formulated diversity policy and specific management objectives, and implemented such policy?</p> <p>(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Does the Company establish standards and method for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors?</p> <p>(4) Does the Company regularly evaluate the independence of CPAs?</p>	V	V	<p>(1) Please refer to on pages 18-20 of this annual report for the Company's implementation of the diversity policy.</p> <p>(2) The Company has set up the Audit Committee and Remuneration Committee, the Company's Independent Directors' serve as the Committee members. For more details regarding the business performance of the Company's Audit and Remuneration Committee, please refer to pages 29-30 &amp; 40-41 of this Annual Report. In the future, the Company will set up committees of other functions according to the legal requirements or practical needs.</p> <p>(3) In order to implement corporate governance and enhance the functions of the Company's Board of Directors, a performance evaluation will be conducted at the end of each year according to the Rules for Performance Evaluation of Board of Directors and the results of which, together with the directors' self-evaluation, will serve as the basis for nominating directors and setting their remunerations.</p> <p>(4) The Audit Committee annually evaluates the independence and competency of CPAs every year. In addition to providing “Declaration of Independence” and “Audit Quality Indicators (AQIs)”, CPAs are evaluated based on the standard in Note 1 on Page 38 of this annual report, as well as six AQI indicators across three aspects. It is confirmed that the CPAs have no other financial interests or business relationships with the Company except for fees for certificates and financial and tax cases. The CPA's family members do not violate the independence requirements. With reference to the AQI indicator information, it is confirmed that the CPAs and the firm surpass the industry average in both auditing experience and the number of training hours. The evaluation results of the most recent year have been discussed and approved by the Audit Committee on March 5, 2025, and submitted to the Board of Directors, who approved a resolution on March 5, 2025 to</p>	Corporate Governance Best-Practice Principles

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			evaluate the independence and competency of CPAs.	
4. Does the Company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance officer responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders’ meetings, and making minutes for Board meetings and shareholders’ meetings)?	V		<p>On December 28, 2021, the Board of Directors resolved to appoint Associate VP Chien-Lang Lo as the Corporate Governance Officer to be responsible for supervision and planning of the corporate governance. His qualification meets the requirements of paragraph 1, Article 3-1 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. The affairs of the Corporate Governance Officer include:</p> <ol style="list-style-type: none"> <li>I. Handling matters relating to board meetings and shareholders meetings according to laws.</li> <li>II. Producing minutes of board meetings and shareholders meetings.</li> <li>III. Assisting in onboarding and continuous development of directors.</li> <li>IV. Furnishing information required for business execution by directors.</li> <li>V. Assisting directors with legal compliance.</li> <li>VI. Report to the board of directors the results of its review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure.</li> <li>VII. Handle matters related to the change of directors.</li> <li>VIII. Other matters set out in the Articles of Incorporation or contracts.</li> </ol> <p>Report the operation of corporate governance to the Board of Directors on a regular basis every year.</p> <p>The 2024 completed items were as below, and were reported to the Board of Directors on March 5, 2025:</p> <ol style="list-style-type: none"> <li>1. The Company held 5 Board meeting, 5 Audit Committee meetings and 4 Remuneration Committee meetings in 2023.</li> <li>2. Held 1 annual general shareholders’ meeting in 2024.</li> <li>3. Assisted board members in developing annual continuing education plans and arranging continuing education courses. All the members of Board of Directors completed 6 hours of continuing education courses in 2024.</li> <li>4. The Company maintains D&amp;O insurance for its directors and key officers and report</li> </ol>	No significant difference compared to Corporate Governance Best-Practice Principles

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>to the Board meeting.</p> <p>5.Regularly communicate with independent directors and CPAs about the Company’s financial and business situation. Please refer to pages 30-31 of annual report and our website (<a href="http://www.innocare-x.com">http://www.innocare-x.com</a>) for communication.</p> <p>6.The agenda and meeting materials of Board meeting mail/send to all directors 7 days before of the Board meeting and remind in advance if the issues require interest avoidance, and finished the meeting minutes in 20 days after the meeting.</p> <p>7.Booking the date of AGM, prepare meeting notice, meeting agenda and minutes within the statutory time limit, and handle change registration matters in the amendment of the Articles of Incorporation or the re-election of directors.</p> <p>8.The internal performance evaluation of the Board of Directors and functional committees was conducted. For the evaluation results of the Board of Directors, the Audit Committee, the Remuneration Committee and their individual members, please refer to pages 27 of this annual report and the Company's website (<a href="http://www.innocare-x.com">http://www.innocare-x.com</a>).</p> <p>9.Please refer to pages 56 of annual report for the training situation of Corporate Governance Officer.</p>	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has set up a Stakeholder area on the Company's website ( <a href="http://www.innocare-x.com">http://www.innocare-x.com</a> ) to provide a channel for stakeholders to contact the Company. The Company also regularly reports the communication status, implementation plan, goals and results related to all stakeholders to the Board of Directors each year. The communication status of all stakeholders in 2024 was reported to the Board of Directors on March 5, 2025. The issues of stakeholders please refer to pages 38-39 Note 2 of annual report.	No significant difference compared to Corporate Governance Best-Practice Principles
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company mandates Registrar & Transfer Agency Department of Yuanta Securities Co., Ltd. to be the Company’s shareholder services agent, and to handle the affairs related to the shareholders’ meeting.	No significant difference compared to Corporate Governance Best-Practice Principles

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>7. Information Disclosure</p> <p>(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?</p> <p>(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?</p>	V		<p>(1) The Company has set up a corporate website (<a href="https://www.innocare-x.com">https://www.innocare-x.com</a>) to disclose both financial standings and the status of corporate governance.</p> <p>(2) The Company has designated personnel responsible for the collection and disclosure of corporate information, and has implemented a spokesman and acting spokesman system in accordance with the regulations. The corporate briefings in each period will also be updated timely on the Company's website for the reference of investors.</p> <p>(3) The Company announced and reported annual financial statements within two months after the end of each fiscal year, and announced the operating conditions of each month and the interim financial statements within the prescribed time limit.</p>	No significant difference compared to Corporate Governance Best-Practice Principles
<p>8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for Directors)?</p> <p>(1) Employee's Rights</p> <p>The Company attaches great importance to the treatment and welfare of employees, and provides salary levels, leave systems, and retirement insurance that are superior to the legal requirements. Please refer to page 80 “IV. Operational Highlights – 4.5 Labor Relations” of the annual report.</p> <p>(2) Employee Care</p> <p>The Company attaches great importance on the physical and mental balance of employees, and the Taiwan plant establishes the Staff Welfare Committee, organizes various leisure and cultural activities, promotes community activities and constructs a website of the Staff Welfare Association, so that employees can balance their health and life while working. In order to improve employees' health awareness, we conduct regular health checkups and provide employee health consultations every year. In addition, in order to ensure the well-being of female employees, and in accordance with the labor regulations of the locality of the plant, the implementation of the maternity leave pay allowance, the strengthening of the fetus rest and the family care leave, etc., for the female employees of pregnancy, implement the health risk assessment, adjust the work as needed. Under the principle of maternity protection and employment equal rights, create a friendly working environment for female employees.</p> <p>(3) Investor relations, the rights of suppliers and stakeholders</p> <p>According to different interested groups, the Company has established multiple and unobstructed communication channels, such as setting up a stakeholders area on the Company's webpage, so that we can keep communicating and getting feedback from those interests groups' needs and expectations.</p> <p>1. Employees: Establish communication channels such as employee care hotline, employee care mailbox, mobilization meeting communication meeting, online publicity system of government decrees, labor-management meetings, and job welfare meetings.</p>				

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>2. Shareholders/Investors: The Company treats our shareholders with the principle of fairness and openness. We call the shareholders meetings according to the Company Act and other related laws every year, encourage stockholders to actively participate in the stockholders meeting with proposals and questions.</p> <p>3. Customers: We have salespeople and customer service units to reply to customers’ demands effectively, establish a CRM system, monitor the progress of handling issues, field audits and questionnaire feedback, and customers’ satisfaction survey.</p> <p>4. Suppliers: Setting up an interactive platform for supplier purchasing and supplier management, and a buyer and procurement management department to hold irregular exchanges and meetings with suppliers, and provide anti-corruption reporting mailboxes.</p> <p>5. Society (communities, media, non-governmental organizations): set up full-time spokesman and deputy spokesman to respond in a timely manner, issue press releases and statement from time to time, and hold press conferences. Participate in seminars organized by non-governmental organizations to grasp the trend of the industry, as a reference for policy planning, and cooperate with non-governmental organizations to support the disadvantaged and promote environmental awareness projects to strengthen two-way communication.</p> <p>(4)Continuing education for directors The Company’s directors have both professional background and practical experience. The Company arranges continuing education for directors and every year. For the continuing education for directors in the latest year and as of the publication date of annual report, please refer to page 55-56of this annual report.</p> <p>(5)Implementation of risk management policies and risk measurement standards The Board of the Company has established risk management policies and procedures to establish a risk management system to regularly monitor the related financial risks, regulation risks, climate change risks, hydropower risks, supplier chain risks, information safety risks, and the occupational safety and health risks to enhance the competitiveness of the industry. The risk management process mainly includes risk identification, risk assessment and risk response. Risk identification: Identify relevant risk items according to regulations, industry standards and international development trends. Risk assessment: The degree of risk is comprehensively considered according to the severity and frequency of occurrence Risk response: According to the degree of risk, formulate control measures and response plans. The criteria for evaluating control plans generally include effectiveness, feasibility and cost.</p> <p>(6)The implementation of customer policy The Company attaches importance to the confidentiality and privacy of customer information, and is committed to building information networks covering design, purchase, production and sales to optimize customer service through complete collection of information, deepen product competitiveness and customer dependency, and achieve customer satisfaction. In addition, we conduct annual customer satisfaction analysis surveys to understand and satisfy customer needs, regularly review customer feedback and opinions, and propose appropriate improvement plans to continuously improve the highest-quality products and services.</p> <p>(7) Purchase of liability insurance for Directors: The Company has purchased liability insurance for its directors.</p> <p>9.Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures for those unimproved: The company's official website will strengthen the disclosure of specific circumstances of the implementation of the prohibition of insider trading and the quality of risk management and integrity management operations.</p>				

**Note 1: Evaluation form of the independence and competency of CPAs**

CPA Firm: Deloitte & Touche

CPAs: Ya-Ling Wong, Chih-Ming Shao

No.	Evaluation Item	Yes	No
1	Not an employee of the Company or any of its affiliates.	V	
2	Not a director of the Company or any of its affiliates (not applicable in cases where the person is an independent directors of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).	V	
3	Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.	V	
4	Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager listed in the above three items.	V	
5	Not a director, supervisor or employee of an institutional shareholder who directly hold more than 5% of the total issued shares of the Company, nor a director, supervisor or employee of the top five institutional shareholders.	V	
6	Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or organization with which the Company has financial or business dealings.	V	
7	Not having a marital relationship, or a relative within the second degree of kinship to any other directors of the Company;	V	
8	Not having any of the situations set forth in Article 30 of the Company Act of the ROC.	V	
9	Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the ROC.	V	
10	Not holding director, manager or other position of the Company that may have a significant impact on the audit within the last two years.	V	
11	Not be involved in the Company's management function of making decisions.	V	

**Note 2: The concerned issues of stakeholders, communication channel and response method**

Stakeholder	Concerned issues	Major Communication Channel, Response Method, Frequency	Result in 2024
Employees	<ol style="list-style-type: none"> <li>Recruitment and staffing</li> <li>Immediate care and feedback during complaint</li> <li>On-the-job training</li> <li>Occupational health and safety</li> </ol>	<p>Communication channel:</p> <ol style="list-style-type: none"> <li>Labor-management meeting: quarterly</li> <li>Employee welfare meeting: quarterly</li> <li>Employee suggestion box: irregularly</li> </ol> <p>Contact person: Ms. Hsu  <a href="mailto:HR@innocare-x.com">HR@innocare-x.com</a>, 06-7007238#22612</p>	<ol style="list-style-type: none"> <li>4 labor-management meetings; 4 employee welfare meetings in a year</li> <li>3 employee care cases in a year</li> </ol>
Shareholders/ Investors	<ol style="list-style-type: none"> <li>Financial Performance</li> <li>Recruitment and retention</li> </ol>	<p>Communication channel:</p> <ol style="list-style-type: none"> <li>AGM: yearly</li> <li>Institutional investor conference: half-yearly</li> <li>Annual report: yearly</li> <li>Investors mailbox: irregularly</li> <li>Releasing material information on MOPS: irregularly</li> </ol> <p>Contact person:                      Investor Relations: Mr. Huang, <a href="mailto:IR@innocare-x.com">IR@innocare-x.com</a>, 06-7007238#22552</p>	<ol style="list-style-type: none"> <li>Annual report, quarterly financial reports and monthly revenue are announced on time</li> <li>Keep the IR mailbox and spokesperson channels open to help investors understand the Company's operations and performance. The IR mailbox responded to a total of 1 inquiry emails from investors and made more than 5 phone calls this year</li> <li>One entity Investors' Conference was held this year and Invited to attend 1 corporate</li> </ol>

Stakeholder	Concerned issues	Major Communication Channel, Response Method, Frequency	Result in 2024
			briefing 4. 50 pieces of material information (Chinese/English) and 119 pieces of announcements
Customers	<ol style="list-style-type: none"> <li>Continuously provide high-quality and high-tech products</li> <li>Customer Relationship Management</li> <li>Product design, manufacturing and storage procedures meet medical regulatory requirements</li> </ol>	Communication channel: <ol style="list-style-type: none"> <li>Daily meeting: daily, weekly, monthly</li> <li>Evaluation: quarterly, yearly</li> <li>Satisfaction survey: yearly</li> </ol> Contact person: Ms. Zhong <u>Sales@innocare-x.com</u> , 06-7007238#22481	<ol style="list-style-type: none"> <li>Communicate at sales meetings and negotiations at any time</li> <li>Visit customers from time to time, listen directly to their opinions, and provide immediate feedback</li> </ol>
Suppliers	<ol style="list-style-type: none"> <li>Occupational health and work safety</li> <li>Stable operation</li> </ol>	Communication channel: <ol style="list-style-type: none"> <li>Daily meeting: daily, weekly, monthly</li> <li>Evaluation: yearly</li> <li>Supplier audit: irregularly</li> <li>Anti-corruption mailbox: irregularly</li> </ol> Contact person: Anti-corruption mailbox: <u>speak-up@innocare-x.com</u> Ms. Tseng, <u>joy.tseng@innocare-x.com</u> , 06-7007238#22610	<ol style="list-style-type: none"> <li>10 supplier high-level communication meetings</li> <li>8 supplier evaluation and review meetings</li> </ol>
Society (communities, media, non-governmental organizations)	<ol style="list-style-type: none"> <li>Pollution control</li> <li>Recruitment and staffing</li> </ol>	Communication channel: Public benefit activity projects: irregularly Contact person: Ms. Hsu, <u>CSR@innocare-x.com</u> , 06-7007238#22612	<ol style="list-style-type: none"> <li>Participate in seminars and actively respond to surveys such as questionnaires</li> <li>Release company information irregularly, announce company's operating performance and more quarterly</li> <li>Jointly organize environmental education, beach cleanup, donation of materials, and other public welfare activities with Innolux Corporation Education Foundation</li> <li>Cooperated with the Imaging Center of the National Cheng Kung University Hospital and Tainan Fucheng Chest Disease Society again</li> </ol>

## 2.3.4 Operations of the Remuneration Committee

### A. Information on members of the Remuneration Committee

March 31, 2025

Identity	Qualification		Independence	Number of public companies for which the committee member concurrently serves in their remuneration committees
	Name	Professional qualifications and experience		
Independent Director Convener	Hung-Chi Lee	Please refer to “Directors” in pages 8-9 and “Professional qualifications and experience for Directors” in page 11 of annual report.	Please refer to “Independence of Directors” in pages 15-18 of annual report.	—
Independent Director	Chi-Tsung Huang			—
Independent Director	Yi-Hung Chou			—

### B. Attendance of Members at Remuneration Committee Meetings

- (1) There are 3 members in the Remuneration Committee.
- (2) The term of office of the current committee members: June 1, 2024 to May 31, 2026 In the most recent year (2024), the Remuneration Committee met 4 times (A). The qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A) (Note)	Remarks
Independent Director Convener	Hung-Chi Lee	4	1	100.00%	Reelected
Independent Director	Chi-Tsung Huang	2	2	50.00%	Reelected
Independent Director	Yi-Hung Chou	4	—	100.00%	Reelected

Note: The Board of Directors was fully re-elected on May 24, 2024 and the newly elected directors took office on June 1 of the same year. The Remuneration Committee held 2 meetings before the reelection and 2 meetings after the reelection. The actual attendance (%) was calculated based on the number of meetings and the actual number of attendances during his term.

Other items to be recorded:

#### I. Scope of duties of the Remuneration Committee

- (I) Periodically reviewing the Remuneration Committee Charter and making recommendations for amendments.
- (II) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors, and managerial officers of the Company.
- (III) Periodically assessing the degree to which performance goals for the directors, and managerial officers of the Company have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards.

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

- (I) Salary management should conform to the Company’s salary concept.
- (II) Performance assessments and compensation levels of directors, and managerial officers shall take into account the general pay levels in the industry, individual performance assessment results, and the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure.
- (III) No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

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

**III. The resolutions of the Remuneration Committee and the Company's response are as follows:**

Board Meetings	Remuneration Committee Meetings	Motion Contents	Resolution of the Remuneration Committee	The Company's response to the members' opinions
16th meeting of the 3rd session 2024.02.20	11th meeting of the 1st session 2024.02.20	1. Proposal of 2023 employees' and directors' remuneration distribution 2. Proposal of 2023 Annual Manager Remuneration 3. Proposal of the Managers' Pension Management Measures	Approved by all committee members present as proposed	Approved by all directors present as proposed
17th meeting of the 3rd session 2024.04.11	12th meeting of the 1st session 2024.04.11	1. Proposal of 2023 Annual Individual Compensation Proposal for Managers 2. Proposal of 2023 Manager Employee Compensation Proposal	Approved by all committee members present as proposed	Approved by all directors present as proposed
1st meeting of the 4th session 2024.05.24	1st meeting of the 2nd session 2024.05.24	1. Elect the Convener and Chair of the 2nd term Remuneration Committee	Approved by all committee members present as proposed	Approved by all directors present as proposed
3st meeting of the 4th session 2024.10.24	2st meeting of the 2nd session 2024.10.24	1. Proposed amendments to the relevant schedules of the performance evaluation method of the board of directors and functional committees of the company 2. Submit a report to amend Article 32 of the Articles of Association 3. Submit a proposal for managers' salary adjustment in 2024	Approved by all committee members present as proposed	Approved by all directors present as proposed

**2.3.5 Composition, Responsibilities and Operations of the Nominating Committee: N/A.**

**2.3.6 Sustainable Development Implementation Status and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”**

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Whether or not the Company establishes a governance framework and sets up a dedicated (concurrent) unit that promotes sustainable development; whether or not senior management is delegated by the Board of Directors to deal with sustainable development issues and the supervision of the Board?	V		The Company designates the Finance & Accounting & Business Management & HR Division Group as the responsible unit for promoting corporate sustainable development. On September 24, 2021, the Board of Directors formulated the Company's Sustainable Development Best Practice Principles, and authorized the Chairman or his/her designee to propose and implement corporate social responsibility policies, systems or related management guidelines and specific promotion plans, and to conduct risk assessments of environmental, social or corporate governance issues related to the Company's operations in accordance with the material principles. The implementation results for year 2024 were reported to the Board of Directors on March 5, 2025, so that the Board could supervise and assist the management team in practicing the corporate social responsibility to promote sustainable performance.	No significant difference compared to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		<p>The Board of the Company has established Risk Management Policy and Procedures to regularly review the risks related to finance, laws and regulations, climate change, water and electricity resources, industrial supply chain, cyber security and occupational safety and health, so as to improve its competitiveness in the industry.</p> <p>The risk management process mainly includes risk identification, risk assessment and risk response.</p> <p>Risk identification: identifying relevant risk items according to laws and regulations, industrial standards and international development trends.</p> <p>Risk assessment: comprehensive consideration of the severity and frequency of the risk.</p> <p>Risk response: formulating control measures and response plans according to the degree of risk. The criteria for evaluating control plans generally include the effectiveness, feasibility and cost.</p>	No significant difference compared to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>3. Environmental issues</p> <p>(1) Does the Company establish proper environmental management systems based on the characteristics of their industries?</p> <p>(2) Does the Company endeavor to utilize energy resources more efficiently and use renewable materials which have low impact on the environment?</p> <p>(3) Does the Company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?</p>	V		<p>(1) 1. In compliance with relevant domestic environmental protection regulations and ISO14001 Environmental Management Systems guidelines, the Company conducted the first verification of the ISO14001:2018 Environmental Management Systems in October 2020, successfully passed the BSI verification audit, and obtained the ISO14001:2018 Environmental Management Systems certificate. Subsequently, it will accept the audit and verification by the certification body regularly every year to maintain the validity of the certificate. Passed the annual certification in August 2024, with the certificate valid until the end of August 2025.</p> <p>2. The Company holds regular Safety and Health Committee and environmental management review meeting every quarter, and continues to strive to minimize environmental impact and achieve environmentally friendly goals.</p> <p>(2) The Company has been reducing the discharge of environmental pollutants from source through machine design, technology improvement, continuous parameter adjustment and optimization, and promotion of raw material consumption reduction and recycling. For example: in 2024, the total weight of general industrial waste disposal was 9.759 metric tons, while the total weight of recycling was 3.102 metric tons. The main types of recycled waste were paper and plastic, with a total recycling rate of 31.97%; The raw material cesium iodide was operated in a circular economy. We continue to be committed to minimizing environmental impact and achieving environmentally friendly goals.</p> <p>(3) The Company has included climate change as one of its major corporate sustainability risks and has set and promoted climate action targets through the operation of the Finance &amp; Accounting &amp; Business Management &amp; HR Division Group and under the supervision of the Board of Directors, which will be reported to the Board of Directors every year.</p> <p>The Company refers to the TCFD recommended report framework, combines international trends, research literature, evaluation indicators, and industry reports, and through cross-department discussions, conducts material</p>	No significant difference compared to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Does the Company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation, carbon reduction, greenhouse gas emission reduction, water use reduction, and other waste management?	V		<p>identification at short, medium, and long-term time points to identify potential transition and physical risks and opportunities The Company divides the impact into physical and transition aspects according to each major risk for simulation. The Company has also formulated a response plan. At present, we have adopted a net-zero strategy, with the overall direction of a 25% absolute reduction in Scope 1 + Scope 2 greenhouse gas emissions by 2030. We will continue to make rolling revisions and adjustments in the future.</p> <p>The Company’s analysis of climate change risks and opportunities is disclosed in the ESG Report issued every year and the official website.</p> <p>(4)1. The Company’s greenhouse gas inventory sets 2022 as the base year. The greenhouse gas inventory description is as follows:</p> <p>(1) The greenhouse gas emissions in 2022 were 4,602.9229 metric tons of CO2e, and the sales intensity was 2.44 metric tons of CO2e/NT\$ million of revenue, mainly from indirect power emissions in Scope 2, accounting for 80.49% of the previous emissions. This was followed by emissions from electricity purchased in Scope 3, accounting for 13.95% of the previous emissions. The data covers Scope 1, Scope 2, and Scope 3 of the Company’s Taiwan plant (excluding overseas subsidiaries and offices).</p> <p>(2) The greenhouse gas emissions in 2023 were 4,627.9721 metric tons of CO2e, and the sales intensity was 2.52 metric tons of CO2e/NT\$ million of revenue, mainly from indirect power emissions in Scope 2, accounting for 79.25% of the previous emissions. This was followed by emissions from electricity purchased in Scope 3, accounting for 15.58% of the previous emissions. The data covers Scope 1, Scope 2, and Scope 3 of the Company’s Taiwan plant (excluding overseas subsidiaries and offices).</p> <p>2. Water consumption: The Company mainly uses water for product and equipment cleaning. In the future, it will continue to evaluate the increase in the use of equipment circulating water and the improvement of equipment water efficiency to save water resources. According to statistics, water consumption used in manufacturing has been very small in recent years. In</p>	

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>2024, water consumption was only 369 tons.</p> <p>3. Waste management instructions are as follows:</p> <p>(1) In order to fulfill its waste management responsibilities, the Company not only reports monthly waste storage and output status, but also conducts on-site audits of waste removal, processing and reuse manufacturers every year to ensure that waste manufacturers comply with regulations.</p> <p>(2) The Company audits manufacturer entry control, waste storage area management, operation of waste treatment equipment and pollution prevention and control facilities, on-site operation safety management and operating conditions, and determines the possibility of subsequent cooperation based on the audit results.</p> <p>(3) For the selection of new manufacturers, the Company uses the stability of financial operations, whether they have relevant licensing qualifications, and past violation records as evaluation criteria to ensure the quality of waste processors.</p> <p>(4) In 2024, the total weight of waste was 9.759 metric tons, The waste was mainly processed by qualified waste-cleaning operators.</p> <p>(5) In 2024, the total weight of waste recycling was 3.102 metric tons, all of which were general industrial waste. The types of recycling were paper and plastic, with a total recycling rate of 31.97%.</p> <p>(6) The raw material cesium iodide was operated in a circular economy in 2024. The total weight of recovered and purified cesium iodide was 8.1 tons, The purification recovery rate was 62.72%.</p>	
<p>4. Social issues</p> <p>(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	V		<p>(1) The Company formulates relevant employee codes in accordance with labor standards law, employment service law and gender work equality law, etc. to protect the rights and interests of colleagues. Committed to protecting human rights. In 2023, the policy of human rights and diversity and inclusion was proposed, supporting and respecting relevant international labor rights norms, including the Universal Declaration of Human Rights (UDHR), the United</p>	<p>No significant difference compared to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</p>

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2) Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		<p>Nations Global Compact (Global Compact), the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the International Labor Organization (ILO) and Code of Conduct - Responsible Business Alliance (RBA), following local laws and regulations and the spirit of international human rights standards, formulates human rights protection and labor-related norms, establishes a corporate culture of equal opportunities, and publishes them on the Company’s website.</p> <p>(2) The Company provides employees with work and life leave plans, festive bonuses, and group insurance. It also plans a competitive salary level. In addition to considering the external competitiveness and internal fairness of salary and benefits, it also has an overview of the Company's financial and operating conditions. The industry's annual salary adjustment strategy and personal work performance, improve the planning and execution of annual salary adjustment operations, design and issue incentive bonuses to motivate and retain outstanding talents. At the same time, in order to motivate employees to stay and create better value, we plan retention bonuses and employee stock ownership trusts to achieve a win-win goal.</p>	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		<p>(3) 1. The Company has dedicated safety and health management personnel responsible for drafting occupational safety and health management plans, promoting the identification, evaluation and control of work environment and operational safety, and other safety and health management matters. The Company has set up an Occupational Safety and Health Committee, which meets regularly every quarter to discuss occupational safety and health issues, and employees can also participate in the discussion of occupational safety and health issues through labor representatives, so that the implementation of occupational safety and health policies can most fit for the needs of employees on site, thus achieving the purpose of safety and health of all employees.</p> <p>2. The Company has passed the ISO45001 and TOSHMS certifications and obtained certificates in 2020. It continued to undergo annual verification</p>	

Implementation Item	Implementation Status		Abstract Explanation	Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
(4) Does the Company provide its employees with career development and training sessions?	V		<p>and audit qualifications in August 2024 to maintain the validity of the certificate, which remains valid until the end of August 2025.</p> <p>3. The Company pursues the vision of zero occupational hazards and is committed to ensuring that the working environment meets safety standards and that personnel are not harmed at work, implementing the Company’s commitment to building a safe and healthy workplace and aligning with the United Nations’ sustainable development goals. In 2024, the frequency of disabling injuries and the severity of disabling injuries were zero, achieving the goal of zero occupational accidents in the same year.</p> <p>4. The Company did not experience any fires in 2024, so there is no relevant casualty data and fire improvement response measures.</p> <p>(4) Based on the “medical device regulatory requirements” and the “cognition education” thought, the Company plans a sound certification development framework, and vertically promote relevant courses with professional and management function certifications as the cornerstone, and then promote various departmental trainings horizontally. In accordance with the Company’s operational strategy, we also provide internal/external training channels to enhance the professional knowledge and skills of our employees and achieve the Company’s goals and diversified education and training paths required. It promotes personal career and company growth, achieving mutual prosperity and win-win. This systematic training mechanism enables employees to develop their talents and achieve continuous growth.</p>	
(5) Does the Company comply with relevant regulations and international standards in customer health and safety, customer privacy, and marketing and labeling its goods and services etc., and has it established consumer rights protection policies and complaint procedures?	V		<p>(5) The Company has established operating principles that are customer-oriented and through means of telephone calls, email exchanges and face-to-face meetings, we are able to have solid grasp of customers’ needs so as to formulate improvement strategies to respond to customers in a timely manner. The Company has also established customer service related procedures to ensure that all customer needs can be properly responded to.</p>	
(6) Does the Company have a supplier	V		<p>(6) The Company has established a Supplier Code of Conduct Statement, which</p>	

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?			requires suppliers to comply with the Code in all business activities, including labor, health and safety, environment, business ethics and management system, and to fully comply with the laws and regulations of the countries/regions where they operate. In addition, the Company will conduct regular audits, and the audit results are an important factor for the Company to make decisions.	
5. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company, such as ESG reports? Do the reports above obtain assurance from a third party verification unit?		V	The Company collaborates with the competent authorities to promote the policy of “Corporate Governance 3.0 - A Blueprint for Sustainable Development” to collect information and preparing the 2023 Sustainability Report. The report exceeds regulatory requirements but has not yet been confirmed by a third-party assurance unit.	
<p>6. If the Company has established the Sustainable Development Best Practice Principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation:</p> <p>The Company has established the Sustainable Development Best Practice Principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, and its related operations are disclosed on the Company's website and the Market Observation Post System. All employees and affiliates of the Company are required to comply with these regulations, which have no significant difference compared to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>				
<p>7. Other important information to facilitate better understanding of the Company’s sustainable development implementation:</p> <p>In order to fulfill our corporate social responsibility and to realize the positive corporate value to the environment and the people, we continue to participate in social welfare activities. We have extended the “Early Lung Cancer Screening - X-Ray Universal Screening Tour Bus Program for Remote Townships” in 2023, and once again cooperated with the Imaging Center of the National Cheng Kung University Hospital and Tainan Fucheng Chest Disease Society in the “Free X-Ray Early Screening Tour Bus for Lung Cancer”, as well as participated in the “Fucheng 400 Tainan City Friends Year-end Prayer Dinner” organized by the Tainan City Government, the Tsz Lian Social Welfare foundation, and the Taiwan Guan Gong Temple Volunteer Association in North District Heshun Vil. Activity Center; in March, we participated in the “Chiayi Chukou Environmental Education Activity”; in April, we joined with the Yi-Meng Biotech International to arrange for a digital X-ray tour bus to participate in the national sangha health examination and voluntary clinics in Cheng Chueh Meditation Center, Puli, Nantou; and in November, we participated in an edutainment public welfare activity, “How-Mei, Chiayi Coastal Forest Sand-fixed Hedge and Cleanup”. The Company will continue to use its core products and technologies with mobile X-ray vehicles to promote early screening for lung cancer and continue to contribute to the promotion of public health.</p>				

## 2.3.7 The Company's Climate-Related Information

### I. Implementation of Climate-Related Information

Item	Implementation Status
1. Describe Board of Directors and management oversight and governance of climate-related risks and opportunities.	1. The Company has risk management policies and procedures, and the Board of Directors approves overall risk management policies and major decisions. In 2025, the Company's dedicated organization for promoting corporate sustainable development is expected to report climate risks and opportunities to the Board of Directors, collaborating on the review of relevant sustainability vision goals and results to adjust them on a rolling basis depending on the situation.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	2. The Company refers to the TCFD recommended report framework, combines international trends, research literature, evaluation indicators, and industry reports, and through cross-department discussions, conducts material identification at short, medium, and long-term time points to identify potential transition and physical risks and opportunities. In order to minimize the risk, we keep track of the response strategies and response situation of each working group, and develop response plans when major decisions related to climate are required.
3. Describe the financial impact of extreme climate events and transition actions.	3. The Company's Finance & Accounting & Business Management & HR Division Group summarizes the annual climate strategy results and climate risks and opportunities, and reports to the Board of Directors regularly every year, in conjunction with the review of relevant sustainability vision goals and results, and makes adjustments on a rolling basis as appropriate; tracks the response strategies and situations of each working group, and develops response plans when major decisions related to climate are required.
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	4. The Company's risk management policies and procedures are based on the principle of three lines of defense. The business execution unit is responsible for identifying and controlling risks; the risk management unit ensures compliance with laws and mastery of risk management objectives; the audit office independently audits the business to ensure the effective operation of the internal control system.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described.	5. In order to effectively respond to climate impacts and face future uncertainties, climate scenario analysis is adopted to reflect the possible effect of physical impact under various scenarios. With reference to the Sixth Assessment Report (AR6) published by IPCC in 2021, the Company adopted the Representative Concentration Pathway (RCP) and Shared Socioeconomic Pathways (SSP) to conduct matrix combination simulations at different time scales, and used data from external database to analyze and simulate various scenarios, such as Optimism (OPT) and Pessimistic (PES), i.e. Worst-Case scenarios.
6. If there is a transition plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	6. The Company has not yet formulated a transition plan to respond to climate change, and will discuss whether to formulate it based on the results of the risk analysis.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	7. The Company has not yet adopted internal carbon pricing as a planning tool and will continue to evaluate its introduction.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the	8. The Company voluntarily conducts greenhouse gas inventory in advance, setting 2021 as the base year, and continues to conduct greenhouse gas inventory from 2022 to 2023. The scope of the greenhouse gas emission inventory covers Scope 1 to Scope 3, all of which are verified and confirmed by third-party organizations. We have obtained verification statements.

Item	Implementation Status
source and quantity of carbon credits or RECs to be offset should be specified.	
9. Greenhouse gas inventory and assurance status, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).	9. Fill in 1-1 and 1-2 separately.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
<ol style="list-style-type: none"> <li data-bbox="190 509 2051 627">1. The Company's greenhouse gas emissions in 2022 were 4,602.9229 metric tons of CO2e, and the sales intensity was 2.44 metric tons of CO2e/NT\$ million of revenue, mainly from indirect power emissions in Scope 2, accounting for 80.49% of the previous emissions. This was followed by emissions from electricity purchased in Scope 3, accounting for 13.95% of the previous emissions. The data covers Scope 1, Scope 2, and Scope 3 of the Company's Taiwan plant (excluding overseas subsidiaries and offices).</li> <li data-bbox="190 632 2051 745">2. The Company's greenhouse gas emissions in 2022 were 4,627.9721 metric tons of CO2e, and the sales intensity was 2.52 metric tons of CO2e/NT\$ million of revenue, mainly from indirect power emissions in Scope 2, accounting for 79.14% of the previous emissions. This was followed by emissions from electricity purchased in Scope 3, accounting for 15.58% of the previous emissions. The data covers Scope 1, Scope 2, and Scope 3 of the Company's Taiwan plant (excluding overseas subsidiaries and offices).</li> </ol>

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
<ol style="list-style-type: none"> <li data-bbox="190 885 2051 970">1. The Company's 2022 assurance date was May 3, 2023. The scope of the assurance covered the Company's Taiwan plant (excluding overseas subsidiaries and offices) for Scope 1, Scope 2 and Scope 3. The assurance organization was DNV GL Business Assurance Co., Ltd. (DNV), and the assurance standard was ISO14064-1:2018. The assurance statement's opinion showed that greenhouse gas emissions were real, transparent and measurable. Complete assurance information will be disclosed on MOPS.</li> <li data-bbox="190 975 2051 1059">2. The Company's 2023 assurance date was April 15, 2024. The scope of the assurance covered the Company's Taiwan plant (excluding overseas subsidiaries and offices) for Scope 1, Scope 2 and Scope 3. The assurance organization was DNV GL Business Assurance Co., Ltd. (DNV), and the assurance standard was ISO14064-1:2018. The assurance statement's opinion showed that greenhouse gas emissions were real, transparent and measurable. Complete assurance information will be disclosed on MOPS.</li> </ol>

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Greenhouse gas reduction base year and its data, reduction goals, strategies, specific action plans and achievement of reduction goals.
<ol style="list-style-type: none"> <li data-bbox="190 1181 2051 1233">1. In accordance with the timetable stipulated in Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies and the Sustainable Development Roadmap, the Company has no specific reduction data in 2024.</li> <li data-bbox="190 1238 2051 1291">2. In 2025 greenhouse gas reduction strategy and specific actions and reduction target planning, the Company will evaluate and implement the ISO 50001 energy management system and identify the Company's major power sources as a reference for formulating specific action plans and goals in the future.</li> </ol>

**2.3.8 Ethical Corporate Management Implementation Status and Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”**

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the Company establish an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?</p>	V		(1) The Company’s Board of Directors has resolved to formulate the “Ethical Corporate Management Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Codes of Ethical Conduct for Directors and Managerial Officers” to explicitly stipulate the policies and practices of integrity management. Various internal regulations and external documents, such as employee code of conduct, supplier corporate social responsibility code of conduct, and operating standards, explicitly stipulate the policies and practices of integrity management, and strictly require employees of the Company to fulfill the Company’s integrity policy. At the same time, the Company’s annual report and official website and other documents also detail the Company’s integrity management policy and the Board of Directors and management’s commitment to actively implement the situation.	No significant difference compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
<p>(2) Does the Company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	V		(2) In order to prevent dishonesty, the Company has strengthened relevant prevention measures in regulations and external documents for business activities with a high risk of dishonesty. In addition, the Company requires all employees to understand the aforementioned specifications in detail, and publish the specifications on the Company’s official website and internal website for internal and external personnel to consult at any time. The Company continues to use regular education and training and diversified publicity methods to make employees clearly aware of the norms they should abide by, thereby reducing the occurrence of dishonest behavior.	
<p>(3) Does the Company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?</p>	V		(3) In order to prevent dishonesty, the Company requires suppliers, contractors or other partners to make written integrity commitments, such as not to engage in any illegal business practices and not to offer improper benefits or bribes to InnoCare employees. In case of severe dishonesty, in addition to terminating or canceling the contract at any time, the Company will report to the judicial authorities in case of gross violation. The Company has	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			established the “Ethical Corporate Management Principles”, which specifies the operating procedures, behavior guidelines, violation punishments and complaint systems, and implemented the Code. When the regulations are amended, the Company will review whether the “Ethical Corporate Management Principles” needs to be amended when the Board of Directors presents the annual report on the implementation of corporate integrity management.	
2.Fulfill operations integrity policy				
(1)Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		(1)The Company requires global suppliers to comply with the supplier's code of social responsibility for corporate behavior and sign a manufacturer's commitment to jointly practice the Company’s corporate culture of integrity management. In addition, the Company continues to conduct policy communications to suppliers and customers to communicate the Company’s integrity management culture to suppliers and customers, and to understand whether any misconduct has occurred.	No significant difference compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(2) Does the Company establish a dedicated unit under the Board of Directors to promote ethical corporate management, and periodically (at least once a year) report to the Board of Directors and supervise the implementation of the ethical corporate management policy and unethical conduct prevention plan?	V		(2)The Company is led by the Finance & Accounting & Business Management Division as a responsible unit. It continues to promote various integrity management plans in accordance with company policies, and promotes integrity and honesty matters. The Company will report the integrity management policies, prevention of dishonesty behavior plans, supervision, and implementation situation to the Board of Directors every year, and the integrity management implementation situation in 2024 has been reported to the Board of Directors on March 5, 2025. In the event of a breach of integrity and honesty, the Company will impose disciplinary punishment against the violator.	
(3)Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3)The Company has set out the relevant codes of conduct for the prevention of conflicts of interest in the Codes of Ethical Conduct for Directors and Managerial Officers and employee code of conduct for Directors and managers. All colleagues are required to voluntarily declare and avoid any conflict of interest. In order to implement the policy, the Company also requires employees to fill out an annual questionnaire survey to voluntarily report any conflicts of interest.	
(4) Does the Company have effective accounting system and internal control systems set up to facilitate ethical	V		(4)The Company establishes a complete and effective accounting system and internal control system to ensure the continuous design and implementation of the system. In addition to regular audits by the internal auditing unit of	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>corporate management, does the internal auditing unit formulate audit plans based on unethical conduct risk assessment results, and does it audit compliance with the unethical conduct prevention plan or commission a CPA to perform the audit?</p> <p>(5) Does the Company regularly hold internal and external educational trainings on operational integrity?</p>	V		<p>the Company and its compliance with the anti-corruption measures formulated in accordance with the risk assessment results within the Company, there is also Deloitte &amp; Touche to regularly audit the financial statements for the Company.</p> <p>(5) Education and training are the most important part of the Company’s implementation of the integrity policy. The Company continues to strengthen the compliance awareness of colleagues through the integrity management education and training courses, and at the same time uses the official website to continue to promote integrity management standards. The Company also conducts regular internal education and training on anti-corruption policies. In addition, in order to ensure that suppliers follow the Company’s integrity management policy, the Company also requires suppliers to sign and abide by the manufacturer’s commitment letter.</p>	
<p>3. The operation of the Company's whistleblowing system</p> <p>(1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the Company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation?</p> <p>(3) Does the Company provide proper whistleblower protection?</p>	V		<p>(1) The Company set up a report mailbox (speak-up@innocare-x.com) to provide whistleblowing channels, reception procedures and other information for internal and external personnel at any time to use. In addition, this reporting channel information is disclosed in the Company’s internal advocacy posters and the commitment letter that suppliers should sign, so that internal and external people are informed and make full use of the whistleblowing channels to report.</p> <p>(2) For investigations of reported cases, the Company conducts investigations in a confidential and rigorous manner. After the investigation of the reported cases is completed, the Company takes follow-up measures according to the severity of the internal rules. If criminal responsibility is involved, it will be transferred to the judicial office for investigation.</p> <p>(3) The Company strictly prohibits any form of retaliation. In order to protect the whistleblower, the Company clearly stated in the internal code that the Company will protect the whistleblower from any retaliation caused by the report, and prohibits colleagues from taking any retaliation measures. In the course of the investigation, the investigation team did abide by the relevant</p>	No significant difference compared to the Ethical Corporate Management Best Practice Principles for TWSE /TPEX Listed Companies

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			provisions of the confidentiality of the informant’s identity and anonymous reporting, strictly abided by the standard operating procedures for the investigation of the report, and related confidentiality mechanisms, to protect the confidentiality of the informant’s identity, so that the informant would not suffer from the report improper disposal.	
4.Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	V		The Company discloses the Ethical Corporate Management Principles on the Company’s official website and MOPS for inquiry at any time. The annual report of the shareholder's meeting also discloses in detail the contents of the Ethical Corporate Management Principles and the promotion results.	No significant difference compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. The Company has enacted Ethical Corporate Management Principles in accordance with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and disclosed on the official website and MOPS. All of the Company’s colleagues and affiliates are required to comply with these provisions, there is not conformity with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.				
6. Other important information to facilitate a better understanding of the ethical corporate management operation of the Company (e.g., review and amend its policies.): (1)Strictly abide by the business conduct regulations and other relevant regulations for listing companies as the basis for the implementation of integrity management, and continue to identify and update the regulations to ensure the implementation of the regulations. (2)The Company continues to conduct business ethics regulatory risk assessments every year, and implements the Company’s business ethics risk management through the internal control system.				

### 2.3.9 Other Important Information Regarding Corporate Governance

1. The Company has established the Procedures for Handling Material Inside Information and Preventing Insider Trading that clearly regulates the handling and disclosure of important internal information. Relevant procedures are regularly reviewed to meet the current laws and regulations and the practical management needs, and internal announcements have been made in the Company along with relevant trainings for all employees.
2. In order to strengthen our competitive edge, the Company continues to combine operational objectives and R&D resources to formulate intellectual property strategies and to implement intellectual property deployment and protection measures. In particular, we have established tactic deployment strategies for intellectual property management (including patent education and training, proposed evaluation mechanism, incentive system, post-approval evaluation, and patent revitalization strategy), and have also established a patent management system to create a comprehensive patent control framework to strengthen the control, utilization, and deployment of patents. As of printed date of annual report, the Company has an aggregate of approximately 64 patents worldwide. In addition, for trademarks, copyrights, and trade secrets, the Company continues to actively perform trademark examination and arrangement in accordance with the relevant management regulations. As of printed date of annual report, the Company has obtained 33 registered trademarks worldwide. In addition, we control trade secrets and copyrights through strict security measures, and further extend the protection of all intellectual property to effectively control and integrate the superior resources of intellectual property, strengthen the Company's competitiveness, and ensure the competitive advantage. The implementation of the Company's 2024 intellectual property management plan was reported to the Board of Directors on March 5, 2025.
3. Status of Directors' participation in corporate governance related courses and trainings in 2024:

Title	Name	Date	Sponsoring Organization	Course	Hours
Chairman	Chu-Hsiang Yang	2024.07.30	Corporate Operating and Sustainable Development Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.09.30	TWSE	Taiwan Capital Market Summit	3
		2024.10.29	Corporate Operating and Sustainable Development Association	ESG related legal issue for the Board of directors	3
Director	Tien-Jen Lin	2024.07.30	Corporate Operating and Sustainable Development Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.10.29	Corporate Operating and Sustainable Development Association	ESG related legal issue for the Board of directors	3
Director	Jyh-Chau Wang	2024.07.30	Corporate Operating and Sustainable Development Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.08.13	Taiwan Corporate Governance Association	Duties and responsibilities of companies and directors under tax laws and securities exchange laws	3
		2024.10.29	Corporate Operating and Sustainable Development Association	ESG related legal issue for the Board of directors	3
Director	Chao-Hua Lee	2024.07.30	Corporate Operating and Sustainable Development Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.09.06	Taiwan Corporate Governance Association	2024 Prevention of Insider Trading Promotion Conference	3

Title	Name	Date	Sponsoring Organization	Course	Hours
		2024.10.29	Corporate Operating and Sustainable Development Association	ESG related legal issue for the Board of directors	3
		2024.11.22	Taiwan Corporate Governance Association	2024 Insider Equity Trading Legal Compliance Seminar	3
Independent Director	Hung-Chi Lee	2024.07.30	Corporate Operating and Sustainable Development Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.10.29	Corporate Operating and Sustainable Development Association	ESG related legal issue for the Board of directors	3
Independent Director	Chi-Tsung Huang	2024.07.30	Corporate Operating and Sustainable Development Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.10.29	Corporate Operating and Sustainable Development Association	ESG related legal issue for the Board of directors	3
Independent Director	Yi-Hung Chou	2024.07.30	Corporate Operating and Sustainable Development Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.10.29	Corporate Operating and Sustainable Development Association	ESG related legal issue for the Board of directors	3

4. Status of managerial officers participating in corporate governance related courses and trainings in 2024:

Title	Name	Date	Sponsoring Organization	Course	Hours
President	Chih-Sheng Lee	2024.07.30	Corporate Operating and Sustainable development Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.10.29	Corporate Operating and Sustainable development Association	ESG related legal issue for the Board of directors	3
Corporate Governance Officer	Chien-Lang Lo	2024.07.30	Corporate Operating and Sustainable development Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.10.04	Taiwan Corporate Governance Association	2024 Prevention of Insider Trading Promotion Conference	3
		2024.10.29	Corporate Operating and Sustainable development Association	ESG related legal issue for the Board of directors	3
		2024.11.19	Taiwan Corporate Governance Association	Sustainable Development Committee and Sustainable Development Seminar	3
		2024.11.24	Taiwan Corporate Governance Association	2024 Insider Equity Trading Legal Compliance Seminar	3
Division Director	Tun-Jen Cheng Ming-Hsien Sun Fujisawa Yoshinori	2024.07.30	Corporate Operating and Sustainable development Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.10.29	Corporate Operating and Sustainable development Association	ESG related legal issue for the Board of directors	3

Title	Name	Date	Sponsoring Organization	Course	Hours
Plant Director	Yi-Chien Li	2024.07.30	Corporate Operating and Sustainable evelopment Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.10.29	Corporate Operating and Sustainable evelopment Association	ESG related legal issue for the Board of directors	3
Financial Officer Accounting Officer	Chung-Wei Huang	2024.07.30	Corporate Operating and Sustainable evelopment Association	Impacts of U.S. Export Control on Corporate Operations and Risk Management	3
		2024.10.29	Corporate Operating and Sustainable evelopment Association	ESG related legal issue for the Board of directors	3

#### 5. Succession planning and operation of Board members and important management members

The Company implements the diversification policy of Board members in accordance with the Corporate Governance Principles. There are currently 7 directors (including 3 independent directors), all of whom have industry knowledge and international market views, and are good at leadership, operational judgment, operation management, crisis management and other professional capabilities.

In the future, the current composition of the Board and the experience background of Board members will be continued. The annual “Board Performance Evaluation Results” will be used as a reference for the nomination of directors for renewal.

Regarding the succession plan of the Board of Directors, in addition to considering diversity, the Company will focus on gender equality and possession of the knowledge, skills and literacy necessary for performing duties.

The Company adheres to embracing change and leading the market demand, with the three main directions of “cultivating innovation and arranging succession”, “deploying the leadership team” and “deepening the depth of positions”. In addition to excellent work ability, the successors should also have the values consistent with those of the Company.

The Company firmly believes that excellent talent is the key cornerstone of sustainable business operations, and accordingly builds a complete management succession team, with “cultivating innovation and arranging succession”, “deploying the leadership team” and “deepening the depth of positions” as the three strategic directions. We attach importance to the outstanding performance of our successors in terms of professional competence, and the agreement of their values with the Company’s development vision.

In order to ensure the implementation of the succession plan, the Company establishes a customized personal development plan for the successor candidates based on the future operation and development needs and talent potential assessment. The overall cultivation mechanism is divided into three stages: cultivation and training, proxy observation, and formal succession. In the process of cultivation, we adopt multiple development paths, including systematic professional courses and action learning, assignment of important projects and management authorization practice, cross-departmental posting and rotation training. At the same time, we ensure the competency of our successors through a rigorous performance evaluation system and regular reviews by the Senior Talent Review Board.

In order to strengthen the international perspective and management depth of the succession team, the Company also encourages senior executives and talents with development potential to pursue further studies at top international universities to continuously enhance their knowledge and ability of corporate management in order to cope with the challenges and opportunities of the global market.

### 2.3.10 Internal Control System

#### 1. Statement of internal control system

Please go to the Public Information Observation Station (<https://mops.twse.com.tw>) and click on "Single Company" under "Corporate Governance" and "Company Regulations/Internal Control" and click on the internal control statement announcement for query.

#### 2. Hire an accountant to audit the Company's internal control system and disclose the audit report made by accountants: None.

### 2.3.11 Major Resolutions of Shareholders' Meeting and Board Meetings

#### 1. Important resolutions and implementation made by the 2024 Shareholders' Meeting as of the printed date of annual report

##### (1) Recognition of 2023 Business Report and Financial Statements

Status of execution: The voting result, the weight of approval was in accordance with the statutory requirements.

Implementation Status: The relevant forms have been submitted to the competent authority for reference and announcement in accordance with the Company Act and other relevant laws and regulations.

##### (2) Recognition of 2023 Earnings Distribution Table

Status of execution: The voting result, the weight of approval was in accordance with the statutory requirements.

Implementation Status: The Ex-dividend record date was set on June 18, 2024, and payment date of cash dividend distribution was on July 16, 2024. The distribution of cash is NT\$ 1.1 per share.

##### (3) Amendment to the Articles of Incorporation

Status of execution: The voting result, the weight of approval was in accordance with the statutory requirements.

Implementation Status: It has been registered with the competent authority in accordance with the Company Act and other relevant laws and regulations.

##### (4) Amendment to the Rules of Shareholders Meeting

Status of execution: The voting result, the weight of approval was in accordance with the statutory requirements.

Implementation Status: The Company uploaded to the MOPS and disclosed on the Company website on June 6, 2024, and matters were handled in accordance with the amended procedures.

##### (5) Overall Re-election of Directors

After voting, seven directors (including three independent directors) were elected for the Fourth Board of Directors.

Implementation Status: The elected directors are: Chu-Hsiang Yang, representative of Innolux Corporation; Tien-Jen Lin, representative of Innolux Corporation; Jyh-Chau Wang; Chao-Hua Lee; Hung-Chi Li (independent director); Chi-Tsung Huang (independent director); and Yi-Hung Chou (independent director). The term of office is from June 1, 2024 to May 31, 2027. The change of registration was approved by Southern Taiwan Science Park Bureau, NSTC on June 13, 2024.

##### (6) Exemption of non-competition restrictions on the new directors of the Company

Status of execution: The voting result, the weight of approval was in accordance with the statutory requirements.

Implementation Status: resolved to approve the proposal to lift the restrictions on the non-competition of the new directors.

2. Major resolutions by the Board Meetings for 2024 as of the printed date of annual report

Date	Major Resolutions
16th meeting of the 3rd session 2024.02.20	<ol style="list-style-type: none"> <li>1. Proposal of 2023 Allocation on Directors and Employees Remuneration Distribution</li> <li>2. 2023 Business Report and Financial Statements of the Company</li> <li>3. The appointment, remuneration, and assessment of the independence and competency of CPAs</li> <li>4. The Company's Business Plan in 2024</li> <li>5. The Company's Annual Budget in 2024</li> <li>6. Amendment to the Rules of Shareholders' Meeting</li> <li>7. Proposal to overall re-election of Directors</li> <li>8. Proposal to convene 2024 Annual Shareholders' Meeting</li> <li>9. Proposal of the Company's 2023 Internal Control System Statement</li> <li>10. Amendments to the Audit Committee Charter and Rules for Board of Directors Meetings</li> <li>11. Proposal for setting the record date for the issuance of new shares for execution of employee stock options of the Company for the fourth quarter of 2023</li> <li>12. Proposal for executing loan agreements with financial institutions</li> <li>13. Proposal of the managerial officers' pension management measures</li> <li>14. Proposal of the Company's proposed Employee Stock Ownership Plans</li> <li>15. Proposal for the remuneration of managerial officers in 2023</li> </ol>
17th meeting of the 3rd session 2024.04.11	<ol style="list-style-type: none"> <li>1. Proposal for the 2023 Earnings Distribution Table</li> <li>2. Amendment to the Articles of Incorporation</li> <li>3. List of candidates nominated by shareholders' accepted at the 2024 Annual Shareholders' Meeting of the Company</li> <li>4. Exemption of non-competition restrictions on the directors and its representatives of the Company</li> <li>5. Proposal to convene 2024 Annual Shareholders' Meeting (adding discussion motions)</li> <li>6. Acquisition of Right-of-Use Asset -Buildings from related party for business use</li> <li>7. Review the financial statements for the first quarter of 2024</li> <li>8. Proposal for investment in the establishment of an Indian subsidiary by the Company</li> <li>9. Proposal for setting the record date for the issuance of new shares for execution of employee stock options for the first quarter of 2024</li> <li>10. Proposal for the individual remuneration of managerial officers of the Company in 2023</li> <li>11. Proposal for managerial employees remuneration in 2023</li> </ol>
1st meeting of the 4th session 2024.05.24	<ol style="list-style-type: none"> <li>1. Proposal for Chairman election</li> <li>2. Proposal for appointment of the members of Company's Second Remuneration Committee</li> </ol>
2nd meeting of the 4th session 2024.07.25	<ol style="list-style-type: none"> <li>1. Review the financial statements for the second quarter of 2024</li> <li>2. Proposal of the capital expenditures correction report of the Company in 2024</li> <li>3. Prepare and compile business report for 2023</li> <li>4. Proposal for setting the record date for the issuance of new shares for execution of employee stock options for the second quarter of 2024</li> </ol>
3rd meeting of the 4th session 2024.10.24	<ol style="list-style-type: none"> <li>1. Proposal for classifying the past due accounts receivable of the Company in Q3 2024 as not loan of funds</li> <li>2. Review the financial statements for the third quarter of 2024</li> <li>3. Amendments to some clauses of the Company's internal control system</li> <li>4. Proposal of 2025 Audit plan</li> <li>5. Proposal for amending the relevant appendices of the performance evaluation method for the Board of Directors and functional committees of the Company</li> <li>6. Proposal for setting the record date for the issuance of new shares for execution of employee stock options for the third quarter of 2024</li> <li>7. Proposal for executing loan agreements with financial institutions</li> <li>8. Amendment to the Articles of Incorporation</li> <li>9. Proposal for the adjustment to the remuneration of managerial officers of the Company in 2024</li> </ol>

**2.3.12 Documented opinions or declarations made by directors or supervisors against board resolutions in the most recent year, up until the publication date of annual report: None.**

## 2.4 Disclosure of CPA Fees

### 2.4.1 Fee Information

Amount Unit: NT\$ thousand

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Remarks
Deloitte & Touche	Ya-Ling Wong	2024.01.01-	3,500	2,581	6,081	-
	Chih-Ming Shao	2024.12.31				

1. Replaced the accounting firm and the audit fee paid to the new accounting firm was less than the payment of the previous year: None.
2. Audit fee reduced more than 10% year over year, required to disclose the reduced amount, proportion, and reason: None.

**2.4.2 The professional fees for auditing services referred means the professional fees paid by the Company to a certified public accountant for auditing, review, and secondary reviews of financial reports, financial forecast reviews, and tax certification.**

### 2.5 Replacement of CPA: None.

**2.6 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 accounting firm of its CPA or at an affiliated enterprise: None.**

### 2.7 Changes in Shareholding of Directors, Managerial Officers and Major Shareholders

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

For equity changes, please go to the Public Information Observation Station (<https://mops.twse.com.tw>) and click on "Equity Changes/Securities Issuance" under "Single Company", "Equity Transfer Information Inquiry", and click on "Post-Insider Shareholding Change Report Form" to query.

#### 2.7.2 Where the counterpart of the equity transfer is a related party :

In the most recent year (2024) and as of the date of publication of the annual report, the Company's directors, managerial officers and shareholders holding more than 10% of the shares have not had any equity transfers to the Company's related parties.

#### 2.7.3 Where the counterpart of the equity pledge is a related party :

In the most recent year (2024) and as of the date of publication of the annual report, the Company's directors, managerial officers and shareholders holding more than 10% of the shares have not had any equity pledges to the Company's related parties.

## 2.8 Relationship among the Top 10 shareholders

Name	Shares held		Shareholdings of spouse and underage children		Shares held through nominees		Familial relationships between top 10 shareholders who are either related parties, spouses, or relatives within the second degree of kinship, his/her/its title (or name) and relationships		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationships	
Innolux Corporation	20,200,000	48.63%	—	—	—	—	Jin Yang Hung	Chairman	—
Representative: Jin Yang Hung	370,600	0.89%	—	—	—	—	Innolux Corporation	Chairman	—
Yuanta Bank in Custody for Trust Property Account	1,611,518	3.88%	—	—	—	—	—	—	—
CDIB-Innolux L.P	1,000,000	2.41%	—	—	—	—	Innolux Corporation	Subsidiary under the equity method	—
ABICO Asia Excelsior Partners L.P.	650,000	1.57%	—	—	—	—	—	—	—
Chu Hsiang Yang	396,138	0.95%	—	—	—	—	Innolux Corporation	Director & President	—
Jin Yang Hung	370,600	0.89%	—	—	—	—	Innolux Corporation	Chairman	—
Hefeng United Co., Ltd.	350,000	0.84%	—	—	—	—	—	—	—
Representative: Hui-Chen SU	—	—	—	—	—	—	—	—	—
Taipei Fubon Commercial Bank is entrusted with the Ruisheng Optoelectronics Trust Property Account	235,733	0.57%	—	—	—	—	—	—	—
Chih-Sheng Lee	220,203	0.53%	—	—	—	—	—	—	—
Cheng-An Huang	219,000	0.53%	—	—	—	—	—	—	—

## 2.9 The total number of shares and total equity stake held in any single enterprise by the Company, its Directors, Managerial Officers, and any companies controlled either directly or indirectly by the Company

Unit: Shares; December 31, 2024

Investee Enterprises	Investment by the Company		Investment by the Directors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total Investment	
	Shares	%	Shares	%	Shares	%
InnoCare Optoelectronics Europe B.V.	500	100.00	—	—	500	100.00
InnoCare Optoelectronics Japan Co., Ltd.	30,010	100.00	—	—	30,010	100.00
InnoCare Optoelectronics USA, INC.	900,000	100.00	—	—	900,000	100.00
Ningbo Innolux Electronics Ltd.	Note 2	100.00	—	—	Note 2	100.00

Note 1: This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

Note 2: It is a limited company, so no information on the number of shares is available.

## III. Capital Overview

### 3.1 Capital and Shares

#### 3.1.1 Capital and Shares

March 22, 2025; Unit: Shares

Share Type	Authorized Capital			Remarks
	Outstanding Shares	Un-issued Shares	Total	
Common Shares	41,531,650	8,468,350	50,000,000	

#### 3.1.2 Source of Capital

Unit: Shares thousand; NT\$ thousand

Year/ Month	Issue price (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital increase by assets other than cash	Others
2019.04	10	20,000	200,000	20,000	200,000	Establishment	None	2019.04.02 Nan-Shang-Zih No. 1080008497
2021.05	-	45,000	450,000	31,000	310,000	11,000 thousand shares from capital increase through capitalization of retained earnings	None	2021.05.31 Nan-Shang-Zih No. 1100015621
2021.08	14.5	45,000	450,000	34,985	349,845	3,984 thousand new shares issued upon the exercise of employee stock options	None	2021.08.02 Nan-Shang-Zih No. 1100021997
2021.11	-	50,000	500,000	34,985	349,845	Authorized capital increased by amendment of Articles of Incorporation	None	2021.11.10 Nan-Shang-Zih No. 1100032627
2022.11	14.5	50,000	500,000	35,782	357,820	797 thousand new shares issued upon the exercise of employee stock options	None	2022.11.11 Nan-Shang-Zih No. 1110033395
2023.03	14.5	50,000	500,000	35,785	357,850	3 thousand new shares issued upon the exercise of employee stock options	None	2023.03.03 Nan-Shang-Zih No. 1120005634
2023.04	70	50,000	500,000	39,385	393,850	3,600 thousand new shares from capital increase by cash	None	2023.04.12 Nan-Shang-Zih No. 1120009727
2023.05	14.5	50,000	500,000	39,387	393,870	2 thousand new shares issued upon the exercise of employee stock options	None	2023.05.03 Nan-Shang-Zih No. 1120011951
2023.11	14.5	50,000	500,000	40,229	402,290	841 thousand new shares issued upon the exercise of employee stock options	None	2023.11.13 Nan-Shang-Zih No. 110032434
2024.03	14.5	50,000	500,000	40,236	402,360	7 thousand new shares issued upon the exercise of employee stock options	None	2024.03.11 Nan-Shang-Zih No. 1130006912
2024.04	14.5	50,000	500,000	40,267	402,670	31 thousand new shares issued upon the exercise of employee stock options	None	2024.04.30 Nan-Shang-Zih No. 1130012782
2024.08	14.28	50,000	500,000	40,269	402,690	2 thousand new shares issued upon the exercise of employee stock options	None	2024.08.16 Nan-Shang-Zih No. 1130025351
2024.11	14.28	50,000	500,000	41,502	415,020	1,233 thousand new shares issued upon the exercise of employee stock options	None	2024.11.12 Nan-Shang-Zih No. 1130036274
2025.03	14.28	50,000	500,000	41,504	415,040	2 thousand new shares issued upon the exercise of employee stock options	None	2025.03.27 Nan-Shang-Zih No. 1140009705

#### 3.1.3 Information for Shelf Registration: None.

### 3.1.4 List of Major Shareholders (Top 10 shareholders who own the most shares)

March 22, 2025; Unit: Shares

Name of Shareholders	Number of Share Held	Percentage
Innolux Corporation	20,200,000	48.63%
Yuanta Bank in Custody for Trust Property Account	1,611,518	3.88%
CDIB-Innolux L.P	1,000,000	2.41%
ABICO Asia Excelsior Partners L.P.	650,000	1.57%
Chu-Hsiang Yang	396,138	0.95%
Jin-Yang Hung	370,600	0.89%
Hefeng United Co., Ltd.	350,000	0.84%
Taipei Fubon Commercial Bank is entrusted with the Ruisheng Optoelectronics Trust Property Account	235,733	0.57%
Chih-Sheng Lee	220,203	0.53%
Cheng-An Huang	219,000	0.53%

### 3.1.5 Dividend Policy and Implementation Status

#### 1. Dividend Policy

In cases of earnings upon annual general settlement, the Company shall set them aside to pay for taxes and to recover accumulated losses and then set aside 10% to be the legal reserve unless the legal reserve has reached the capital size. Provision or reversal of special reserve may be done if necessary and as required by law. For earnings that remain, if any, the Board of Directors shall prepare the proposal on distribution of the earnings and those yet to be distributed at the start of the term and the distribution will be resolved by the shareholders' meeting.

The Company shall set aside to special reserve, from prior period's undistributed earnings, an amount equal to net deductions from other equity. If the amount is not sufficient, the Company should further set aside from the current period's net profits plus other items to be included in the current period's undistributed earnings.

Depending on the Company's long-term financial planning, investment environment, industry competition, capital expenditure budget, funding requirements and protection of shareholders' equity, dividends should be paid at a rate of no less than 20% of the current year's distributable earnings; however, if the distributable earnings are less than 2% of the paid-in capital, the Company may resolve to transfer the entire amount to retained earnings without distribution. For earnings distribution, cash dividends are preferred but it may also be in the form of stock dividends, with no less than 50% of the earnings to be distributed with cash dividends. The aforementioned dividend distribution percentage may be adjusted based on financial, business and operating factors.

#### 2. Proposed Distribution of Dividend

On March 5, 2025, the Board of Directors will resolve to approve the proposed distribution of cash dividends to shareholders in the amount of NT\$ 74,756,070, with the distributed cash of NT\$ 1.8 per share according to the shareholders and their shares as recorded in the register of shareholders on the record date of the distribution, subject to the approval of the 2025 Shareholders' Meeting.

#### 3. Significant changes of Dividend policy: None.

### 3.1.6 Effect of the proposed stock dividends (to be adopted by the shareholders' meeting) on the business performance and earnings per share

Not applicable. There is no stock dividend distribution proposed in this shareholders' meeting.

### 3.1.7 Remuneration of Employees and Directors

1. The percentages or ranges with respect to Remuneration of Employees and Directors in the Articles of Incorporation

Article 32 of the Articles of Incorporation stipulates that: In cases of profits for the year, the Company shall set aside no less than 5% as the remuneration to its employees and no higher than 1% as that to directors. In cases of accumulated deficits, on the other hand, the Company shall first retain the value sufficient to offset the deficits.

Those entitled to the remuneration to employees assigned by the Company include the employees of a controlled or affiliated company who meet the criteria set by the Board of Directors or its authorized people.

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

The Company has an amount equivalent to a certain percentage of the current net earnings (net income before tax before deducting the remuneration to employees and the remuneration to Directors) minus the accumulated losses estimated and appropriated as remuneration to employees and remuneration to Directors, which will be reported as operating cost or operating expense. The remuneration to employees paid with stock are with the number of shares calculated in accordance with the closing price of common stock in the day prior to the resolution reached by the Board of Directors, and the Company will no longer take account of ex-right and ex-dividend. If there is any change in the estimated stock share to be distributed after the publication of the financial report in the following year, it is to be treated as changes in accounting estimates and with the effect of such change recognized in the profit and loss of the following year.

3. Information on any approval by the Board of Directors of Remuneration Distribution

- (1) The amount of any employee remuneration distributed in cash or shares and remuneration for directors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

The Board of Directors of the Company has approved remuneration to employee in cash, NT\$12,351,094 and remuneration to directors in cash, NT\$ 190,016 on March 5, 2025.

There is no discrepancy between that amounts of remuneration to employee and remuneration to directors and the estimated figures for 2023 these expenses are recognized.

- (2) The amount of any employee remuneration distributed in shares, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration:

The Company has not had stock shares distributed as remuneration to employees in the current year; therefore, it is not applicable.

4. The actual distribution of employee and director remuneration 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 and director remuneration, additionally the discrepancy, cause, and how it is treated.

- (1) Actual distribution amount:

Unit: NT\$

Remuneration of Employees			Remuneration of Directors
Distributed in Shares: Monetary Amount	Distributed in Shares: Number of Shares	Distributed in Cash	
—	—	8,383,070	128,970

- (2) If there is any discrepancy between that actual and the recognized amount; the discrepancy, its cause, and the status of treatment shall be disclosed : There is no discrepancy between the actual distribution amount and the recognized amount.

**3.1.8 Status of repurchasing of shares of the Company: The Company has not repurchased shares of the Company in recent years and up to the date of publication of the annual report.**

## **3.2 Bonds**

**3.2.1 Information regarding corporate bonds: None.**

**3.2.2 Information regarding convertible corporate bonds: None.**

**3.2.3 Information regarding exchangeable corporate bonds: None.**

**3.2.4 Information regarding issuance of corporate bonds under shelf registration: None.**

**3.2.5 Information regarding corporate bond with warrants: None.**

## **3.3 Preferred Shares**

**3.3.1 Information regarding Preferred Shares: None.**

**3.3.2 Information of preferred shares with warrants: None.**

## **3.4 Global Depositary Receipts: None.**

## **3.5 Employee Stock Options**

**3.5.1 As of the printed date of the Annual Report, the processing situation and impact on shareholders' right from employee stock option that have not matured yet**

Unit: NT\$; Share

Type of Employee Stock Options	The First (Issue no.) of Employee Stock Option
Effective registration date	N.A. (Note 1)
Issue (handling) date	July 7, 2020
Number of units issued	3,414,000 units (1 unit can subscribe 1 common share)
Ratio of the number of issued subscribable shares to the total number of issued shares (Note 2)	8.23%
Duration	6 years
Exercise method	Issuing of new stocks
Vesting period and percentage (%)	Expired for 2 years: 30% Expired for 3 years: 60% Expired for 4 years: 100%
Number of shares subscribed through exercise of the options	2,919,450
Amount of the shares subscribed through exercise of the options (NT\$)	NT\$ 42,059,896(Note 3)
Number of unexercised shares	494,550
Subscription price per share of the unexercised shares	NT\$ 14.28

Type of Employee Stock Options	The First (Issue no.) of Employee Stock Option
Ratio of the number of unexercised shares to the total number of issued shares (%) (Note 2)	1.19%
The effect on shareholders' equity	The Company issues employee stock options in order to attract and retain professionals needed for the Company and to enhance employees' loyalty and sense of belonging to the Company. As the Company is still in its growth stage, the effect on stockholders' equity and the dilution effect should be limited.

Note 1: The Company was a non-public company at the time of issuing the employee stock options, and the issuance was approved by the Board of Directors in accordance with Article 167-2 of the Company Act.

Note 2: The total number of issued shares is the total number of issued shares registered with the Ministry of Economic Affairs as of the printed date of the annual report.

Note 3: The executed subscription amount includes 1,682,500 shares executed at NT\$14.5 and 1,236,950 shares executed at NT\$14.28.

### 3.5.2 Names, acquisition, and subscription of managerial officers who have obtained employee stock option as well as employees who rank among the top 10 in terms of the number of shares obtained via employee stock option, cumulative as of the printed date of the Annual Report

Unit: thousand units; NT\$ thousand; %

	Title	Name	Number of shares subscribable from exercise of warrants granted	Ratio of the number of shares subscribable from the exercise of warrants granted to the total number of issued shares (Note 1)	Exercised			Unexercised				
					Number of shares	Exercise price	Total exercise price	Ratio of the number of exercised shares to the total number of issued Shares (Note 1)	Number of shares	Exercise price	Total exercise price	Ratio of the number of exercised shares to the total number of issued Shares (Note 1)
Managerial Officers	President	Chih-Sheng Lee	744	1.79	699	14.5~14.28	10,116	1.69	45	14.28	640	0.11
	Associate VP	Chien-Lang Lo										
	Division Director	Tun-Jen Cheng										
	Division Director	Ming-Hsien Sun										
	Division Director	Yung-Hsiang Liang(Note 2)										
	Division Director	Fujisawa Yoshinori										
	Plant Director	Yi-Chien Li										
	Financial Officer Accounting Officer	Chung-Wei Huang										
Employees	Manager	Chih-Hao Wu	669	1.61	657	14.5~14.28	9,504	1.58	12	14.28	171	0.03
	Manager	Chang-Ling Hsu										
	Manager	Yu-Heng Chen										
	Manager	Chin-Chi Chen										
	Manager	Yu-Shan Tseng										
	Manager	Chih-Chian Liu										
	Manager	Yi-Hsun Tsai										
	Manager	Jui-Wen Cheng										
	Senior Manager	Chung-Liang Kuo										
	Manager	Chi-Pin Teng										

Note 1: The total number of issued shares is the total number of issued shares registered with the Ministry of Economic Affairs as of the printed date of the annual report.

Note 2: Dismissed on March 16, 2024.

### 3.5.3 Private placement of employee stock options for the last three years and as of the date of the prospectus: None.

### **3.6 New Restricted Employee Shares:**

**3.6.1 New restricted employee shares that have not fully met the conditions and the impact on shareholders' right: None.**

**3.6.2 Names of managers and top 10 employees holding new restricted employee shares as of the publication: None.**

### **3.7 Status of New Shares Issuance in connection with Mergers and Acquisitions:**

**3.7.1 In the most recent year as of the publication date of the Annual Report, the Company has completed merger or acquisition of other corporations to issue new shares: None.**

1. A clear opinion prepared by the managing underwriter concerning any issuance of new shares in connection with any merger or acquisition or with any acquisition of shares of any other company within the past quarter: None.
2. If the progress or benefits of such implementation were not as good as expected, the annual report shall explain specifically how the situation is likely to affect shareholders' equity, and shall put forward a plan for corrective action: N.A.

**3.7.2 In the most recent year as of the publication date of the Annual Report, the Board of Directors of the Company has approved merger or acquisition of other corporations to issue new shares: None.**

### **3.8 Financing Plans and Implementation**

The Company doesn't have any uncompleted issuance plan or completed plan with unrealized benefit within the latest three years.

## IV. Operational Highlights

### 4.1 Business Activities

#### 5.1.1 Business Scope

##### 1. Main areas of business operations

The Company is mainly engaged in the R&D, design and sales of X-Ray flat panel detector devices and modules and industrial X-ray detection equipment, as well as assembly services for medical electronic components.

##### 2. Consolidated operating ratios of each business in 2024

Unit: NT\$ thousand

Products	Sales Revenue	(%) of Total Sales
X-Ray Flat Panel Detector Device	1,388,467	69.78%
X-Ray Flat Panel Detector Module	578,338	29.07%
Others	22,861	1.15%
Total	1,989,666	100.00%

##### 3. Main products (Services)

Our main products are key components produced by Thin Film Transistor - Photodiode (TFT-PD) technology and used in Digital Radiography (DR) systems. The main product categories include:

###### (1) X-Ray Flat Panel Detector Device

It is the core component of commercially available X-Ray flat panel detector module, the main body of which is a rigid or flexible substrate with TFT-PD, and can be custom designed for size, pixel size and pixel circuit structure. Scintillator or data reading circuit can be attached according to different customers and application types. The main function is to configure the detection pixels in array mode to perform photoelectric sensing of X-rays penetrating the object under test, and to convert the different levels of X-ray energy sensed by each sensing pixel into electrical charges for storage, reading and operation.

###### (2) X-Ray Flat Panel Detector Module

It is the main component of the digital X-ray radiography system, and its main function is to process the electric signals read out from each sensing pixel in the detector device, including image formation, data storage, and transmission, so that it can be practically used in the detection field. It is the product made of detector device attached with control panel, memory, internal and external mechanical parts, battery, antenna and other components. Since the product is used in the practical detection scenarios, it is designed to be with shock-resistant, waterproof, and static-proof properties according to the user scenarios of different product lines, and it is also divided into products for static, semi-dynamic, and dynamic detections according to the detection needs.

###### (3) Production line of X-Ray Flat Panel Detector Module/Device for industrial use

The manufacturing industry, food industry or agriculture industry often needs to detect the internal structure of products or the internal condition after packaging, and the perspectivity of X-ray allows it to be used in non-destructive and non-invasive detection fields. Compared to Complementary Metal-Oxide-Semiconductor (CMOS) technology, products using TFT-PD technology have the advantage of one-time large area detection and low cost, allowing for a wider range of applications with the progress of technology. In addition to independent R&D, the Company also works with our supply chain strategic partners to develop X-ray detection equipment suitable for manufacturing field by combining X-ray flat panel detector technology and equipment design capabilities, so as to provide customers with complete detection solutions supplemented by image analysis technology. On the other hand, to meet the demand for detection equipment that cannot be met by the existing product lines, the Company also sell products of domestic and foreign professional manufacturers as an agent to provide more comprehensive services to our customers.

#### 4. New products (services) planned for development

##### (1) Detector devices suitable for higher frame rate

In response to more diverse detection fields and applications, the products are evolving from static to semi-dynamic and dynamic forms, which requires the device efficiency can support image sensing of higher frame rates. The Company has applied the technology of “Indium Gallium Zinc Oxide (IGZO)” structure, an oxide semiconductor, to TFT-PD products to support dynamic applications. The products have been adopted by many international brand customers. On this basis, the Company has been continuously improving its design and manufacturing process technology to continuously launch the next-generation IGZO technology products with better performance. In addition, with an eye on the future, the Company has also initiated the research and development of the next-generation Low Temperature Poly-Silicon (LTPS) products with active pixel sensing structure, which is expected to significantly upgrade the performance of the products.

##### (2) Diagnostic Imaging Platform Services and AI-assisted Analysis Applications

The Company is working with our partners to establish an online diagnostic imaging platform dedicated for veterinarians, which gathers professional animal medical image interpretation experts and provide diagnostic advice to veterinarians in veterinary hospitals/clinics in Taiwan. In addition, the Company adopts a dual-track strategy of independent development and external cooperation to develop AI-assisted detection and analysis applications to reduce the workload of detectors, enhance detection rate and efficiency, and strengthen the value of products.

##### (3) Development of high-end dynamic X-ray detector technology and product with multiple applications

In response to customer needs and market trends, the Company has developed solutions that are simultaneously suitable for medical radiography, surgical examination, and industrial non-destructive in-line detection. The Company not only develops dynamic components using IGZO technology, but also invests in the development of the dynamic module product platform. These products have high frame rate and low-noise performance, and provide real-time image acquisition, image calibration, transmission, and display functions, in order to provide customers with options suitable for medical diagnosis or industrial detection.

##### (4) Semiconductor X-ray detection technology

Unlike traditional optical detection, which can only inspect surface defects, X-ray detection systems can scan the entire surface of the ingot to the deep structure and analyze the density of defects and their distribution, help customers to effectively control the quality of the substrate to ensure the stability and performance of the components. Based on the X-ray flat panel detector technology, coupled with the software and hardware integration capability, the Company has developed the composite detection technology to detect SiC ingots and wafers, thus entering upstream, midstream, and downstream SiC detection markets. The Company also integrates X-ray imaging and optical coherence tomography (OCT) detection technologies to enhance defect recognition through image correlation and establish non-destructive defect detection solutions for SiC ingots/balls/wafers.

#### 4.1.2 Industry Overview

##### 1. Current status and development of the industry

The Company specializes in the research, development and manufacture of digital X-ray flat panel detector devices and modules, is a core component supplier of Digital Radiography (DR) systems, and develops related detection system products for use in the manufacturing industry. Our products are widely used in medical diagnosis and industrial detection, and occupy an important position in the global digital image detection market.

According to a research report by MarketsandMarkets (a market research institution), the global X-ray detector market (including veterinary, medical, dental, industrial, and security inspection fields) reached US\$3.1 billion in 2023, and is expected to expand at a CAGR of 5.0% to reach US\$4.2 billion in 2029. From the perspective of the overall digital X-ray market, it is estimated that the market size was US\$5.4 billion in 2024, and is expected to grow at a CAGR of 4.0% to US\$6.6 billion in 2029, indicating that the industry has a long-term and solid development potential.

The advantages of digital radiography technology, such as fast imaging and low radiation dose, coupled with the popularization of cloud technology that promotes the development of diagnostic and analytical applications, have accelerated the digital transformation of the global market. In addition, the global population aging issue is also generating more demands for medical equipment and healthcare. On the supply side, the entry of emerging suppliers such as Korea and China has made product prices more competitive, which helps increase the penetration rate of emerging markets.

In addition to the medical market, Industry 4.0 and intelligent manufacturing have become key development fields in recent years. The development of IoT will drive more demand for non-destructive detection. X-ray detection combined with Automated Optical Inspection (AOI) equipment that has been widely used, and the gradually expanding infrared detection will be able to simultaneously detect the external form and internal structure. This will improve the efficiency of quality control and the ability to detect defective products. Therefore, the Company expects that automated detection equipment in the manufacturing industry will be another important field that drives the growth of the X-ray detection market.

## 2. Association of upstream, mid-stream, and downstream industries

Digital radiography system is composed of multiple components with a long industry chain. It is generally divided into six parts (as shown below): raw materials, parts, core components, unit/module, system integration and user site; the key parts are core components and unit/module in the midstream and system integration. Among them, raw materials and parts are in upstream, core components and unit/module are in midstream, system integration and user site are in downstream of the industry chain. The key to the development of upstream industry chain is optics, electricity, materials science and process technology, while in downstream, the key to competition is the understanding of user scenario and user experience, and the ability to integrate hardware and software, mechanical and electronic devices. Starting from the midstream TFT-PD substrate core technology, our R&D and design capabilities now span from upstream to midstream, including parts, core components, and units/modules, and we have gradually accumulated preliminary technical and product achievements in the field of system integration, and will gradually enhance our integration capabilities to provide higher value services downstream.

Raw materials	Components	Core parts	Complete machine/module	System integration	Application areas
<ul style="list-style-type: none"> <li>• Chemical materials (CsI, GOS, etc.)</li> <li>• Metal raw materials</li> <li>• Plastic raw materials</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Mechanical parts</li> <li>• Electronic components (IC/PCB, etc.)</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• TFT-PD substrate</li> <li>• X-ray bulb</li> <li>• High voltage generator</li> <li>• Motherboards/controller boards</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• X-ray flat panel detector module</li> <li>• Computer host</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Stationary standalone system</li> <li>• Mobile standalone system</li> <li>• PACS</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Hospital</li> <li>• Clinic</li> <li>• X-ray vehicle</li> <li>• Others</li> </ul>
Upstream		Midstream		Downstream	

## 3. Development trend of products

As digital X-ray imaging technology continues to advance, the Company has observed the following key trends in product development:

### (1) Flexible substrate provides better fall protection and lightweight experience

Although wireless X-ray flat panel detector modules on the market have greatly improved operational flexibility, traditional products often weigh more than 2.5 kg, which not only increases the burden on medical staff, but also makes TFT-PD components with glass substrates susceptible to damage due to accidental collisions, resulting in high maintenance costs. In contrast, products with flexible substrate are not only lighter in weight, but also have better impact resistance, and market penetration is gradually increasing. More importantly, flexible substrates have broken through the limitation that traditional glass substrates can only be applied to flat structures, enabling sensor modules to realize curved designs and further expanding the application fields.

### (2) Products with higher pixel density (pixel size 100um or smaller)

With the same shooting range, a higher image resolution means finer image details can be shown. With the

progress of TFT-PD design and process technology, coupled with better signal processing technology, products with high pixel density can give full play to their image advantages, and more manufacturers are willing to launch such products.

### (3) Components with low lag and high sensitivity

With the same shooting range, a higher image resolution means finer image details can be shown. With the progress of TFT-PD design and process technology, coupled with better signal processing technology, products with high pixel density can give full play to their image advantages, and more manufacturers are willing to launch such products.

### (4) Expansion of application fields and the combination of software and hardware

The development of cloud computing and AI has created more applications for various medical data including detection images, and the X-ray flat panel detector, as an image data acquisition device, as the combination of software and hardware applications will bring in new opportunities, also allows manufacturers to invest in the R&D of functions for assisting in the pre-interpretation of symptoms, . Therefore, in addition to existing hardware products, the Company has also developed highly integrated operating software that can highlight our own hardware features, as well as the corresponding AI-assisted function.

In order to help realize the high-quality development of Taiwan's veterinary market, the Company has collaborated with the veterinary and medical communities to develop Veticle, a new professional platform for cloud services. Currently, it has been put into the field testing and use. In the field of industrial inspection, in order to cope with the detection of increasingly precise and high-value products, the detection solutions that can use and integrate X-ray, visible light, infrared light and other complex detection technologies will become increasingly important. The Company continues to invest in the development of system products, in the hope of gradually transforming from a pure hardware manufacturer to a solution provider.

## 4. Competition in the market

### (1) Competition between upstream and downstream of the supply chain

The upstream and downstream companies in the supply chain will create their value in their respective parts. In addition to the cooperative relationship between suppliers and customers, there is also competition between them. The competitive relationship between upstream and downstream of the X-ray flat panel detector and system products operated by the Company is described as follows:

#### A. X-ray flat panel detector device manufacturers

At present, X-ray flat panel detector device related products are supplied by many manufacturers in Taiwan, the United States, Japan, Korea, and Chinese Mainland, and most of these suppliers are mainly engaged in TFT-LCD, and then set foot in the supply of TFT-PD products. At present, they mainly provide TFT-PD substrates produced with amorphous silicon (a-Si) technology to X-ray flat panel detector module manufacturers or system manufacturers, and some of them have started to supply products using IGZO technology.

#### B. X-ray flat panel detector module manufacturers

These manufacturers are our major customers. They mainly purchase TFT-PD substrates from X-ray flat panel detector device suppliers, entrust professional manufacturers for scintillator process, and finally conduct module assembly and sales. These suppliers are specialized in the design and manufacture of data reading circuits and modules for flat panel detector devices, and some larger suppliers also have their own scintillator R&D and manufacturing capabilities.

#### C. Digital radiography system manufacturers

Most of these manufacturers are major medical device manufacturers, and their main R&D capability lies in the integration of the overall system (X-ray bulb, flat panel detector module, image management system, etc.). Most of the system manufacturers used to design and manufacture their own X-ray flat panel detector modules. With the evolution of the division of labor in the medical imaging industry, some system manufacturers have shifted to focus on system integration, image processing, and brand and channel

management in recent years, and X-ray flat panel detector modules are obtained by OEM/ODM, etc.

The Company is mainly involved in X-ray flat panel detector device and module in the supply chain, and gradually developing the field of industrial detection systems. It is one of the few companies in the global supply chain that has the capabilities of TFT-PD device design, scintillator manufacturing, and module design and manufacturing. The Company plans to provide module and system manufacturers with customized and diversified product options through cross-segment integrated technology and manufacturing capabilities, and respond to industry competition with a high degree of customer stickiness. In addition, because our technology layout crosses different segments, we are able to conduct integrated research and development of new technologies compared with ordinary component suppliers, and create new value by different technology characteristics.

## (2) Competition among different technology applications

High frame rate, high pixel density, low noise, low dose radiography, and large size are the goals of various X-ray detection technologies, but different technology applications have their own advantages, and product manufacturers need to strike a balance between cost and technical advantages.

The main technologies currently used in the field of X-ray detectors are Charge-Coupled Device (CCD), CMOS, TFT-PD (a-Si) and TFT-PD (IGZO). In terms of technical characteristics, CMOS adopts semiconductor technology to produce silicon wafer. Due to the physical characteristics of silicon wafers, CMOS has the best performance in frame rate, pixel density, and noise. However, limited by the size and manufacturing cost of silicon wafers, the cost in large-size detection applications is much higher; the TFT-PD (a-Si) technology compensates the disadvantage of CMOS technology, although the detection performance cannot completely replace that of CMOS technology, but it has cost advantage in the field of large size detection. Therefore, this technology is mainly used for static and large area detection products; CCD technology is in between, although it can be used for dynamic products, but the device is too heavy.

In the field of medical X-ray image detection, the detectors used in static products are mainly produced by TFT-PD technology, while dynamic products (e.g. cardiovascular photography, C-arm, etc.) mainly use CCD or CMOS technology. In particular, CMOS has obvious performance advantages, and most high-end dynamic products use CMOS technology.

The Company is mainly engaged in the development of TFT technology products. Although we do not compete directly with device or module manufacturers using different technologies and products in the supply chain, the physical characteristics of the different technologies have resulted in differences in application fields and costs, which have changed in the product development direction on the market with the iterative evolution of the technologies. In recent years, due to the progress of TFT-PD technology, the adoption of IGZO technology enables the products to enter the application field of dynamic detection with better cost advantage while maintaining the original large size advantage. As many digital X-ray system manufacturers successively release new products using IGZO technology for dynamic application, it is expected that the rate of entry-level and middle level dynamic products using this technology will gradually increase.

### 4.1.3 Technology and R&D Overview

#### 1. Technical Level and Research Development

Our digital X-ray flat panel detector technology is based on our R&D team's design expertise accumulated over the years. Based on our own TFT-PD technology, we have extended into the field of product with scintillators and reading circuits, and further developed and designed X-ray flat panel detector module products integrating software and hardware, and industrial detection system. We have complete independent technology in developing X-ray detection applications, including::

##### (1) Years of experience in designing TFT-PD for X-ray flat panel detectors

Our team has many years of experience in designing TFT-PD for X-ray flat panel detectors. With the experience in designing customized products for various module and system manufacturers around the world for several years, we have gradually optimized the performance, yield, and reliability of our products.

On the other hand, our team also foresees the development trend of technologies and products, and plans for potential technologies and products in advance, which is the key to maintain our technological competitiveness.

(2) Embedded software and hardware design

Reading the signals from TFT-PD substrates requires precise circuit design capability, high-intensity mechanism design capability, and embedded software design capability. The Company establishes our own hardware and software design capabilities and systems that meet the design process of medical products, so that we can quickly put the products into mass production.

(3) X-ray detection expertise and application experience

The Company has been accumulating X-ray detection expertise and experience in the veterinary and human medical fields for many years, and defining product requirements based on feedback from doctors and manufacturers.

In the meantime, the Company continues to cooperate with domestic and foreign research institutes and medical institutions to develop next-generation technologies, including fracture AI detection models, veterinary imaging cloud platform, and dual-energy imaging chest AI system. The Company also uses its experience to further develop detection equipment for industry and production lines, and combines X-ray detection and image interpretation technologies to develop related detection product lines.

2. The consolidated research & development costs invested in during the current fiscal year up to the date of publication of the annual report.

Unit: NT\$ thousand; %

Item	2024
R & D expense	275,035
Sales Revenue	1,989,666
Percentage of Revenue	13.8%

3. Successful development technical or product

Year	Successful development technical or product	Main benefits
2019	1. Static FPD product Yushan 2. Flexible TFT-PD substrate	1. Enrich product line completeness and increase customer's options 2. Better performance of advanced products 3. Independent key processes 4. Independent control system
2020	1. Substrate based on IGZO technology 2. Cesium iodide evaporation process	
2021	1. Pixel design and process development of high fill factor 2. CsI evaporation process development for flexible substrate 3. New generation IGZO pixel structure 4. Sylvia, a dynamic module ODM platform product 5. Yushan, a static module ODM platform with flexible substrate	
2022	1. IGZO technology with high X-ray resistance for industrial use 2. Flexible TFT-PD substrate with CsI direct evaporation	
2023	1. AI software "VHS" for animal detection 2. IGZO technology for flexible substrates 3. Double-sided scintillator technology for flexible substrates 4. AXI optical module for production line	
2024	1. Pixel-based scintillator process 2. Gate drive circuit on flexible substrate 3. Low-noise dynamic FPD circuit platforms 4. Portable X-ray detection system and software InnoGo 5. SiC ingot composite detection technology	

#### 4.1.4 Long- and Short-Term Business Development Plans

##### 1. Short-term Business Development Plan

###### (1) Strengthen the benefits of one-stop service

We are one of the few manufacturers that can provide both medical X-ray flat panel detector devices and modules. With comprehensive independent R&D and design capabilities, we provide customized solutions to ensure product integration and quality stability. In the future, we will continue to strengthen this core competitive advantage and expand the deep cooperation with customers in integrated products.

###### (2) Promote new technology products to enhance product value

The Company has successfully developed innovative applications such as flexible substrates, IGZO technology and dual-energy detection technology, which have significantly improved product efficiency. We will actively promote the market penetration of these high value-added products to strengthen our product competitiveness and create higher value for the Company and our customers.

###### (3) Continue to expand demand in emerging markets

Market research shows that there are still a large number of medical institutions in emerging markets that use old film or computerized radiography (CR) equipment, and with the increasing demand for equipment upgrades due to economic development, we will work with our customers through strategic channel layout to capture the replacement opportunities for digital radiography (DR) products. In particular, South Asia, Central Asia, Eastern Europe, South America and other markets have been growing rapidly in recent years. In addition to business expansion, the Company is actively seeking local partners for local assembly in order to gain a first mover advantage.

###### (4) Continuously improve product cost and yield

On the basis of the existing production, the Company will prudently plan capital expenditure and focus on the improvement of process technology to improve the production yield and quality stability. Through continuous improvement in production efficiency, yield rate and reliability, we will further optimize our cost structure, enhance customer satisfaction, and improve operational efficiency.

###### (5) Continue to expand the application of X-ray flat panel detector products in non-medical fields

Leveraging our technological advantage in thin-film transistor-photodiode (TFT-PD) technology, the Company will actively develop the application of X-ray flat panel detector in manufacturing, agriculture, forestry, fishery, animal husbandry, and food industry, and expand the new market for quality management and safety detection.

##### 2. Long-term Business Development Plan

###### (1) Strengthen the R&D capacity of non-medical detection technology

As the application of X-ray inspection technology in agriculture, manufacturing quality control and industrial safety continues to expand, especially driven by the booming development of the semiconductor industry, the Company will invest more R&D resources to focus on the development of advanced inspection technology and products required for advanced semiconductor manufacturing, in order to grasp new opportunities for industrial development.

###### (2) Build a technology platform for intelligent diagnostic services

The Company is planning to develop an integrated diagnostic assistance platform by fully utilizing the advantages of X-ray flat panel detector module as the front-end detection equipment. In the first phase, we will use pet health care as an entry point, combine a professional veterinary team and AI technology to provide X-ray image diagnostic assistance services, creating higher value-added benefits for customers.

###### (3) Deepen the R&D of advanced manufacturing process and new materials

In order to maintain the competitiveness of our products in the long run, we have invested R&D resources in the research and development of advanced processes and new-generation detector materials, such as

perovskite sensors, photon counting sensors, and micro electro mechanical structures, and made arrangements for patents and products in advance to ensure that we stay ahead in the field of next generation detection technology.

(4) Development of integrated image processing and recognition platform

The Company knows very well that the improvement of detection system performance requires the perfect combination of sensor image acquisition capability, X-ray source integration and image processing technology. Based on existing TFT-PD technology advantage, we will continue to strengthen our hardware and software integration capabilities and develop advanced image processing and recognition platforms to enhance the competitiveness of our X-ray detection systems.

## 4.2 Market and Sales Overview

### 4.2.1 Market Analysis

1. Main products selling area

Unit: NT\$ thousand; %

Area		Amount of Sales 2024	%
Domestic Sales		90,546	4.55%
Foreign Sales	Asia	1,276,901	64.18%
	America	420,828	21.15%
	Europe	194,808	9.79%
	Africa & Others	6,583	0.33%
	Subtotal	1,899,120	95.45%
Total		1,989,666	100.00%

2. Market Share

The Company's products are mainly used in the medical field. According to the research report of Global Market Insights, "X-Ray Detectors Market- By Detector Type, Application, End-use - Global Forecasts to 2030", the annual output of X-ray Detectors for global medical applications was about US\$1.3 billion in 2022, with an average annual growth rate of 5-6%. In 2024, the Company's revenue was NT\$1.99 billion, accounting for 3.5-4% of the industry.

3. The supply and demand situation and growth of the future market

- (1) Demand for equipment upgrades in emerging markets: As per capita income rises in emerging economies such as China, India, and Southeast Asia, the share of healthcare expenditures increases, accelerating the digitization of medical equipment. The demand for transition from traditional film-based and computerized radiography (CR) equipment to digital radiography (DR) systems in these regions is expected to bring considerable growth momentum to the market.
- (2) Demographic structure changes drive demand for healthcare services: The global trends of longer life expectancy and aging have led to a continuous rise in demand for healthcare services. In particular, various diseases arising from modern lifestyles, such as orthopedic diseases, tumors, and cardiovascular diseases, require more frequent X-ray inspection, forming a fundamental demand in the market.
- (3) Technological innovation expands the scope of application: With the advancement of TFT-PD technology, the new generation of X-ray flat panel detector has made breakthroughs in performance indicators such as frame rate, expanding product applications from static to semi-dynamic/ dynamic fields, filling the market gap between traditional static equipment and entry-level computed tomography (CT). The introduction of AI technology has significantly improved the efficiency and accuracy of image interpretation.
- (4) Product advantages accelerate market penetration: Digital X-ray systems have the advantages of low radiation dose, portability and ease of operation, etc. As the supply chain expands and the costs decrease, the market penetration rate will further increase. It is expected that the phase-out of traditional X-ray equipment will be accelerated as prices become more reasonable, especially in medical institutions in developing countries.

- (5) Booming demand for industrial applications: The wave of Industry 4.0 and the Internet of Things (IoT) is promoting the intelligent development of manufacturing industry, driving significant growth in demand for automated detection. In the manufacturing, food and semiconductor industries, the demand for integrated solutions that combine X-ray detection and optical detection continues to rise. In particular, X-ray detection technology is becoming increasingly important in high-end semiconductor processes.
- (6) The pet economy is driving the growth of the veterinary market: The global pet market continues to expand, and the rising demand for quality pet healthcare from pet owners is driving the demand for equipment upgrades in veterinary clinics. The increasing popularity of digital X-ray systems in the diagnosis of pet diseases, combined with cloud-based platforms and AI diagnostic assistance functions, will create new growth opportunities for the market.
- (7) Global health issues catalyze market growth: The COVID-19 epidemic has highlighted the importance of digitization of medical equipment, and countries are actively upgrading the digitization of their medical systems, resulting in rapid growth in the demand for portable digital X-ray equipment. In addition, the emphasis on medical services for emergency cases and in remote areas has further promoted the popularity of portable digital X-ray equipment.

#### 4. Competitive Niche

##### (1) Leading technical R&D capabilities

With years of experience in the field of X-ray flat panel detector, our R&D team has successfully developed and mass-produced a series of products ranging from amorphous silicon (a-Si) to IGZO processes. In addition to continuing to refine the product design structure and develop new processes, we are also actively investing in the Active-Pixel Sensor (APS) technology for the next-generation, low-temperature, polycrystalline silicon processes. The accumulated technical strength has enabled us to maintain our edge in terms of product performance, yield and reliability.

##### (2) Complete product integration capabilities

As one of the few companies in the world with complete development and manufacturing capabilities for thin-film transistor-photodiode, the Company offers one-stop solutions from sensor array pixels, components to modules. This vertical integration advantage not only ensures consistent product quality, but also provides customers with flexible manufacturing strategy options.

##### (3) Global customer network

The Company has established long-term cooperative relationship with major digital X-ray system brands in Japan, Korea, North America and Europe, and continues to expand our customer base in emerging markets. This diversified customer portfolio not only provides a stable business base, but also enhances our resilience to global economic fluctuations.

##### (4) Flexible customization capability

The Company offers a full range of OEM/ODM services, from customized design, component procurement to system integration, all of which can be flexibly adapted to customer needs. This highly customized service model is especially suited to the current market trend of demand for specialized solutions.

##### (5) Innovative integration service model

In response to the development trend of AI and cloud technology, the Company has been actively developing innovative applications that integrate hardware and software, such as the intelligent diagnostic platform developed for the veterinary market and the integrated solutions in the field of industrial detection. This service innovation strategy has created a new competitive advantage for the Company.

## 5. Positive and Negative Factors for Future Development, and the Company's Response to such Factors

### (1) Positive Factors for Future Development

#### A. Stable growth of the market

As a result of the above growth drivers, according to a research report by MarketsandMarkets (a market research institution), the X-ray detector market (including veterinary, medical, dental, industrial, and security inspection fields) is expected to expand at a CAGR of 5.0% to reach US\$4.2 billion in 2029. The stable growth in market size will allow the Company to invest in future technology and product development more actively.

#### B. High technical threshold

As mentioned above, X-ray flat panel detector is a typical high technology-intensive product. Its operation principle involves semiconductor components, photoelectric conversion, optical image processing and radio wave transmission. Product development includes X-ray flat panel detector devices and modules, and the development cycle usually takes 1~3 years and more. Manufacturers need to gradually develop core technologies and processes through years of research and development. It is not easy for new entrants to master the key technologies in a short time, resulting in unstable product quality. The next generation of technology development threshold gradually increases, and the suppliers with insufficient resources or scales may not be able to proceed and gradually lose customers and market share. The main technical barriers are "TFT-PD design and production", "scintillator process development" and "optical-electro-mechanical integration of module operation", and interdisciplinary integration also requires long-term accumulation of skills and experience.

#### C. Long validation cycle and high customer adhesion for medical products

Medical products are related to personal safety. Even though X-ray flat panel detectors are non-invasive medical devices, the validation and management of each important component need to meet the strict standards for medical devices. We have established long-term and close cooperative relationship with our major customers and are familiar with their product validation processes, which is conducive to the continued development of long-term product cooperation.

#### D. New application areas

The manufacturing industry expects stable product quality, especially for products with complex manufacturing processes, high unit prices, and high costs for solving quality problems (e.g., full recalls, destruction, etc.), and wants to minimize failure costs during the manufacturing process and before shipment. With the advancement of X-ray detection technology, high quality detection can be realized on a large area and in an assembly line at a reasonable cost, leading to a rapid increase in the application areas.

### (2) Negative Factors for Future Development, and Response to such Factors

#### A. New competitive products and technologies emerge in the market

With a reasonable performance/price ratio, consumers will switch to technologies with better performance, and market demand will gradually switch to new technology products. Although the Company is leading the market in terms of customers and product layout, it is possible that the market demand for new technology products will change faster than expected, resulting in a decline in sales of existing products and affecting the Company's revenue.

#### Reaction Strategy:

In the face of the risk that the accelerated transition of new technologies and products in the market may impact the sales of existing products, the Company's strategy is to "cooperate in-depth with target customers, and develop next-generation products in advance".

In terms of technology, the proportion of shipments of products utilizing IGZO and flexible substrate technologies is gradually increasing, and the Company is currently investing in the development of next-generation IGZO technology. The Company makes full use of our leading edge in new technology to expand the sales volumes of high-end, high-margin products, and allow our customers to gain better market visibility and profits, realizing a win-win situation. In addition, the Company has already started the

research and development of next-generation LTPS-APS, perovskite and photon counting technologies, and made plans for the new technologies and products in 3-5 years to ensure that we can maintain the leading position in new technologies and specifications.

B. Existing or potential competitors are investing in emerging alternative technologies

The Company's X-ray flat panel detector products are based on TFT-PD technology, and these products account for a large proportion of the Company's revenue currently. Although the Company continues to invest in research and development of next-generation X-ray detector materials and technologies, it may still face the risk of having its current market and customers replaced due to the rise of other emerging technologies.

Reaction Strategy:

In addition to employing our own research and development personnel, the Company also cooperates with domestic universities and laboratories and professional research institutions to study basic theories and materials, explore the possible applications of new technologies and materials, explore emerging competitive technologies in advance, and develop new technical fields of X-ray detector. In addition, the Company has customers all over the world, and the products of some customers cover various medical and non-medical X-ray detection fields and have many years of technology and product bases; therefore, the Company also works with customers or other strategic partners to develop new technology and product applications, expand new business sources, and make advance layout to reduce the possible risks caused by the replacement of new technologies.

C. Increased costs and expenses for R&D and validation requirements for new-generation products compared to the past

X-ray flat panel detector products have complex design structure, high product specification requirements, and stringent regulatory requirements, and new products and technologies require long development cycles, highly specialized R&D personnel, and huge R&D expenses. If the new products or technologies developed with significant resources cannot gain market recognition or cannot be successfully mass-produced due to high difficulty of production and manufacturing, the Company's financial position may be affected. In addition, the longer validation period for products due to regulatory requirements, as well as increasingly strict review processes and high fees for product registration and validation procedures in various regions around the world, may also be potential financial burdens.

Reaction Strategy:

The capital market can expand the Company's fundraising target and flexibility, and increase the flexibility of financial planning; the listing of the Company's shares on the Taiwan Stock Exchange can improve the Company's reputation and credit rating for dealings with banks, which is helpful for recruiting excellent talents, expanding sales, fund raising and financing. The Company plans to raise funds through bank loans and equity financing and use capital market financing tools according to the long-term capital planning, so as to support future working capital needs and strengthen the financial position, deepen its future development and cope with competition.

D. Intensified price competition in the market et

The era of globalization has intensified the pressure of competition in the market. In particular, compared with consumer electronics products, medical products have higher gross margins and steadily increasing market size, which has attracted entry of enterprises from China and South Korea. The Company is exposed to the risk of existing or potential competitors capturing the market share, and some competitors may adopt more aggressive pricing strategies, which may have an impact on the profit margin of products.

Reaction Strategy:

In the face of competition from existing or potential competitors, we will not only acquire customer through better technology, specifications, and quality stability, but also provide comprehensive services to improve customer adhesion. The Company provides customized product design services for our X-ray flat panel detector device products with leading technology and sales, and also strives to convince customers to use our OEM/ODM services for X-ray flat panel detector module products. Through efficient supply chain

operation and management, better bargaining power in raw material procurement, and comprehensive product design, validation and registration services, we will enhance customer dependence and reduce the negative effects of industry competition. In addition, expanding the application of products reduces the impact of fluctuations in a single industry on our operations. With the progress of Industry 4.0, intelligent manufacturing, and AI-assisted analysis technologies, the demand for non-destructive detection is gradually increasing. Digital radiography can be used for product inspection and pipeline inspection, and will grow significantly in the manufacturing industry. The Company has invested in the development of intelligent detection-related products in manufacturing field, which are expected to become another important revenue source in the future in addition to medical applications.

E. Tightening regulation of medical devices

Although digital radiography systems are non-invasive detection equipment, they are still subject to the restrictions and requirements of medical device validation and registration. With the increasingly stringent regulations and requirements for medical and health products in various countries/regions, the Company may need to incur additional expenses to comply with the relevant validation and registration requirements in the event of adjustments and amendments of laws and regulations; the marketing schedule of the products may also be affected in addition to the expenses.

Reaction Strategy:

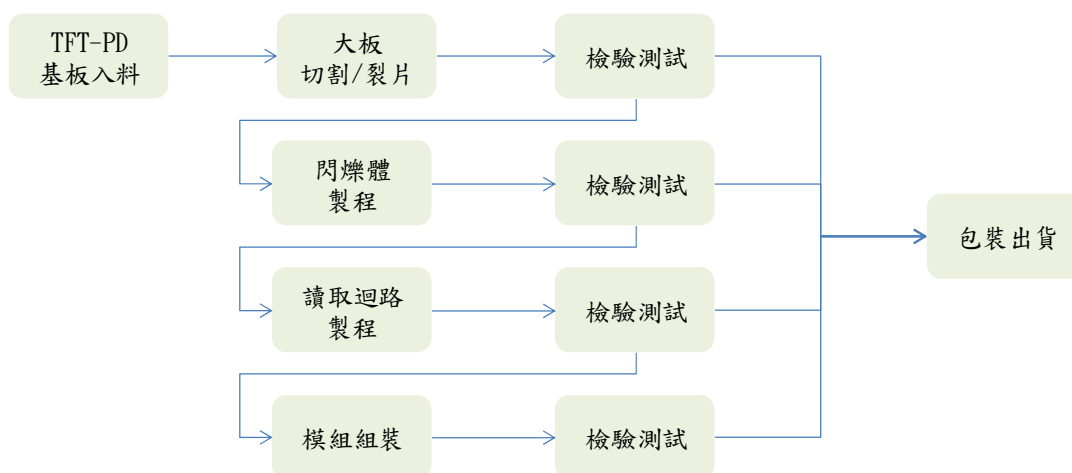
Medical regulations vary from one major region/country to another, and the relevant regulations are evolving. In order to ensure the successful registration and marketing of our products, we have hired professional medical product registration personnel who are responsible for product registration application and validation preparation, as well as monitoring the trend of regulatory amendments in major regions, which will be the reference for the planning of sales and product development strategies.

#### 4.2.2 Usage and Manufacturing Processes for the Main Products

##### 1. Main Products and Their Main Usage

The Company’s major products are X-ray flat panel detector devices and modules based on TFT-PD technology, which are mainly used in digital X-ray detection systems to detect the X-ray energy penetrating the object and convert it into and save as digital images for non-invasive detection in medical or industrial fields.

##### 2. Main Products and Their Manufacturing Processes



#### 4.2.3 Supply Situation for the Major Raw Materials.

Major Raw Materials	Source of Supply	Supply Situation
TFT-PD substrate	Innolux Corporation	Good
Mechanical and electronic parts of module	JA Company	Good
OEM of scintillator process	FI Medical Device Manufacturing Co., Ltd.	Good
IC of reading circuit	S3 Company	Good

#### 4.2.4 Major Suppliers and Customers

##### 1. Information of major suppliers in the last two years

Unit: NT\$ thousand; %

Item	2023				2024			
	Name	Amount	Percentage	Relation with the issuer	Name	Amount	Percentage	Relation with the issuer
1	Innolux Corporation	414,997	40.59%	Parent Company	Innolux Corporation	402,011	40.80%	Parent Company
2	Others	607,328	59.41%	—	S3 Others	102,624	10.41%	—
					Others	480,766	48.79%	
	Net purchases	1,022,325	100.00%		Net purchases	985,401	100.00%	

Note to change: Mainly due to the adjustment of purchased items as a result of the adjustment of the product mix purchased by customers.

##### 2. Information of major customers in the last two years

Unit: NT\$ thousand; %

Item	2023				2024			
	Name	Amount	Percentage	Relation with the issuer	Name	Amount	Percentage	Relation with the issuer
1	UA Company	282,857	15.40%	None	UA Company	294,374	14.80%	None
2	JA Company	247,396	13.47%	None	JA Company	283,932	14.27%	None
3	JC Company	241,917	13.17%	None	JC Company	214,258	10.77%	None
4	Others	1,064,946	57.96%	—	Others	1,197,102	60.16%	—
	Net sales	1,837,116	100.00%		Net sales	1,989,666	100.00%	

Note to change: Mainly due to the adjustment of the product mix purchased by customers.

#### 4.3 Human Resources

Year		2023	2024	March 31, 2025
Number of Employees	Managerial Officers	8	8	7
	IDL	222	207	205
	DL	135	114	114
	Total	365	328	326
Average Age (Unit: years)		41	42	42
Average Years of Service (Unit: years)		3.3	4.2	4.4
Education Distribution Percentage (%)	Ph. D.	0.6%	0.6%	0.3%
	Masters	34.2%	35.4%	35.0%
	Bachelor's Degree	49.6%	49.7%	50.3%
	Senior High School	14.8%	13.7%	13.8%
	Below Senior High School	0.8%	0.6%	0.6%
	Total	100%	100%	100%

#### 4.4 Environmental Protection Expenditures

4.4.1 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 remuneration paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

#### 4.5 Labor Relations

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

## 1. Employee benefit plans, continuing education, training, retirement systems, and the situation of implementation

### (1) Employee benefit plans and implementation status

The Company deems “talent” as its valued asset, and implements “Employee Stock Ownership Trust” project to share the business results with employees and assist employees to start the long-term wealth management and saving plan in the early stage so that it can combine employee performance and shareholder interests to create a win-win situation; at the same time, we continue to create a friendly workplace environment that gives consideration to both work and life. In addition to providing employees with vacations better than the Labor Standards Act, we have continued to offered flexible working hours and the option to work from home since 2024. If employees need to take care of their families due to unexpected accidents, they can choose to work early or late according to the flexible work schedule; the work-from-home approach offers employees a more flexible work style, they can choose to work from home a few days a year. In addition, the Company provides employees in Taiwan with filial leave, accompanying obstetric inspection leave, accompanying study leave and refresher leave, allows employees to schedule their leaves according to their needs and take care of both work and life balance, and provides the travel/study fund, so that employees can enjoy a good life in INCX with physical and psychological health, and peace of mind at work and home.

In terms of welfare, the Company provides meal subsidies for employees in staff canteen, and there are also convenience stores, banks, insurance, travel, telecommunication and other assistance. Based on the concept of vitality, happiness and health, the Company aims to activate team morale and promote work-life balance. In addition, we have cooperated with manufacturers on sports subsidy programs to provide employees with more diversified and flexible sports and leisure venues, and continue to implement diversified sports measures and activities.

In addition, our employees are required to undergo regular health checks, and upon receipt of the health check report, the Company provides abnormality consultation and health guidance to assist employees in strengthening their health management, and expect early identification and early treatment of diseases; the Company also arranges professional doctors to visit the plant regularly to provide various health promotion and psychological consultation programs to care for the physical and mental well-being of employees. Besides, we provide multiple self-financed health check-up programs for family members, which not only takes care of employees, but also extends to family members, providing more comprehensive life care.

The Company’s Employee Welfare Committee is responsible for the planning and implementation of various welfare programs, including community activities, sports seasons, family days, departmental dedication activities, seminars by talents from different industries, discounts for special stores, and subsidies for festivals, weddings and funerals, emergency relief, etc. To encourage colleagues to cultivate personal interests outside of work and promote work-life balance, the Company has established diversified clubs, and manages the clubs according to the principles of enrichment, activism, and life-orientation, to meet the different preferences of employees through cross-field, same-interest activities and exchanges, and create both energetic, creative, caring and joyful workplace environment.

### (2) Continuing education and training for employees

Based on the “medical device regulatory requirements” and the “cognition education” thought, the Company plans a sound certification development framework, and vertically promote related courses with professional and management function certifications as the cornerstone, and then promote various departmental trainings horizontally. In accordance with the Company’s business strategy, we also provide internal/external training channels to enhance the professional knowledge and skills of our employees and achieve the Company’s goals and diversified education and training paths required. It promotes personal career and company growth, achieving mutual prosperity and win-win. This systematic training mechanism enables employees to develop their talents and achieve continuous growth.

## 2. Retirement systems and implementation status

At present, there are two kinds of labor pension systems, the old system of retired labor implemented by the accordance with the Labor Standards Law and the new system of retired labor implemented by the accordance with

the Labor Pension Regulations.

- (1) The company formulates employee retirement measures in accordance with the Labor Standards Act, and establishes a Labor Retirement Reserve Supervision Committee.
- (2) We hire actuary to evaluate our employees' retirement preparation fund and issue the evaluation report according to the IAS19R financial principles.
- (3) We transfer 2%~15% monthly salary to retirement preparation every month.
- (4) If a labor retirement pension system is established, the Company will allocate 6% of the insured salary to the employees' personal account established by the Labor Insurance Bureau on a monthly basis to fully protect employees' rights.

### 3. The status of labor-management agreements

The Company has always attached importance to labor relations and emphasized labor harmony. In order to maintain two-way communication, management and exchange, the company has been promoting zero distance communication with employees through various measures. Quarterly labor-management meetings and employee welfare meetings are held, in which representatives from the employer side, composed of senior management, and representatives from the labor side, selected by employees, to communicate directly face-to-face and exchange opinions with each other in an open manner.

### 4. Measures for preserving employees' rights and interests

Construct a comprehensive communication channel, announcing important information and issues through bulletin board and INCX News; provide all-day communication platforms such as employee care hotline, employee care mailbox, plant manager mailbox and president mailbox. Employees can choose to escalate their problems by name or anonymously, and we also work with Lifeline to provide psychological and legal consulting to employees, so that their problems can be solved immediately and effectively, and a harmonious labor-management relations can be established.

### 5. Working environment and individual safety protection

#### (1) Safety and Health organization and operation

The Company has set up a dedicated unit for the development of environmental safety and health management systems and the comprehensive environmental safety and health management affairs under the President's office. Invite the top executives of the plant area, various authorities and labor representatives to convene a "Safety, Health and Environmental Protection Committee" on a quarterly basis to discuss the progress of the target plan, internal and external concerns and communication, environmental safety and health management plans, occupational disease prevention and Issues such as health promotion matters, epidemic prevention management matters, and environmental safety and health management performance appraisal.

In April, 2020, ISO14001 environmental management system, ISO45001 occupational safety and health management system and TOSHMS Taiwan Occupational Safety and Health Management System were introduced. In October 2020, we passed the external certification and obtained the management system certificates. We hope to make the environmental safety and health management system more comprehensive and complete, provide a better working environment for plant workers, fulfill social responsibilities and enhance competitiveness to implement the sustainable business philosophy.

In 2022 and August 2024, we continuously passed the annual external audit certification for ISO14001 Environmental Management System, ISO45001 Occupational Safety and Health Management System and TOSHMS Taiwan Occupational Safety and Health Management System, keeping the certificates valid.

#### Occupational Safety and Health Risk Management

To effectively prevent occupational hazards, our opportunity/risk assessment procedures identify hazards in regular or ad hoc activities that may harm employees or cause accidents. Every year, each department regularly re-examines operations, services, and activities with comprehensive hazard identification and risk assessment to properly revise EHS identification and evaluation form.

Pre- or post-event assessment on accidents, use of new materials/chemicals or machineries, and changes to operating environment/conditions (affected by regulatory amendments and organizational changes) shall be conducted. All safety risks will be classified for management based on severity, frequency, and probability to establish measures.

#### Operational Safety Management

The Company continues to strengthen its occupational safety and health management system, striving for excellence in safety and health performance. For operations with high levels of hazard risk and severity, the responsible units are required to submit applications before operation and can only proceed after approval from relevant departments.

The Company ensures that the protective equipment provided to colleagues meets the operational environment requirements to ensure safety production and employees' occupational safety and health. The company's "Environmental, Safety and Health Manual" also specifies that when workers feel that their lives or health are in urgent and serious danger, they may withdraw from the work situation on their own and be protected from punishment.

#### Reduce Occupational Hazards

The Company implemented training on safety and health awareness and various publicity activities of environmental safety and health for all employees, as well as the observation of operational safety risks and operational safety and the management programs, so as to reduce unsafe environments and behaviors, improve the intrinsic safety design of equipment, and promote the automation of manufacturing processes to reduce the operation of employees and equipment interfaces.

The frequency rate (FR) and the severity rate (SR) of disabling injuries were both zero in 2024, achieving the goal of zero occupational accidents, which were superior to the standards for manufacturing industry as stipulated by the Occupational Safety and Health Administration.

#### Contractor management

Through regular agreement organization meetings and irregular construction safety meetings to strengthen contractors' awareness of environmental safety and health management, they also cooperate with contractors to complete job hazard identification, risk assessment and analysis, and emergency response plans for high-risk operations. In the event of an accident, the Company will conduct accident investigation and analysis and implement corrective and preventive measures according to relevant regulations; in order to prevent accidents, the contractor's hazard assessment and prevention capabilities will be promoted and strengthened through education and training activities. In 2024, the accident rate, injury rate (IR) and lost day rate (LDR) of the contractors were all zero.

#### ESH Training and Contingency drill

In order to cultivate employees' concept of safety and health and strengthen their awareness of hazards in their duties, the Company provides general safety and health knowledge, professional knowledge and skills training, and emergency response training for employees according to the nature of their departments and duties, such as: knowledge and skills training for emergency response team members, and CPR first-aid training courses, earthquake drills, emergency response commander education and training, respiratory protection equipment education and training, etc. We also conduct tests or on-site drills after the courses to confirm the compliance and effectiveness of the training. We hope that through the diversified and all-round courses, the employees can become familiar with the skills, understand the required knowledge, and ensure their safety in both daily work and emergencies.

In order to provide employees with high-quality education and training courses, the internal occupational safety and health education and training courses has set up post-training evaluation to achieve the purpose of enhancing employees' safety and health awareness and preventing occupational diseases and occupational accidents.

## Emergency response drills

The Company builds emergency response organizations and develops contingency procedures for various situations, and through daily education, training and drills to enable the Company to quickly and effectively deal with disasters and reduce losses.

## (2) Risk Management on Occupational Safety and Health

### Prevention and Management of ergonomic hazards

In recent years, the proportion of occupational musculoskeletal disorders in the occupational disease benefits of labor insurance is increasing year by year. Prevention and control of ergonomic hazards is one of the key points of active management in the industry. In order to effectively prevent the occurrence of diseases caused by occupation-related factors, the Company has taken the following measures:

- A. Identification and analysis of the risk of job-specific processes of a systematic, resource and continuous improvement mode execution.
- B. Occupational Safety and Health Act will trigger repetitive operations, such as pre-musculoskeletal diseases Anti concept implanted “hazard identification and risk assessment norms” to implement career In order to effectively prevent and control concepts, health management must be through hazard awareness, assessment and control improvement.

### Prevention and Management of overwork related illness

The Company aims to effectively prevent abnormal workloads from causing diseases and ensure the safety and health of employees as follow:

- A. Ensure that employees’ working hours, rest, and vacation conditions are in line with local labor regulations.
- B. Perform workload level assessment, including employee overload and work pattern assessment, and assess the risk of cardiovascular disease incidence of employees based on health examination results, and adopt health management
- C. The health management system was implemented, including annual regular health checkups, risk case identification and management, anomaly tracking management, mental health management, matching work, fitness adjustment, etc.
- D. Actively promote mental health management and stress management-related preventive education and disseminate the rules of overload prevention, knowledge of preventing workplace fatigue related diseases, and health management strategies to employees through various ways.

### Maternal health protection and management

In order to ensure the well-being of female employees and protect their health, Innolux Corporation, taking into consideration the impact of gender differences and pregnancy on health risks, has implemented maternal health protection activities and management, including:

- A. In conjunction with the local labor laws, parental leave allowance is implemented, miscarriage prevention leave and family care leave rights are reinforced, related health protection measures are established, internal standard operating procedures are set up. For pregnant female employees, health risk assessments are implemented, hazard control and risk communication are carried out, and work adjustments are made as needed.
- B. Health guidance during pregnancy and breastfeeding is provided to pregnant employees. Rest areas and breastfeeding rooms are provided to create a friendly working environment for female employees, taking into account the principles of maternity protection and gender equality in employment.

## (3) Recruitment and Staffing

The Company’s goal is to employ qualified personnel to create the best possible performance. Our company cares about diversity and equal opportunity. We do not allow employment discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership, and marital status or otherwise. In our day-to-day operations, this means that we monitor and manage our human resources consciously. We analyze and improve turnover patterns. We build a labor force with a balanced structure, which was also integrated into our recruiting policy.

At the same time, adhering to the “take from society, use to society” concept, promote employees with physical and mental disabilities, consider different physical and mental conditions to arrange work appropriately, provide a friendly working environment and strengthen their work functions, so that the work performance of colleagues with disabilities and general colleagues go hand in hand, and the Company also fully fulfill corporate social responsibility.

#### (4) Zero Distance Communication

##### Unblocked communication channel

The Company emphasizes harmonious labor relations. To this end, we convene quarterly meetings with the labor-capital committee and the Employee Welfare Committee. High-level managers from the capital side and grassroots level representatives from the labor side engage in two-way face-to-face communications, to exchange views in an open atmosphere. We also have built a full range of communication channels, which employees can use under their names or anonymously to report problems through the Employee Care Hotline, the Employee Care Mailbox, and Suggestion Box, so that such problems can be solved immediately and effectively.

##### Establish a friendly working environment to eliminate sexual harassment

To prevent the employees from the threat of workplace violence, the Company has continued to promote the “Workplace Violence Prevention Program” throughout its factories, establish a complete training and management mechanism, develop supervisors’ sensitivity and advanced caring skills, so that it can actively create a physically and mentally healthy workplace, and provide a warm workplace life.

##### Employee Assistance Programs

Employees are company’s most important asset. Innolux understands how difficulties may affect an individual’s work and life. Promote Employee Assistance Programs (EAPs), through a systematic and institutionalized service mode, provide employees with 24-hour uninterrupted consultation services to assist employees in real time, such as employee care, psychological counseling, healthcare and legal assistance, in an effort to reduce the impact that problems may have on our employees’ work and lives. We hope to enable our employees to work with a fit body and a healthy mind and improve productivity.

##### Diversity and equality in the workplace

The Company formulates relevant employee codes in accordance with labor standards law, employment service law and gender work equality law, etc. to protect the rights and interests of colleagues. Committed to protecting human rights. The policy of human rights and diversity and inclusion supports and respects relevant international labor rights norms, including the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (Global Compact), the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the International Labor Organization (ILO) and Code of Conduct - Responsible Business Alliance (RBA). In accordance with local laws and regulations and the spirit of international human rights standards, the Company formulated the policy of human rights and diversity and inclusion, and established a corporate culture of equal opportunities in 2023. The implementation policy is described as follows:

- A. Equal employment opportunities and treatment, no discrimination or difference based on race, ethnicity, color, nationality, gender, sexual orientation, gender identity, physical disability, marriage, pregnancy, age, political affiliation, religion and other status factors, practicing diversity and sharing inclusive workplace values.
- B. Forced labor, child labor and human trafficking are prohibited in business activities or supply chains.
- C. Comply with all applicable wage, benefit and working hour regulations and ensure freedom of employment.
- D. Provide a safe, healthy, humane working environment that prohibits harassment and bullying, and assist employees in maintaining a work-life balance.
- E. Respect employees’ rights to associate freely and join various organizations.

- F. Maintain positive labor relations and provide a diverse communication platform.
- G. Respect and protect the collection and use of personal information in compliance with legal requirements.
- H. We uphold the principles of integrity and fairness, comply with the anti-corruption laws of the country where we operate, and prohibit any form of illicit gains.
- I. Responsible procurement and responsible production ensure that conflict minerals and illegal timber are not used in the supply chain, and create a sustainable supply chain.
- J. Regularly review and assess human rights-related risks, formulate mitigation and remedial measures, and provide multiple complaint channels.

**4..5.2 List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.**

## **4.6 Cyber Security Management**

### **4.6.1 The cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management**

The Company has appointed the cyber security chief officer and personnel in 2023 to make overall plan for information security-related policy formulation, implementation, risk management and compliance check. Report the implementation results of cyber security to the Board of Directors on an annual basis. In addition, the cyber security personnel is responsible to implement the Company's cyber security policies; advocate the cyber security to enhance employees' cyber security awareness; report to the cyber security chief officer, President, and Chairman the implementation result of cyber security; review and assess the effectiveness of internal controls over the Company's information operations; and build an "Active Cyber Security Detection and Defense" framework to protect the confidentiality, integrity, and availability of information, reducing the risk of unauthorized use, damage, or leakage of information.

### **4.6.2 Cyber Security Policy**

In order to effectively implement cyber security management, the corporate security organization holds regular meetings to review the applicability of cyber security policies and protection measures in accordance with the management cycle of Plan-Do-Check-Act (PDCA), and reports the review results to the cyber security manager regularly.

#### **1. Cyber Security Governance:**

Establish information management-related procedures and operation documents, implement cyber security policy management, cyber security compliance control, and continuously conduct the business contingency drills to protect the Company's critical systems and cyber security.

#### **2. Promoting cyber security awareness:**

Promote the "Month of Cyber Security" campaign, and hold cyber security educational training and drills periodically to upgrade employees, cyber security awareness.

#### **3. Control on risk of information and communication security and Implementation:**

The Company has an information software operation system and a cyber security disaster recovery mechanism to regulate the control of information assets such as computer mainframes, database systems, application software systems and personal computers, operational information, personal privacy information, and others on the Company's information service system. The Company also established guidelines pursuant to the Cyber Security

Management System (ISMS) to ensure the three targets, including confidentiality, integrity and availability of information, and to strengthen cyber security management, established a secure and reliable electronic information operation environment, and established an emergency response mechanisms that conducts timely notification and adoption of countermeasures when the Company's information system and operational information encounter an cyber security breach to recover to normal operation in the shortest possible time in order to ensure the sustainable operation of the Company's business.

The contents of the Company's enhancement of the security and strengthening management and defense the Company are described as follows:

Item	Contents
Framework of Defense	<ol style="list-style-type: none"> <li>1. To avoid hacker attacks, invest the construction of DDoS defense architecture.</li> <li>2. Prevent the intrusion of ransomware and install endpoint protection software on important equipment in the computer room to prevent unknown file program attacks.</li> <li>3. Import the Business Email Compromise technology identification system (Anti-BEC) and the Advanced Persistent Threat prevention system (Anti-APT) to isolate phishing &amp; fraud mail infiltration.</li> <li>4. Complete the construction of firewalls for external connections.</li> <li>5. Backup software expand: strengthen backup of Sever Farm, to avoid the hazard of ransomware attack.</li> </ol>
Cyber Security Governance and Advocacy	<ol style="list-style-type: none"> <li>1. Formulate and revise the cyber security education and training courses, and educate employees on cyber security concepts through the internal advocacy platform.</li> <li>2. Regularly collect the latest cyber security attack methods and security protection information, publish internal cyber security announcements, and organize drills.</li> <li>3. Reduce the risk of phishing emails through the use of email source verification mechanisms.</li> </ol>
Strengthen the Cyber Security Management Mechanism	<ol style="list-style-type: none"> <li>1. Join TWCERT as member of cyber security alliance, and exchange information with the other alliance members.</li> <li>2. Subscribe to domestic and international cyber security organizations to obtain information on hacking attacks in real time.</li> </ol>
Cyber security protection drills	<ol style="list-style-type: none"> <li>1. Carry out critical system (SAP) disaster recovery simulation drills every year to ensure that the system can operate continuously and the business operations are not interrupted.</li> <li>2. Carry out social engineering drills semiannually to raise the email alertness and cyber security awareness of employees.</li> </ol>

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

## 4.7 Important Contracts

Contract nature	Counterparty	Contract start and end dates	Major Contents	Restrictive clauses
Lease Contract	Innolux Corporation	2024.05.01-2030.04.30	Tainan Headquarter, Office and Plant	Pursuant to the terms and conditions set forth under the Agreement
OEM Contract	Innolux Corporation	2020.01.01-2022.12.31	Contract manufacturing of TFT-PD substrates	Pursuant to the terms and conditions set forth under the Agreement
Loan Contract	CTBC Bank	2024.11.30-2025.11.30	Comprehensive Credit Facilities Agreement	Pursuant to the terms and conditions set forth under the Agreement
Loan Contract	KGI Bank	2025.03.17-2026.03.17	Comprehensive Credit Facilities Agreement	Pursuant to the terms and conditions set forth under the Agreement
Loan Contract	Mega International Commercial Bank	2024.11.04-2025.11.03	Comprehensive Credit Facilities Agreement	Pursuant to the terms and conditions set forth under the Agreement
Loan Contract	Hua Nan Bank	2025.01.03-2026.01.03	Comprehensive Credit Facilities Agreement	Pursuant to the terms and conditions set forth under the Agreement
Loan Contract	Bank of Taiwan	2024.02.26-2025.02.26	Comprehensive Credit Facilities Agreement	Pursuant to the terms and conditions set forth under the Agreement
Loan Contract	Development Bank of Singapore (Taiwan)	2024.11.30-2025.11.30	Comprehensive Credit Facilities Agreement	Pursuant to the terms and conditions set forth under the Agreement
Loan Contract	Yuanta Bank	2023.11.17-2025.11.16	Comprehensive Credit Facilities Agreement	Pursuant to the terms and conditions set forth under the Agreement
Loan Contract	Taipei Fubon Bank	2024.12.04-2025.09.30	Comprehensive Credit Facilities Agreement	Pursuant to the terms and conditions set forth under the Agreement

## V. Review of Financial Conditions, Operating Results, and Risk Management

### 5.1 Analysis of Financial Positions

Unit: NT\$ thousand

Fiscal Year Items	2023	2024	Difference Amount	Percentage (%)	Note
Current assets	1,955,637	2,072,513	116,876	5.98	
Property, Plant and Equipment	195,807	176,190	(19,617)	(10.02)	
Intangible assets	13,843	11,755	2,088	15.08	
Other non-current assets	103,173	111,765	8,592	8.33	
Total assets	2,268,460	2,372,223	103,763	4.57	
Current liabilities	893,450	811,766	(81,684)	(9.14)	
Other non-current liabilities	90,261	177,229	86,968	96.35	1
Total liabilities	983,711	988,995	5,284	0.5	
Capital stock	402,389	415,046	12,657	3.15	
Capital surplus	448,127	455,025	6,898	1.53	
Retained earnings	459,849	568,147	108,298	23.55	2
Other equity	(25,616)	(54,990)	(11,277)	(44.02)	3
Total equity	1,284,749	1,383,228	98,479	7.67	

Note: Analysis will be conducted only for major changes, namely, the change in financial ratios reaches 20% and the amount exceeds NT\$ 30,000,000.

Analysis of changes in financial ratios:

1. Mainly due to increase in guarantee deposit received for new product development.
2. Mainly due to significant increase in net profit after tax compared to the previous period arising from stable operating conditions.
3. Mainly due to unrealized gains (losses) on equity instrument measured at fair value through other comprehensive income.

### 5.2 Analysis of Financial Performance

Unit: NT\$ thousand

Fiscal Year Items	2023	2024	Difference Amount	Percentage (%)	Note
Operating revenue	1,837,116	1,989,666	152,550	8.30	
Operating costs	1,334,447	1,437,382	102,935	7.71	
Gross profit	502,669	552,284	49,615	9.87	
Operating expenses	471,500	518,862	47,361	10.04	
Operating income	31,169	33,422	2,254	7.23	
Non-operating income and expenses	91,725	164,798	73,072	79.66	1
Profit before income tax	122,894	198,220	75,326	61.29	2
Income tax expense	6,236	45,281	39,045	626.12	3
Net income	116,658	152,939	36,281	31.10	4
Other comprehensive income (loss)(net of income tax)	(11,524)	(29,237)	(17,713)	(153.71)	5
Total comprehensive income for the period	105,134	123,702	18,568	17.66	

Note: Analysis will be conducted only for major changes, namely, the change in financial ratios reaches 20% and the amount exceeds NT\$ 30,000,000.

Analysis of changes in financial ratios:

1. Mainly due to the fluctuation of foreign exchange gains and losses and the recognition of research and development subsidy income.
2. Mainly due to the increase in operating profit.
3. Mainly due to the increase in profit and the increase in income tax expenses.
4. Mainly due to the increase of net income before tax..
5. Mainly due to unrealized gains (losses) on equity instrument measured at fair value through other comprehensive income.

### 5.3 Analysis of Cash Flow

#### 5.3.1 Cash flow changes for the most recent fiscal year

Unit: NT\$ thousand

Fiscal Year	2024	Analysis
Cash inflow from operating activities	234,931	Mainly due to stable operating conditions and significant changes in 2024, resulting in cash inflow.
Cash outflow from investing activities	(52,034)	Mainly due to the cash outflow for the acquisition of financial assets at fair value through profit or loss and property, plant and equipment in 2024.
Cash inflow from financing activities	(87,060)	Mainly due to the decrease in borrowings in 2024.

#### 5.3.2 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousand

Estimated Cash and Cash Equivalents, Beginning of Year(1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plan	Financing Plan
774,981	276,489	140,759	910,711	N.A.	N.A.
Analysis of cash flow changes for the coming year: Operating activities: Operating requirements, such as cash receipts from sales and payments for materials purchased, resulted in a net cash inflow from operating activities.. Investing activities: Continuous investments in new technology and equipment resulted in a net cash outflow. Financing activities: Repayment of some bank loans resulted in a net cash outflow. Leverage of Cash Surplus (Deficit): None.					

### 5.4 Effect upon Financial Operations of Major Capital Expenditures

The Company's major capital expenditure was mainly for the capacity expansion of the Tainan Plant, which was financed by its own capital and had no significant impact on financial performance.

## 5.5 Reinvestment Policy and its Main Reasons for Profits/Losses, Plans for Improving Reinvestment Profitability and the Investment Plans for the Coming Year

### 5.5.1 Investment Policy

The Company's investment policy is based on the main principle of focusing on the long-term development of the X-ray flat panel detector business, and shall be implemented by the relevant executive departments in accordance with the internal control system and procedures for the acquisition or disposal of assets.

### 5.5.2 Main Causes for Profits or Losses on Investment Business in Last Year, and Improvement Plans

Unit: NT\$ thousand

Investees	Profit (Loss) in 2024	Main Causes	Improvement Plans
Innocare Optoelectronics Europe B.V.	503	Providing after-sales service	N.A.
InnoCare Optoelectronics Japan Co., Ltd.	17,351	Sales profit	N.A.
InnoCare Optoelectronics USA, Inc.	8,670	Sales profit	N.A.
Ningbo Innolux Electronics Ltd.	(1,497)	Sales Loss	Ongoing business Development

### 5.5.3 Investment Plans for the Coming Year

The Company adopts a conservative investment policy and, in addition to avoiding investments that are not highly correlated to the main business of the Company, the Company's investment plans for the coming year will continue to be in line with its long-term development strategy and make investment layout related to the main business, and will continue to supervise and manage existing investee companies to achieve the expected investment goals.

## 5.6 Analysis of Risk Management

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

#### 1. Change in interest rate

Interest expense accounted for 0.15% and 0.40% of net operating revenues of the Company and its subsidiaries in 2024 and 2023, respectively. Since the Company makes profits year after year and mainly operates with its own funds, interest expense for each period is the financing interest generated from the Company and its subsidiaries' loans from financial institutions, which accounts for a negligible portion of net operating revenues. The Company and its subsidiaries always observe and analyze the effects of changes in interest rates in the financial market on the cash flows generated from all interest-bearing liabilities of the Company and its subsidiaries. The Company and its subsidiaries maintain good relationships with banks and evaluate the possible interest rate risks on all interest-bearing liabilities in a timely manner in order to minimize the effects of the changes in interest rates on the Company's and its subsidiaries' profit or loss.

#### 2. Change in Foreign exchange rates

- (1) Since the Company's operations are in a stable growth stage, there is a substantial demand for foreign currencies (U.S. dollars, Japanese yen, etc.). The Company's sales of products and purchases of raw materials are mainly denominated in U.S. dollars. In addition to using natural hedges to reduce the portion that needs to be hedged currently, the Company will evaluate the use of a combination of spot goods, forward foreign exchange contracts and currency options to hedge the risk of exchange rate fluctuations according to the trends of the global economy.
- (2) In order to avoid the risk of exchange rate fluctuations, the Company utilizes a professional financial information system to monitor international exchange rate fluctuations in real time, and fully grasp the trend and information of international exchange rates, in order to cope with the negative impacts arising from exchange rate fluctuations. The Company pays close attention to exchange rate fluctuations at ordinary times, in order to minimize the impact of exchange rate risk.

- (3) Based on the features of the natural hedge, the cash from foreign currency denominated product revenues is used to pay foreign currency payables arising from foreign currency denominated purchases. Therefore, the Company only needs to evaluate the net assets denominated in foreign currency for future fluctuations in foreign currency exchange rates, and plans for the use of forward exchange contracts and foreign exchange options to minimize the impact of exchange rate fluctuations when necessary.
- (4) In accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued by the Securities and Futures Bureau of the Financial Supervisory Commission, the Company has formulated the “Procedures to Engage in Transaction and Disposal of Derivatives” to regulate the trading, risk management, supervision and auditing of derivative financial instruments, which will help to strengthen the risk control mechanism of the Company when it utilizes financial instruments to avoid exchange rate risks in the future.

### 3. Inflation or deflation

The Company and its subsidiaries maintain close and good interaction with suppliers and customers, pay close attention to the price fluctuations of raw materials, and timely adjust purchasing strategies and sales prices to reduce the impact of inflation. Inflation had no significant impact on the operations of the Company and its subsidiaries in the most recent year.

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

1. In order to control financial risks, the Company had not engaged in highly risky and high financial leverage investment. Exactly as required by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan and the laws and ordinances concerned, we have set up wholesome financial and operating grounds in the managerial regulations and operating procedures, including “Procedures for Engaging in Derivatives Trading”, “Procedures for Governing Loaning of Funds”, “Procedures for the Acquisition and Disposal of Assets” and “Procedures for Endorsements and Guarantees”, to manage and control the related transaction risks.
2. The Company adheres to the conservative and prudent principles in financial operations, and it had not engaged in any other highly risky and high financial leverage investments, loans of funds to others, endorsements and guarantees, or derivative transactions for the most recent year or as of the printed date of the annual report.

#### **5.6.3 Future Research & Development Work and Expenditures**

##### 1. Future Research & Development Projects

The Company and its subsidiaries make plan for research and development projects in accordance with market and technology trends, customer needs and the Company’s operating strategies to provide market- and future oriented products and technologies. The main development directions are as follows:

- (1) X-Ray Flat Panel Detector Device
  - A. Detection pixel structure for next-generation IGZO technology.
  - B. Next-generation detector technology (e.g. low temperature polysilicon, perovskite or photon technology, etc.)
- (2) X-ray flat panel detector module
  - A. Develop static X-ray flat panel detector module with high pixel density and flexible substrate
  - B. Develop dynamic X-ray flat panel detector module with high read speed based on IGZO technology
  - C. Enhance embedded system software design capability
  - D. Enhance the image processing capability of X-ray flat panel detector module after capturing X-ray images and build its own user interface software capability
  - E. Combine with AI technology development to assist users in interpreting X-ray images
- (3) Integrated design of non-destructive detection system for manufacturing industry

##### 2. Estimated Research and Development Budget

The Company spent NT\$275,035 thousand on research and development in 2024, and will continue to allocate

and recognize R&D expenses in accordance with the progress of technology and product. The Company's operations are in a growth stage. In order to maintain and improve the competitiveness of our technologies and products, the Company expects to invest another R&D fee of NT\$ 0.274 billion in 2024. However, it will adjust according to the customer layout, market conditions and actual operating conditions, and continue to maintain its leading edge in technological development.

#### **5.6.4 Effects of and Response to Changes in Policies and Legal Environment at Home and Abroad Relating to Financial Operations**

As of the Annual Report's publication date, there has been no adversely impact on financial or business due to any policy and law changed. All the Company's teammates would be closely watchful of potential changes in major policies and laws and ordinances concerned at home and abroad. Through such efforts we shall be able to take right countermeasures in real-time to minimize the potential impact upon the Company's financial standing which might be incurred by major policies at home and abroad and change in laws.

#### **5.6.5 Effects of and Response to Changes in Science and Technology (including Cyber Security Risks) and the Industry Relating to Financial Operations**

##### **1. Technology Change**

In the face of the continuous introduction of new technologies and products in the market, the accelerated transition of mainstream products in the market may have an impact on the sales of the Company's existing products, which in turn may have a negative impact on the Company's finance and business. The Company's strategy is to "cooperate in-depth with target customers, and develop next-generation products in advance".

In terms of technology, the proportion of shipments of products utilizing IGZO and flexible substrate technologies is gradually increasing, and the Company is currently investing in the development of next-generation IGZO technology. The Company makes full use of our leading edge in new technology to expand the sales volumes of high-end, high-margin products, and allow our customers to gain better market visibility and profits, realizing a win-win situation. In addition, the Company has already started the research and development of next-generation LTPS-APS, perovskite and photon counting technologies, and made plans for the new technologies and products in 3-5 years to ensure that we can maintain the leading position in new technologies and specifications.

##### **2. Cyber security risk**

The Company and its subsidiaries attach importance to cyber security management, strengthen the awareness of cyber security among the Company's employees based on the improvement of data protection and equipment use security, and avoid the occurrence of cyber security incidents that may cause harm to the service quality and corporate reputation through active establishment of relevant cyber security management measures and risk assessment, thus protecting the rights and interests of shareholders. The main measures taken to control cyber security risks are described as follows:

- (1)The Company's operation procedures have relevant regulations on cyber security for compliance by employees; in addition, the computer information cycle of the internal control system also provides for the control procedures of cyber security inspection, so the Company will further strengthen and implement cyber security in combination with the irregular review of the effectiveness of internal control system.
- (2)Cyber security inspection is included in the annual audit plan, and auditors will conduct annual audits to understand the operating status of cyber security and evaluate whether various risk controls and improvements of abnormalities have been practically implemented to reduce and avoid related cyber security risks.
- (3)Strengthen the publicity of the employee cyber security concept, and announce relevant cyber security precautions from time to time to raise the awareness of employees to prevent malicious attacks by external parties, so as to reduce the risks caused by improper habits and provide security guarantee for the daily operation and management of the Company.
- (4)In order to ensure the protection and confidentiality of data, the authorization for login and access to the relevant systems must be properly reviewed and approved; pay attention to whether there is any improper use of accounts and passwords by others to prevent the risk of leakage of confidential information.

### 3. Industry Change

X-ray flat panel detector industry is of growing scale and expanding scope of technology application. However, any sort of economic trend drops, competitor dynamics, and changes in end-user demand all might lead to a shock to the Company's business operation on the seamy side. Here at the Company, all our teammates would be closely watchful of fluctuation that might hit the Company into passive aspect and work out sound countermeasures beforehand. In terms of financial operation, we adopt sound and stable financial operation to deal with potential fluctuation in the businesses.

#### **5.6.6 The Impact of Changes in Corporate Image on Crisis Management, and Corresponding Measures**

Faithful law compliance, focus on employees' and shareholders' equity, and fulfillment of corporate social responsibilities represent the very bounden duties to the Company and its subsidiaries. In case of a contingency, the Company and its subsidiaries will immediately establish the Crisis Task Force, with the ranking department head serving as the emergency convener, to defuse the crisis forthwith. As of the Annual Report's publication date, there has been no event that adversely impacts corporate image of the Company and its subsidiaries and impacts on corporate risk management.

#### **5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans**

At the moment, the Company and its subsidiaries have no plan to launch a merger with another enterprise. Toward potential strategic investment or vertical integration, and the cost benefit and the potential risk so arising, the Company's management would conduct appropriate evaluation and evasion as appropriate.

#### **5.6.8 Expected Benefits from, Risks Relating to and Response to Plant Expansion Plans**

The Company and its subsidiaries have no specific plans for plant expansion in the latest year and as of the publication date of the annual report. If there are such plans in the future, the Company and its subsidiaries will execute and make announcements according to the relevant laws and regulations.

#### **5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration**

##### 1. Risks Relating to and Response to Excessive Concentration of Purchasing Sources

The Company and its subsidiaries design, manufacture and sell X-ray flat panel detectors, and as one of the main raw materials, the Company also designs thin-film transistors-photoelectric diode substrates, which are then entrusted to professional TFT manufacturers for OEM production. During the product development and manufacturing process, we must maintain a cooperative relationship with OEMs to complete the manufacturing of products through specialized division of labor. Since the products of the Company and its subsidiaries are mainly used in the medical testing field, involve many product items and require high technical level and supply stability, the selection of suppliers requires a comprehensive consideration of process technology, quality yield, capacity supply, delivery time, and geographical relationship. Based on the characteristics of products and industry, we have entrusted Innolux Corporation, one of our related parties, for the OEM production of TFT-PD substrates, and have signed a 5-year contract with Innolux Corporation. Since the Company only uses a small proportion of the total production capacity of Innolux Corporation, there is no concern about insufficient production capacity; for the procurement of key components, the Company and its subsidiaries not only select two or more suppliers as far as possible, but also establish a safety inventory to reduce the risk of excessive concentration of purchasing sources.

##### 2. Risks Relating to and Response to Excessive Customer Concentration

The Company and its subsidiaries are professional manufacturers in the field of X-ray detectors with independent design, development and manufacturing capabilities. The main source of operating revenue is the sale of X-ray flat panel detector elements and modules, which are widely sold in Japan, Korea, North America, Europe and Chinese Mainland, and the main sales objects are major manufacturers of medical devices and digital X-ray radiography system. At present, there is no single sales object who account for more than 30% of sales volume, so there is no excessive customer concentration.

#### **5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors or Shareholders with Shareholdings of over 10%**

As of the printed date of the annual report, there has been no large share transfers or changes in shareholdings by directors or shareholders with shareholdings of over 10%.

#### **5.6.11 Effects of, Risks Relating to and Response to Changes in Management Rights**

As of the printed date of the annual report, there has been no changes in management rights of directors or shareholders with shareholdings of over 10%.

#### **5.6.12 Litigation or Non-litigation Matters**

1. The lawsuits, non-contentious cases, administrative litigation that are decided by the court or still in proceeding in the most recent years until this report was issued: None.
2. List litigious, non-litigious or administrative disputes that: (1) involve any company director, the president, 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 in the most recent year and as of the publication date of the annual report, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities:

Except for the legal entity represented by the corporate representative director and the shareholder holding a stake of greater than 10 percent, Innolux Corporation, there are no litigious, non-litigious or administrative disputes pending against the remaining director, the president, any person with actual responsibility for the firm. The lawsuit related to the legal entity represented by the corporate representative director and the shareholder holding a stake of greater than 10 percent, Innolux Corporation, is described as follows:

- (1) Bishop Display Tech LLC (Bishop) filed a lawsuit against the Company with the United States District Court for the Eastern District of Texas on October 3, 2022, alleging infringement of its US patent. The Innolux Corporation Company received the service of a complaint on October 28, 2022 and subsequently filed an answer to the complaint on January 26, 2023. The two parties have reached a settlement in September 2023. As the patent litigation against the Innolux Corporation Company had been revoked on October 18, 2023, it has no impact on the Company's operations and financial position.
- (2) Polaris PowerLED Technologies, LLC (Polaris) filed a lawsuit against the Company and the Innolux Corporation Company's American subsidiary with the United States District Court for the Central District of California on May 8, 2023, alleging infringement of its US patent. The Innolux Corporation Company received the service of a complaint on May 22, 2023 and subsequently filed an answer to the complaint on July 24, 2023. Currently, the lawsuit has no impact on the Innolux Corporation Company's operations and financial position.
- (3) Phenix Longhorn, LLC (Phenix) filed a lawsuit against the Innolux Corporation Company with the United States District Court for the Eastern District of Texas on October 10, 2023, alleging that Innolux Corporation company infringed on its U.S. patent. On June 7, 2024, the Innolux Corporation Company decided not to contest the service of process, and the lawsuit has entered the substantive litigation process. Currently, the lawsuit has no impact on the Innolux Corporation Company's operations and financial position.

In summary, the above-mentioned event was derived from the business operations of the ultimate parent company and was assessed as not affecting the financial performance of the Company. Therefore, there was no event that materially affected shareholders' equity or the prices of securities of the Company.

#### **5.6.13 Other Important Risks, and Mitigation Measures:None**

### **5.7 Other Important Matters: None.**

## **VI. Special Disclosures**

### **6.1 Summary of Affiliated Companies**

Please go to the MOPS (<https://mops.twse.com.tw>) and click on "Single Company" under "Electronic Document Download" and then "Three Forms and Documents of Related Enterprises" to search.

### **6.2 Private Placement Securities in the Most Recent Years: None.**

### **6.3 Other Matters Required Additional Description: None.**

**VII. Materially might affect shareholders' equity or the price of the Company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one: None.**