



2024 ANNUAL REPORT

Printed Date : Apr 22, 2025

Information available on

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

[https : //www.pti.com.tw](https://www.pti.com.tw)

I. Company Spokesman and Deputy Spokesman

Spokesperson

Name: Huck Shen
Title: CFO & Vice President
Tel: +8863 598-0300
E-mail: huckshen@pti.com.tw

Deputy Spokesperson

Name: Yohan Lin
Title: Vice President of Legal & Human Resources
Tel: +8863 598-0300
E-mail: yohan@pti.com.tw

II. Telephone Numbers and Addresses of Headquarters, Subsidiary, and Factory

Address of Headquarters: No. 10 Datong Road, Hsinchu Industrial Park, Hukou, Hsinchu 30352, Taiwan
Address of 1st Plant: No. 879, Litoushan Section, Wunshan Rd., Hsinpu, Hsinchu 30550, Taiwan
Address of 2nd Plant: No. 7 Sanmin Rd., Hsinchu Industrial Park, Hukou, Hsinchu 30352, Taiwan
Address of 3rd Plant: No. 26 Datong Road, Hsinchu Industrial Park, Hukou, Hsinchu 30352, Taiwan
Address of 9th Plant: No. 4 Wen Hua Road, Hsinchu Industrial Park, Hukou, Hsinchu 30352, Taiwan
Tel: +8863 598-0300
Address of Science Park Plant I: No. 15 Lihsin 3rd Rd., Hsinchu Science Park, Hsinchu 30078, Taiwan
Address of Science Park Plant II: No. 9 Lihsin 4th Rd., Hsinchu Science Park, Hsinchu 30078, Taiwan
Address of Science Park Plant III: No. 29 Lihsin 4th Rd., Hsinchu Science Park, Hsinchu 30078, Taiwan

III. Stock Transfer Agent

Name: Concord Securities Co, Ltd. Stock Affairs Department
Address: B1 No. 176 Sec. 1, Keelung Rd., Taipei City, Taiwan
Website: <https://www.concords.com.tw>
Tel: 886-2-8787-1118

IV. CPA for Annual Financial Statements

CPAs: Cheng-Chi Lin, Su-Li Fang
Accounting Firm: Deloitte & Touche LLP
Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei, Taiwan
Website: <https://www2.deloitte.com.tw>
Tel: (886) 2 2725-9988

V. Name of Overseas Exchange: Not applicable

VI. Company Website: <https://www.pti.com.tw>

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I. Letter to Shareholders

Annual General Meeting of Shareholders 2025

Dear Shareholders, Ladies and Gentlemen,

“Operating results for the previous fiscal year”

After the semiconductor industry experienced a sharp decline in demand in 2023, our 2024 annual revenue still grew steadily to NT\$73.3 billion, with earnings per share reaching NT\$9.09 even though our sale of the Xi'an factory in China to Micron Technology took effect on July 1, 2024.

“The effect of external competition, the legal environment, and the overall business environment.”

Looking back on 2024, pressure from customers' continued inventory adjustments meant the overall semiconductor industry showed no obvious signs of recovery outside of the supply chain of AI-related products. The situation is expected to continue through to the first half of 2025.

The announcement on April 2, 2025, by the US government that it will impose reciprocal tariffs on countries around the world added a great deal of uncertainty to the future direction of the global economy. The industry's original expectations of an economic recovery in the second half of this year suddenly became filled with variables as well. This tariff policy will have far-reaching and complex effects on global trade and economic development. Its impact is difficult to accurately estimate at this time. Faced with such a turbulent global economic and trade environment, I will continue to focus on the Company's internal development and brief all shareholders on the progress that Powertech Technology Inc. has made in the development of advanced packaging and testing technologies.

Due to NVIDIA and TSMC's lead in the AI market, we are now also facing delivery delays from vendors on the precision equipment needed for the expansion of our advanced 2.5D/3D packaging solutions. To meet the needs of new customers for customized and more competitive AI solutions, we encountered some difficulties in the development of advanced technologies as well. Thanks to the efforts of our engineering team, these challenges and difficulties have nevertheless been overcome one by one with progress made.

“Summary of the business plan and the future development strategy”

Currently, our focus is on improving production yield, accelerating development times, and providing customers with more cost-effective solutions. We have redefined the Powertech vision as "to become the best supplier of advanced packaging technology solutions for system applications, modules and IC components." The key to achieving this goal lies in the commitment of our employees, the cooperation of our suppliers, and the support of our strategic customers.

1. Applying TSV(Through Silicon Via) connection technology:

- ◆ Via-last: We have successfully applied to image sensor (CIS CSP), medical and wearable devices.
- ◆ Via-middle: We completed the deployment of the back-end Via-reveal technology with the installation and pilot production of Via-reveal CMP equipment for High Bandwidth Memory (HBM) wafers and Si Interposer.

2. Manufacturing of HBM:

- ◆ Our mass production equipment has been completed and we have successfully broken through the die attachment and bonding technology.
- ◆ We are currently working to improve the yield rate, and we are the only Outsourced Packaging and Testing (OSAT) vendor with HBM packaging capability.

3. Packaging Technology of 2.5D and 3D:

- ◆ In addition to our existing Fan-Out Packaging (FOPLP) capabilities, we have accelerated the development of our Chip-on-Wafer (CoW) process capabilities in response to the industry's demand for 12-inch wafer silicon interlayers, and now have CoW and Chip-on-Panel (CoP) solutions.

I am pleased to report to our shareholders that we are ready for a new wave of growth opportunities with our advanced packaging technology.

I would like to thank our shareholders for their continued trust and support.

Sincerely,

D.K. Tsai

PTI Chairman

Powertech Technology Inc.

2024 Business Report

I. 2024 Business Report

According to the World Economic Outlook published by the International Monetary Fund (IMF) in January 2025, global growth was about 3.2% in 2024 and is projected at 3.3% in 2024 and 2025 which are below the historical (2000–2019) average of 3.7%. The global inflation rate was 5.8% in 2024, and IMF predicts that it will fall to 4.2% in 2024 and 3.5% in 2025. Inflation in developed economies is expected to return to the target level more quickly than in emerging markets and developing economies.

The world has entered a cycle of interest rate cuts, and with the return of former U.S. President Donald Trump, the U.S. domestic and foreign policies are about to undergo another major shift, and geopolitical conflicts continue to be a hotspot, aggravating global economic and political uncertainty and instability. Although global inflation is easing and the world economy has not entered a recession, the downside risk has increased significantly, and the future may fall into the predicament of low growth and high debt.

According to the research by Gartner, a technological research and consulting firm, global semiconductor market revenue grew nearly 18.1% to US\$626 billion by 2024, driven by strong demand for generative AI and high-performance computing, making it the second largest market just behind smartphones. Also, it predicts that the global semiconductor market is forecast to reach US\$705 billion in revenue by 2025. Based on a study of Industrial Economics and Knowledge (IEK) published in October 2024: expected that Revenue of Taiwan semiconductor industry was NT\$ 5,300 billion which was 22% increased from 2023. Revenue of Taiwan IC packaging sector was NT\$ 427 billion which was 8.6% decreased from 2023, and revenue of Taiwan IC testing sector was NT\$ 200.5 billion which was 5.2% decreased from 2023.

In the face of global political and economic turmoil in 2024, with the demand for servers, automotive electronics, high-speed computing, artificial intelligence(AI) and other clients continuing to grow, and benefiting from urgent orders from customers, PTI' s performance this year is lightly higher than 2023. In the future, PTI will continue to deepen our research and development technology, expanding HBM production capacity to meet customer and market needs, and promoting the Company's goal of sustainable management.

Details of 2024 revenue and profitability are reported as follow:

1. 2024 Operations Results

PTI Consolidated revenue of 2024 was NT\$ 73.315 billion, which was 4.08% increase from 2023 consolidated revenue of NT\$ 70.441 billion. 2024 net income belonged to parent company was NT\$ 6.788 billion which was 15.2% decrease from 2023 NT\$ 8.009 billion.

2. Review budget implementation: The Company has not published financial forecasts

3. Financial Status

2024 Consolidated Statement of Cash Flow		(in NT thousand)
a. Net cash inflow from operating activities		21,565,826
b. Net cash outflow from investing activities		9,864,644
(Changes mainly from acquisition of machinery and equipment)		
c. Net cash outflow from financing activities		11,351,315
(Mainly for repayment of loans)		

4. Profitability Analysis

Analysis Items		2024	2023
Profitability	Operating Income / Capital Ratio	123.59%	107.40%
	Pre-tax Net Income / Capital Ratio	140.65%	158.64%
	Return on Assets	7.90%	8.49%
	Return on Equity	12.07%	14.04%
	Net Income (Loss) Ratio	9.26%	11.37%
	Net Income(Loss) Per Share	\$ 9.09	\$10.72

5. R&D Updates

PTI has been constantly devoted to new technologies and production technologies development to meet industry standards and customers' demand. 2024 R&D expenses were NT\$2.809 billion which was about 3.83% of consolidated revenue. In addition to DRAM and NAND Flash products, PTI has been developing advanced packaging & testing and heterogeneous integration, such as Copper Pillar Bump (CPB), Flip Chip CSP (FCCSP), Large Flip Chip Multi-Chip Module Ball Grid Array (Large MCM FCBGA), Chiplet FCBGA, System in Package (SiP/SiM), Antenna in Package / Antenna in Module (AiP/AiM), High Band Package on Package (HBPoP), Embedded Heat Sink Flip Chip CSP (Embedded H/S FCCSP), Wafer Level Package (WLP), CMOS Image Sensor Chip Scale Package (CIS CSP), 2.5D/3D Through Silicon Via (TSV), and Fan-Out Wafer/Panel Level Package (FOPLP). With the lab for Antenna in Package (AiP) and Radio Frequency (RF), PTI provides certify services of 5G products. Apply TSV technologies on CIS CSP products to enhance performance of health care, surveillance, and automotive devices.

In High Bandwidth Memory (HBM), also apply TSV technologies to improve the bandwidth memory and speed of High Performance Computing (HPC) and cloud servers. Coping with the difficulties of post-Moore's Law applying on Chip Scaling, FOWLP/FOPLP has been engaged with customers in development and certification to provide comprehensive solutions.

II. 2025 Annual Operating Plan Summary

1. Business Policy:

- (1) Keeping “Promise,” creating innovative “Technology” and providing “Integration” services are our core company values.
- (2) Focus on the semiconductor assembly and test services; and collaborate with customers and vendors for mutual benefits.
- (3) Commit to developing advanced technologies and timely launching new products to enhance growth momentum.
- (4) Provide the turnkey solutions with reliable quality and cutting-edge technologies.
- (5) Consolidate resources and strengthen operational efficiency to ensure business profits and sustainability.
- (6) Develop talents; and create a winning joint value between employee benefits and shareholders’ interests.

2. Sales Volume Projection:

According to the 2024 semiconductor sales forecast released by the World Semiconductor Trade Statistics (WSTS) in November 2023, the global semiconductor market will grow by 13.1% annually in 2024, with sales reaching US\$588 billion. Memory will be the most important part of growth with YoY 44.8%. WSTS expects that all markets are expected to grow. The European and Japanese markets will grow by 4.3% and 4.4% respectively, the American market will grow by 22.3%, and the Asia-Pacific region will grow by 12%.

Regarding the semiconductor industry in Taiwan, ITRI expects that as the inventory adjustment comes to an end, the end consumer market demand recovers, and the demand for applications such as AI and HPC continues to increase, IC design, manufacturing, packaging and testing industries are expected to get rid of the poor market conditions and gradually return to positive growth. It is estimated that the output value of the IC industry will reach NT\$4.9 trillion, an increase of 14.1% compared with 2023. It shows the strong global competitiveness of Taiwan’s semiconductor industry.

Looking forward to 2024, with the rise of various types of emerging applications, including AI, EV and self-driving cars, data centers, low-orbit satellites, electronic medical care, home electronics, and innovative functions of various mobile devices, semiconductors will remain the leader in the ICT industry, and growth is still expected.

It is worth noting that the global supply chain reorganization trend is moving towards regionalization and short-chain, and the uncertainty of global trade prospects is increasing. In addition, geopolitical concerns and regional wars are not easy to resolve in the short term, which will impact energy supply and affect industries and people's livelihood. Although inflationary pressure in major European and American countries has cooled down slightly, it is still relatively high, affecting the economic and financial situation. In mainland China, the economy continues to stagnate and deflation is worsening, which affects global economic recovery and requires further close observation.

It is estimated that the production volume of various products in 2024 will continue to grow significantly for logic chip packaging and testing, while memory chip packaging and testing will see opportunities for recovery amid steady growth. The production volume of various products in 2024 is as follows:

Item	Sales Forecast Volume
Assembly	12.6 B packages
Final Test	6.8 B packages
Wafer Level Package	880 K wafers
Chip Probing	1.93 M wafers
SSD + SiP	132 M PCS

3. Key Production & Marketing Policies:

- (1) Provide one-stop turnkey solution to reduce cycle time and logistics costs.
- (2) Maintain the leading position in memory assembly and testing service market.
- (3) Keep developing Logic business and increasing sales in Flip-Chip, SSD, Wafer Level Package, Chip Probing, TSV CIS, 3D-IC memory stacking (HBM), System in Package (SiP), and Fan-Out Package business.
- (4) Strengthen the long-term collaboration relationship with existing customers, and expand business through the development of new markets, applications, customer base and products.
- (5) Enhance competitiveness through effective production cost control and PTI Group's overall competitive advantage.

Chairman: D.K. Tsai

Managers: Boris Hsieh / J.S. Leu

Head of Accounting: Benson Hung

II. Corporate Governance

2. Board of Directors, Independent Directors, CEO, Vice Presidents, Assistant Vice Presidents, Head of Each Department and Subsidiaries

(1) Information Regarding Board of Directors and Independent Directors

Information Regarding Directors and Independent Directors (I)

March 29, 2025

Title	Name	Nationality	Date On-Board	Gender	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Directors or Independent Directors Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers (Note 2)		
							Shareholding	%	Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Chairman	D.K. Tsai	ROC	5/31/2023	Male 71-80 yrs old	3 years	6/23/1999	4,440,000	0.58%	3,360,000	0.44%	-	0.00%	-	0.00%	Industrial Engineering from Taipei Institute of Technology General Manager, Kingston Technology Far East Corp. Chairman, Kingston Technology Far East Corp.	CSO of Powertech Technology Inc. Legal Representative Director of Greatek Electronics Inc. Director of Powertech Holding (B.V.I.) Inc. Director of PTI Technology (Singapore) Pte. Ltd. Director of Powertech Technology (Singapore) Pte. Ltd. Executive Director of Powertech Technology Japan Ltd. Director of Tera Probe, Inc. Director of Powertech Technology Akita Inc. Independent Director of Chicony Power Technology Co. Ltd. Independent Director of Compal Electronics, Inc. Chairman of PTI Education Foundation	-	-	-

Title	Name	Nationality	Date On-Board	Gender	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Directors or Independent Directors Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers (Note 2)		
							Shareholding	%	Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Director	J.S. Leu	ROC	5/31/2023	Male 61-70 yrs old	3 years	5/28/2020	62,356	0.01%	62,356	0.01%	0	0.00%	0	0.00%	Bachelor of Mechanical Engineering from Feng Chia University Deputy Director, Packaging Manufacturing, Powerchip Technology Corp.	President of Powertech Technology Inc. Director of Longforce Technology (Suzhou) Ltd. Chairman of Powertech Semiconductor (Xi'an) Co., Ltd Legal Representative Director of Greatek Electronics Inc. Director of PTI Technology (Singapore) Pte. Ltd Director of Powertech Technology (Singapore) Pte. Ltd.	-	-	-
Director	Kingston Technology Corp. Investment Account Rep: Shigeo Koguchi	USA.	5/31/2023	Male 71-80 yrs old	3 years	5/26/2017	29,875,000 0	3.94% 0.00%	29,875,000 0	3.94% 0.00%	0	- 0.00%	0	- 0.00%	Master of Engineering from University of Florida Master of Engineering from Hokkaido University Sr. Executive VP. Of Toshiba Corp. Director and Senior Advisor of Toshiba Corp.	None	-	-	-
Director	Kingston Technology Corp. Investment Account Rep: Daphne Wu	USA.	5/31/2023	Female 51-60 yrs old	3 years	5/26/2017	29,875,000 22,000	3.94% 0.00%	29,875,000 15,000	3.94% 0.00%	0	- 0.00%	0	- 0.00%	Bachelor of Accountancy from National Chengchi University CFO of Kingston Technology Far East Corp.	CFO of Kingston Technology Far East Corp. Supervisor of Kingston Solution Inc.	-	-	-

Title	Name	Nationality	Date On-Board	Gender	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Directors or Independent Directors Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers (Note 2)		
							Shareholding	%	Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Director	Greatek Electronic Inc. Rep: Boris Hsieh	ROC	5/31/2023	Male 61-70 yrs old	3 years	5/28/2020	11,800,000	1.55% 0.00%	14,748,000	1.94% 0.00%	— 2,000	— 0.00%	— 0	— 0.00%	Executive Master Degree in Business Administration from National ChiaoTung University General Manager of Kingston Technology Far East Corp. VP of Hon Hai Precision Industry Co Ltd Sr. VP of Powertech Technology Inc President of Microtech Technology Inc. CEO of Greatek Electronics Inc.	CEO of Powertech Technology Inc. Chairman and Legal Representative Director of Greatek Electronics Inc. Chairman and Legal Representative Director of TeraPower Technology Inc. Chairman of Get-Team Tech Corporation Director of Tera Probe, Inc. Director of PTI Education Foundation	-	-	-
Director	Toshiba Memory Semiconductor Taiwan Corp. Rep: Junichi Asada	ROC	5/31/2023	Male 61-70 yrs old	3 years	6/14/2005	3,655,309	0.48% 0.00%	3,655,309	0.48% 0.00%	— 0	— 0.00%	— 0	— 0.00%	Master Degree in Science and Engineering, Waseda University Senior Advisor of Kioxia Corporation	Chairman & President of Kioxia Memory Semiconductor Taiwan Corp.	-	-	-
Independent Director	Morgan Chang	ROC	5/31/2023	Male 71-80 yrs old	3 years	5/28/2020	0	0.00%	0	0.00%	2,000	0.00%	0	0.00%	Bachelor Degree in Computer and Control Engineering from National ChiaoTung University Manager of Acer Inc. Chairman of Kuang Chien Computer Co. Ltd. Deputy Mayor of Taichung City	CEO of Kuang Chien Computer Co. Ltd. Director of Eastern Resins Industrial Co. Ltd. Independent Director of Max Echo Technology Corp. Independent Director of Darfon Electronics Corp.	-	-	-

Title	Name	Nationality	Date On-Board	Gender	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Directors or Independent Directors Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers (Note 2)		
							Shareholding	%	Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Independent Director	Pei-Ing Lee	ROC	5/31/2023	Male 61-70 yrs old	3 years	5/26/2017	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Chemical Engineering from Syracuse University, New York Sr. Research Supervisor from IBM USA Chairman of Inotera Memories, Inc.	Director & President of Nanya Technology Corp. Chairman of Formosa Advanced Technologies Co. Ltd.	-	-	-
Independent Director	Jui-Tsung Chen	ROC	5/31/2023	Male 71-80 yrs old	3 years	5/28/2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Honorary Doctorate from National Cheng Kung University Chairman of Compal Communications, Inc. President of Compal Electronics, Inc.	Chairman of Compal Electronics, Inc. (Note 1)	-	-	-
Independent Director	Chao-Chin Tung	ROC	5/31/2023	Male 71-80 yrs old	3 years	5/31/2023	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master Degree in Material Science, University of Rochester Chairman of China Development Industrial Bank Chairman of CTBC Bank Co., Ltd. Director of Taiwan Institute of Economic Research Vice Chairman of Resonac HD Taiwan Co., Ltd.	Director of Homeplus Digital Co., Ltd. Independent Director of TECO Electric & Machinery Co., Ltd.	-	-	-

Note 1: Independent director Jui-Tsung Chen currently holding the following position:

Chairman for: Compal System Trading (Kunshan) Co., Ltd. ∙ Compal Ruifang Health Assets Development Corporation ∙ Ripal Optotronics Co., Ltd. ∙ UniCore Biomedical Co., Ltd. ∙ Aco Healthcare Co., Ltd. ∙ ARCE Therapeutics, Inc. ∙ Kinpo&Compal Group Assets Development Corporation ∙ Palcom International Corporation ∙ Compal Smart Device (Chongqing) Co., Ltd. ∙ Arcadyan Technology Corporation ∙ General Life Biotechnology Co., Ltd. ∙ Ray-Kwong Medical Management Consulting Co., Ltd. ∙ River Regeneration and Rejuvenation Biotechnology Co. Ltd. ∙ Raypal Biomedical Co., Ltd. ∙ COMPAL SMART DEVICE INDIA PRIVATE LIMITED ∙

Board of Director for: Compal (Vietnam) Co., Ltd. ∙ Compal Management (Chengdu) Co., Ltd. ∙ Compal Optoelectronics (Kunshan) Co., Ltd. ∙ Compal Investment (Sichuan) Co., Ltd. ∙ Compal Investment (Jiangsu) Co., Ltd. ∙ Compal Information Technology (Kunshan) Co., Ltd. ∙ Compal Display Electronics (Kunshan) Co., Ltd. ∙ Compal Development & Management (Vietnam) Co., Ltd. ∙ Compal Information (Kunshan) Co., Ltd. ∙ Compal Electronics Technology (Kunshan) Co., Ltd. ∙ Compal Electronics (Chengdu) Co., Ltd. ∙ Compal Electronics (ChongQing) Co., Ltd. ∙ Compal Electronics, (China) Co., Ltd. ∙ Compal Networking (Kunshan) Co., Ltd. ∙ Compal Digital Technology (Kunshan) Co., Ltd. ∙ Kunshan Botai Electronics Co., Ltd. ∙ Kinpo Group Management Consultant Company ∙ HengHao Technology Co. Ltd. ∙ NCKUEE ALUMNI ASSOCIATION ∙ Mactech Co., Ltd. ∙ Phoenix Innovation Venture Capital Co., Ltd. ∙ Compal Broadband Networks, Inc. ∙ UNICOM GLOBAL, INC. ∙ Arcadyan Holding (BVI) Corp. ∙ Arch Holding (BVI) Corp. ∙ Ascendant Private Equity Investment Ltd. ∙ Big Chance International Co., Ltd. ∙ Billion Sea Holdings Ltd. ∙ Bizcom Electronics, Inc. ∙ Center Mind International Co., Ltd. ∙ Compal Americas (US) Inc. ∙ Compal Display Holding (HK) Limited ∙ Compal Electronics (Holding) Ltd. ∙ Compal Electronics (Vietnam) Co., Ltd. ∙ Compal Electronics International Ltd. ∙ Compal Electronics N.A. Inc. ∙ Compal International Holding Co., Ltd. ∙ Compal International Holding (HK) Limited ∙ Compal International Ltd. ∙ Compal Rayonnant Holdings Ltd. ∙ Compal USA (Indiana), Inc. ∙ Compal Wise Electronic (Vietnam) Co., Ltd. ∙ Compalead Electronics B.V. ∙ Core Profit Holdings Limited ∙ Etrade Management Co., Ltd. ∙ Flight Global Holding Inc. ∙ Forever Young Technology Inc. ∙ Fortune Way Technology Corp. ∙ Giant Rank Trading Limited ∙ Goal Reach Enterprises Ltd. ∙ High Shine Industrial Corp. ∙ Intelligent Universal Enterprise Ltd. ∙ Jenpal international Ltd. ∙ Just International Ltd. ∙ Prisco International Co., Ltd. ∙ Prospect Fortune Group Ltd. ∙ Sinoprime Global Inc. ∙ Smart International Trading Ltd. ∙ Wah Yuen Technology Holding Ltd. ∙ Webtek Technology Co., Ltd. ∙

Note 2: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): Not applicable.

Note 3: Not including information of directors stepped down.

For Directors or Committee Members that are representatives of Institutional Shareholders, the main shareholders of the Institutional Shareholders (the Top Ten Shareholders)

March 29, 2025

Name of Institutional Shareholder	Main Shareholders of the Institutional Shareholders
Kingston Technology Corporation Investment Account	John Tu (50%), David Sun (50%)
Greatek Electronic Inc.	Powertech Technology Inc.(42.91%)、Taiwan Bank in cusotdy for Yuanta Taiwan High Dividend Low Volatility ETF(3.41%)、Chang Gung Medical Foundation(2.31%)、Su-yu Wu(1.14%)、Chang Wah Electromaterials Inc.(1.06%)、Hung-Wei Venture Capital Co., Ltd(1.02%)、Chiu-shia Yang(1.01%)、Weltrend Semiconductor, Inc.(0.81%)、Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds(0.72%)、Li-Hsueh Huang(0.72%)
Kioxia Memory Semiconductor Taiwan Corp.	Kioxia Corporation (100%)

The main shareholders of the Institutional Shareholders in Table above whose main shareholders are Institutional Shareholders:

March 29, 2025

Name of Institution	Main Shareholders of the Institution
Powertech Technology Inc.	Capital Tip Customized Taiwan Select High Dividend ETF(9.42%)、Yuanta Taiwan Dividend Plus ETF(4.79%)、Investment Account of Kingston Technology Corporation(3.94%)、Cathay Life Insurance Co., Ltd.(3.88%)、Taipei Fubon Bank in custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF(3.65%)、Hua Nan Commercial Bank in custody for Yuanta Taiwan Value High Dividend ETF(2.95%)、Nan Shan Life Insurance Company, Ltd.(2.44%)、Chunghwa Post Co., Ltd.(2.04%)、Greatek Electronic Inc.(1.94%)、KTC-SUN Corp.(1.81%)
Chang Gung Medical Foundation	Nan Ya Plastics Corp(17.98%), Formosa Chemicals & Fiber Corp (13.84%),Formosa Plastics Corp(13.28%), Wang Yong Zai (deceased, 11.24%), Wang Yong Ching (deceased, 7.35%)
Chang Wah Electro-materials Inc..	Wah Lee Industrial Corp. (28.70%), Shin-xin Investment Inc. (8.29%), Yuan-yao Energy Inc. (6.28%), Chang Wah Technology Co., Ltd. (5.11%), Fubon Life Insurance Co., Ltd.(4.67%), Bei Sih Jie Investment Co., Ltd. (3.15%), Citibank Custodianship of Singapore Government Funds Dedicated Account (2.61%), JMC Electronics Co., Ltd. (2.09%), JPMorgan Chase Bank N.A. in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds(0.85%), Chase hosts the Van Garde Group Emerging Markets Fund (0.83%)
Hung-Wei Venture Capital Co., Ltd.	Realtek Semiconductor Corp.(100%)
Weltrend Semiconductor, Inc.	Fufeng Investment Co., Ltd. (2.69%), Sam Lin (2.48%), James Chou (1.37%), JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.17%), Chongyou Investment Co., Ltd. (1.08%), JC Liu (1.02%), JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds (0.95%), Cindy Guo (0.71%), Paul Liao (0.61%), Tony Lin (0.58%)
Kioxia Corporation	Kioxia Holdings Corporation (100%)

(1) Information Regarding Board of Directors

March 29, 2025

Qualification Name	Specialty Field and Experiences	Independence	Independent Director of Public listed Company
DK Tsai	Business strategy and operational experiences CSO of Powertech Technology Inc. President of Kingston Far East Group and Chairman of Kingston Technology Corp. Not been a person of any conditions defined by Article 30 of the Company Law	NA	2, Chicony Power Technology Co. Ltd. and Compal Electronics, Inc.
JS Leu	Business strategy and mfg operation experiences. President of Powertech Technology Inc. Deputy Director of Packaging Manufacturing in Powerchip Technology Corp. Not been a person of any conditions defined by Article 30 of the Company Law	NA	None.
Kingston Technology Corp. Investment Account Rep: Shigeo Koguchi	Business strategy and mfg operation experiences. Sr. Executive VP. Of Toshiba Corp. Director and Senior Advisor of Toshiba Corp. Not been a person of any conditions defined by Article 30 of the Company Law	NA	None.
Kingston Technology Corp. Investment Account Rep: Daphne Wu	Business strategy and finance & accounting experiences. CFO of Kingston Technology Far East Corp. CFO of Kingston Technology Far East Corp. Supervisor of Kingston Solution Inc. Not been a person of any conditions defined by Article 30 of the Company Law	NA	None.
Greatek Electronic Inc. Rep: Boris Hsieh	Business strategy and mfg operation experiences. CEO of Powertech Technology Inc. Chairman of Greatek Electronics Inc. General Manager of Kingston Technology Far East Corp. VP of Hon Hai Precision Industry Co Ltd Sr. VP of Powertech Technology Inc President of Microtech Technology Inc Not been a person of any conditions defined by Article 30 of the Company Law	NA	None.
Toshiba Memory Semiconductor Taiwan Corp. Rep: Junichi Asada	Business strategy and supply management experiences. Chairman & President of Kioxia Memory Semiconductor Taiwan Corp. Not been a person of any conditions defined by Article 30 of the Company Law	NA	None.

Qualification Name	Specialty Field and Experiences	Independence	Independent Director of Public listed Company
Morgan Chang	Business strategy and manufacturing operation experiences. Taiwan National Policy Advisor to the President CEO of Kuang Chien Computer Co. Ltd. Supervisor of Eastern Resins Industrial Co. Ltd. Independent Director of Max Echo Technology Corp. Manager of Acer Inc. Chairman of Kuang Chien Computer Co. Ltd. Deputy Mayor of Taichung City Not been a person of any conditions defined by Article 30 of the Company Law	No spouse or relative within the second degree of kinship has served as a director of the Company; himself and his spouse or in the name of another person hold 2,000 shares of the Company, with a shareholding weighting of 0.00%; himself has not provided auditing, commercial, legal, financial or accounting services to the Company and has complied with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	2, Max Echo Technology Corp. and Darfon Electronics Corp.
Pei-Ing Lee	Business strategy and manufacturing operation experiences. Over 39 years' experiences in Semiconductor and DRAM industry. Director & President of Nanya Technology Corp. Legal Representative Director of Formosa Advanced Technologies Co. Ltd. Not been a person of any conditions defined by Article 30 of the Company Law	No spouse or relative within the second degree of kinship has served as a director of the Company; neither himself nor his spouse nor any other person holds any shares of the Company by name; himself has not provided auditing, commercial, legal, financial or accounting services to the Company and has complied with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	None.
Jui-Tsung Chen	Business strategy and manufacturing operation experiences. Vice Chairman & CSO of Compal Electronics, Inc Chairman of Compal Communications, Inc. President of Compal Electronics, Inc. Not been a person of any conditions defined by Article 30 of the Company Law	No spouse or relative within the second degree of kinship has served as a director of the Company; neither himself nor his spouse nor any other person holds any shares of the Company by name; himself has not provided auditing, commercial, legal, financial or accounting services to the Company and has complied with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	None.
Chao-Chin Tung	Business strategy and manufacturing operation experiences. Chairman of The Allied Association for Science Park Industries Chairman of CTBC Bank Co., Ltd. Not been a person of any conditions defined by Article 30 of the Company Law	No spouse or relative within the second degree of kinship has served as a director of the Company; neither himself nor his spouse nor any other person holds any shares of the Company by name; himself has not provided auditing, commercial, legal, financial or accounting services to the Company and has complied with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	1, TECO Electric & Machinery Co., Ltd.

Director Diversity and Independence:

1. 10th Term Board of Director are composed by of 10 directors with diverse profession skills including: (1) visionary and execution ability from DK Tsai, JS Leu, Boris Hsieh, Junichi Asada, Jui-Tsung Chen, and Morgan Chang (2) accounting & finance specialty from Daphne Wu and Chao-Chin Tung (3) Technology expertise from Shigeo Koguchi and Pei-Ing Lee.
2. Director diversification: (1) Nationality: 8 from Taiwan and 2 from Japan (2) 40% (4 person) as independent director higher than Taiwan Securities and Exchange Act requirement (3) Age distribution: 1 at 51-60, 4 at 61-70, and 5 at 71-80 (4) Gender distribution: 1 female director.
3. Reasons why the number of directors of the same gender on the Company's Board of Directors did not reach one-third, and measures to be taken to improve the gender diversity of directors:

Reason: There is a lack of female senior management talent in the Company resulting in the gender ratio of female directors being less than one-third.

Measures to be taken: Women will be actively encouraged to participate in senior management training. They can then provide with more leadership and management opportunities to cultivate candidates for directorships.
4. Board composition has surpassed the requirement of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies Article 20. Future implementation and improvement will be focus on but not limited to fundamental and professional skills to ensure board directors are up-to-date with regulation and industry trends.
5. Independence: 4 independent directors served under 9 years. None of the directors are spouses or relatives within the second degree, and the circumstances are in compliance with the provisions of paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act

(2) Information Regarding President, Vice Presidents, Assistant Vice Presidents, and Department Managers

March 29, 2025 / Unit: share

Title	Name	Nationality	Gender	Date On-Board	Shareholding (Note 1)		Shareholding Under Spouse and Minor Children		Shareholding Under 3 rd Party Name		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Managers Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers			Note
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation	
CSO	D.K. Tsai	ROC	Male	11/02/2018	3,360,000	0.44%	-	-	-	-	Industrial Engineering from Taipei Institute of Technology General Manager of Kingston Technology Far East Corp. Chairman of Kingston Technology Far East Corp.	Chairman of Powertech Technology Inc. Legal Representative Director of Greatek Electronics Inc. Director of Powertech Holding (B.V.I.) Inc. Director of PTI Technology (Singapore) Pte. Ltd. Director of Powertech Technology (Singapore) Pte. Ltd. Executive Director of Powertech Technology Japan Ltd. Director of Tera Probe, Inc. Director of Powertech Technology Akita Inc. Independent Director of Chicony Power Technology Co. Ltd. Independent Director of Compal Electronics, Inc. Chairman of PTI Education Foundation	-	-	-	
CEO	Boris Hsieh	ROC	Male	10/01/2020	18,000	0.00%	2,000	0.00%	-	-	Executive Master Degree in Business Administration from National Chiao Tung University General Manager of Kingston Technology Far East Corp. VP of Hon Hai Precision Industry Co Ltd Sr. VP of Powertech Technology Inc. President of Microtech Technology Inc.	Legal Representative Director of Powertech Technology Inc. Chairman and Legal Representative Director of Greatek Electronics Inc. Chairman and Legal Representative Director of TeraPower Technology Inc. Chairman of Get-Team Tech Corporation Director of Tera Probe, Inc. Director of PTI Education Foundation				
President	J.S. Leu	ROC	Male	10/01/2020	62,356	0.01%	-	-	-	-	Bachelor of Mechanical Engineering from Feng Chia University Deputy Director of Packaging Manufacturing, Powerchip Technology Corp.	Director of Powertech Technology Inc. Director of Longforce Technology (Suzhou) Ltd. Chairman of Powertech Semiconductor (Xi'an) Co., Ltd Legal Representative Director of Greatek Electronics Inc. Director of PTI Technology (Singapore) Pte. Ltd Director of Powertech Technology (Singapore) Pte. Ltd.	-	-	-	

Title	Name	Nationality	Gender	Date On-Board	Shareholding (Note 1)		Shareholding Under Spouse and Minor Children		Shareholding Under 3 rd Party Name		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Managers Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers			Note
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation	
COO & Sr. VP	Y. C. Chen	ROC	Male	11/05/2021	0	0.00	-	-	-	-	Bachelor of Industrial Engineering from Chung Yuan Christian University Mfg Manager of PowerChip Technology Corp.	Director of Powertech Technology (Suzhou) Ltd Legal Representative Director of Greatek Electronics Inc. Director of PTI Education Foundation	-	-	-	
COO of Testing Operations Sr. VP	Wilber Wu	ROC	Male	08/10/2013	10,786	0.00%	-	-	-	-	Master of Industrial Engineering from Chung Yuan Christian University Department Manager of PowerChip Technology Corp.	Legal Representative Director of TeraPower Technology Inc. Director of PTI Education Foundation	-	-	-	
Former CFO & Sr. VP	Evan Tseng	ROC	Male	05/01/2015	0	0.00%	-	-	-	-	Master of Accountancy from Soochow University Sr. AVP of Systex Corp.	None.	-	-	-	2
CFO & VP	Huck Shen	ROC	Male	11/08/2024	0	0.00%	-	-	-	-	Master Degree in Business Administration from National Chengchi University Finance Director of PTI (Suzhou) Assistant VP of Long Bon International Co., Ltd	Director of Tera Probe, Inc. Director of Powertech Semiconductor (Xian) Co., Ltd. Director of Powertech Technology (Singapore) Pte. Ltd.	-	-	-	3
Former Quality Assurance Sr. VP	John Wang (Note 1)	ROC	Male	12/12/2002	20,056	0.00%	-	-	-	-	MBA from National Chia Tung University Assistant VP of R&D, Kingpak Technology Inc.	None.	-	-	-	4

Title	Name	Nationality	Gender	Date On-Board	Shareholding (Note 1)		Shareholding Under Spouse and Minor Children		Shareholding Under 3 rd Party Name		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Managers Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers			Note
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation	
Sales VP	Kevin Chiao	ROC	Male	10/01/2020	0	0.00%	-	-	-	-	Master of Industrial Engineering and Management from National Chiao Tung University Manager of Motorola, Inc. Manager of Macronix International Co., Ltd	None.	-	-	-	
Corporate Executives Sr. VP	Paul Wu	ROC	Male	03/09/2010	0	0.00%	-	-	-	-	Bachelor of Mechanical Engineering from Tamkang University Director of Amkor Taiwan	None.	-	-	-	
Advanced & Memory Package RD AVP	Jim Lin	ROC	Male	01/01/2023	5,000	0.000 %	-	-	-	-	Ph. D of Power Mechanical Engineering from National Tsing Hua University RD Manager of TSMC	None	-	-	-	5
Plant Affairs VP	Perry Lin	ROC	Male	01/11/2019	11,715	0.00%	-	-	-	-	Associate degree of Mechanical Engineering from Minghsin Institute of Science & Technology Manager of Kingston Technology Far East Corp.	None.	-	-	-	
Human Resources & Legal Affairs VP.	Yohan Lin	ROC	Male	01/11/2019	150,000	0.02%	-	-	-	-	J.D from Law School of Golden Gate University Attorney of PricewaterhouseCoopers Taiwan	Supervisor of Powertech Semiconductor (Xian) Co., Ltd Supervisor of TeraPower Technology Inc. Director of PTI Education Foundation	-	-	-	
Logic Testing R&D AVP	Vic Chen	ROC	Male	05/10/2012	78,000	0.01%	-	-	-	-	Master of Electrical Engineering from National Taiwan Science & Technology University AVP of Verigy Ltd. AVP of Agilent Technology Taiwan Ltd.	None	-	-	-	

Title	Name	Nationality	Gender	Date On-Board	Shareholding (Note 1)		Shareholding Under Spouse and Minor Children		Shareholding Under 3 rd Party Name		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Managers Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers			Note
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation	
WLP AVP	Victor Tung	ROC	Male	03/01/2016	0	0.00%	3000	0.00%			Master of Industrial Engineering from Yuan Ze University Sr. Director of Amkor Taiwan	None	-	-	-	
Former Production Planning AVP	Jonny Chu (Note 3)	ROC	Male	11/06/2020	0	0.00%	-	-	-	-	Bachelor of Business Administration from Feng Chia University Manager of Amkor Taiwan	None	-	-	-	6
Logic Packaging RD AVP	Michael Hsu	ROC	Male	01/01/2023	0	0.00%	-	-	-	-	Master of Nuclear Science from National Tsing Hua University Department Manager of Amkor Taiwan	Board Director of PTI Education Foundation	-	-	-	

Note 1: Actual shareholdings held as of March 29, 2025, the date of transfer suspension time at this Annual General Shareholders' Meeting.

Note 2: Mr. Even Tseng retired on November 8, 2025. The number of shares he held was disclosed until the date of his retirement.

Note 3: Mr. Huck Shen was appointed as CFO by the Board of Directors and effective on November 8, 2025. The number of shares he held was disclosed since the date of his appointment.

Note 4: Mr. John Wang retired on February 29, 2024. The number of shares he held was disclosed until the date of his retirement.

Note 5: Mr. Lin, formerly an Associate, was promoted to Vice President effective March 1, 2025 as approved by the Board of Directors on February 21, 2025.

Note 6: Mr. Jonny Chu retired on February 29, 2024. The number of shares he held was disclosed until the date of his retirement.

Note 7: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): Not applicable.

2. Remuneration Paid to Directors, CEO, and Vice Presidents

(1) Remuneration Paid to Directors

Unit : NT\$ Thousands

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D +E+F+G and ratio to net income (Note 10)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base Compensation (A) (Note 2)		Retirement pay and pensions (B)		Director profit sharing compensation (C) (Note 3)		Expenses and perquisites (D) (Note 4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pay and pensions (F)		Employee profit-sharing compensation (G) (Note 6)						
		The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company		All Consolidated Entities (Note 7)		The Company	All Consolidated Entities (Note 7)	
																Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)			
Chairman	D.K. Tsai	0	0	0	0	91,646	120,923	720	1,164	92,366 1.36%	122,087 1.80%	38,854	38,854	311	311	13,747	0	13,747	0	145,278 2.14%	174,999 2.58%	NA
Director	JS Leu																					
Director	Kingston Technology Corporation Rep: Shigeo Koguchi																					
Director	Rep: Daphne Wu																					
Director	Greatek Electronic Inc. Rep: Boris Hsieh																					
Director	Kioxia Memory Semiconductors Taiwan Corp. Rep: Junichi Asada	9,120	9,120	0	0	0	0	480	480	9,600 0.14%	9,600 0.14%	0	0	0	0	0	0	0	0	9,600 0.14%	9,600 0.14%	NA
Independent Director	Morgan Chang																					
Independent Director	Pei-Ing Lee																					
Independent Director	Jui-Tsung Chen																					
Independent Director	Chao-Chin Tung (Note 13)																					
1.Independent director’s compensation policy, procedure, standard and structure are dependent on liability, risk, and time involved: Base on the Article of Incorporation, independent director compensation will be distributed monthly exclude from annual board compensation. Independent director compensation will be dependent on contribution and involvement of operations and approved by board. The approved compensation should also be reasonable with domestic and international peers. 2.Additional compensation for services for company disclosed in the annual report(such as outside consultant): NA																						

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Name of Director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company (Note 8)	All Consolidated Entities (Note 9)	From PTI (Note 8)	From All Consolidated Entities (Note 9)
Less than NT\$1,000,000	—	—	—	—
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	—	—	—	—
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	Morgan Chang, Pei-Ing Lee, Jui-Tsung Chen, Chao-Chin Tung	Morgan Chang, Pei-Ing Lee, Jui-Tsung Chen, Chao-Chin Tung	Morgan Chang, Pei-Ing Lee, Jui-Tsung Chen, Chao-Chin Tung	Morgan Chang, Pei-Ing Lee, Jui-Tsung Chen, Chao-Chin Tung
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	—	—	—	—
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	—	—	—	—
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	JS Leu, Greatek Electronic Inc. (Rep: Boris Hsieh), Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu) Kioxia Memory Semiconductor Taiwan Corp (Rep: Kenjiro Hara)	JS Leu, Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu) Kioxia Memory Semiconductor Taiwan Corp (Rep: Kenjiro Hara)	Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu) Kioxia Memory Semiconductor Taiwan Corp (Rep: Kenjiro Hara)	JS Leu, Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu) Kioxia Memory Semiconductor Taiwan Corp (Rep: Kenjiro Hara)
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	D.K. Tsai	—	JS Leu	JS Leu
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	—	D.K. Tsai, Greatek Electronic Inc. (Rep: Boris Hsieh)	D.K. Tsai, Greatek Electronic Inc. (Rep: Boris Hsieh)	Greatek Electronic Inc. (Rep: Boris Hsieh)
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	—	—	—	D.K. Tsai
NT\$100,000,000 or above	—	—	—	—
Total Director Count	10	10	10	10

Note 1: The names of all directors are listed individually (institutional shareholders by the name of institutional shareholders and its representatives). The remuneration is disclosed by summary for each item. Because two directors or representatives serve as CEO and president, they are excluded from this table and will be listed in Table 3 below.

Note 2: Remuneration paid for 2024. According to the latest Article of Incorporation, independent directors' compensation will be paid monthly and no longer in title to annual profits sharing plan.

Note 3: Remuneration paid for 2024 profit sharing plan before the amendment of Board remuneration plan.

Note 4: Compensation for traveling.

Note 5: Includes 2024 salaries, wages, allowances, pensions, severance pay, bonuses, incentives, traveling expenses, special expenses, allowances, dormitories, vehicles and other offers received as both employees and directors.

Note 6: The amount was employees served as Board members and received employee's profit sharing. The amount was estimated by ratio of year of 2024 actual amount multiple by year of 2024 distribution rate because the actual amount was pending for shareholders meeting approval.

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

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

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

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

Note 11: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column I of the Remuneration Range Table, and the name of that column shall be changed to "Parent company and all investee enterprises."

c. Remuneration means remuneration received by directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

(2) Remuneration Paid to President and Vice President

Unit : NT\$ Thousands

Title	Name (Note1)	Salary (A) (Note 2)		Retirement pay and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All Consolidat ed Entities	The Company	All Consolidat ed Entities	The Company	All Consolidat ed Entities	The Company		All Consolidated Entities		The Company	All Consolidated Entities	
								Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
CSO	D.K. Tsai	39,366	39,366	1,489	1,489	52,541	53,189	22,093	0	22,093	0	115,489 1.70%	116,137 1.71%	None
CEO	Boris Hsieh													
President	J.S. Leu													
COO & Sr. VP.	Y.C. Chen													
COO of Testing Operations Sr. VP.	Wilber Wu													
Former CFO & Sr. VP.	Evan Tseng (Note 1)													
CFO & VP.	Huck Shen (Note 1)													
Sales VP	Kevin Chiao													
Corporate Executives Sr. VP	Paul Wu													
Plant Affairs VP	Perry Lin													
Former CQO & Sr. VP.	John Wang (Note 2)													
Resources & Legal Affairs VP	Yohan Lin													

Note 1: Mr. Even Tseng retired on November 8, 2024, and Mr. Huck Shen was appointed by the Board of Directors.

Note 2: Mr. John Wang retired on February 29, 2024.

Remuneration Paid to President and Vice President Grade Table

Ranges of remuneration paid to each of the Company's general manager(s) and assistant general manager(s)	Name	
	The Company	All Consolidated Entities
Less than NT\$1,000,000	—	—
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	—	—
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	John Wang (Note 1)	John Wang (Note 1)
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	Huck Shen	Huck Shen
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	Kevin Chiao, Wilber Wu, Paul Wu, Perry Lin, Yohan Lin, Even Tseng (Note 2)	Kevin Chiao, Wilber Wu, Paul Wu, Perry Lin, Yohan Lin, Even Tseng (Note 2)
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	YC Chen	YC Chen
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	D.K. Tsai, Boris Hsieh, J.S. Leu	D.K. Tsai, Boris Hsieh, J.S. Leu
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	—	—
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	—	—
NT\$100,000,000 or above	—	—
Total Number of Executives	12	12

Note 1: Mr. John Wang retired on February 29, 2024, and his remuneration was disclosed until the date of his retirement.

Note 2: Mr. Even Tseng retired on November 8, 2024, and his remuneration was disclosed until the date of his retirement.

Note 2: The amount was employees served as Board members and received employee's profit sharing. The amount was estimated by ratio of year of 2024 actual amount multiple by year of 2024 distribution rate because the actual amount was pending for shareholders meeting approval.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

(3) Bonuses Paid to Management

Date: Dec 31 2023

	Job title	Name	Amount in stock (NTD K)	Amount in Cash (NTD K)	Total (NTD K)	As a % of net profit
Management	CSO	D.K. Tsai	0	26,436	26,436	0.39%
	CEO	Boris Hsieh				
	President	J.S. Leu				
	COO & Sr. VP	Y.C. Chen				
	Testing COO Sr. VP.	Wilber Wu				
	CFO & VP	Huck Shen				
	Sales VP	Kevin Chiao				
	Packaging Operations II. Sr. VP.	Paul Wu				
	Plant Affairs VP.	Perry Lin				
	Human Resources & Legal Affairs VP.	Yohan Lin				
	Testing RD AVP.	Vic Chen				
	Wafer Level Packaging AVP.	Victor Dong				
	Advanced & Memory Package RD AVP	Jim Lin				
	Logic Packaging RD AVP	Michael Hsu				
	Head of Accounting Department	Benson Hung				

Note 1: The 2024 profit sharing amount was approved by Board of Directors but pending for Shareholders' Meeting approval. The estimation was based on 2024 actual amount multiple by proposed ratio for 2024. Net income after tax for 2024 was referred to 2024 PTI financial statement net income after tax.

Note 2: Applicable grades for management are based on ruling of FSC Letter No. 0920001301 MOF March 27, 2003. The grades are listed below:

- 1) President or equivalent grade
- 2) Vice Presidents or equivalent grade
- 3) Assistant Vice President or equivalent grades
- 4) Head of Finance Department
- 5) Head of Accounting Department
- 6) Other Corporate management affairs or have signing authority

Note 3: Mr. Benson Hung was appointed as Head of Accounting Department by the Directors of Board on November 8, 2025 to take over the duty of Mr. Even Tseng.

- (4) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.:

Title	2023 Compensation Percentage of Net Income after Tax		2022 Compensation Percentage of Net Income after Tax	
	PTI Alone	Consolidated	PTI Alone	Consolidated
Board of Director (Including Independent Director)	1.50%	1.94%	1.48%	1.95%
President and Vice President	1.70%	1.71%	1.81%	1.82%

- (1) Compensation for Board of Directors were based on the percentage defined in Article of Incorporation. 2023 compensation was based on revised Article of Incorporation which was less than 1.5% of before tax income deducted annual board and employee compensation. Independent Directors were paid monthly and not entitled to board compensation.
- (2) Compensation for President and vice President were based on corporate payroll policy and employee profit sharing policy considering individual seniority, experiences, performance, and contribution. Compensation proposal will be reviewed by Remunerations Committee and approved by Board.
- (3) Weight of 2024 Board compensation over net income were similar with 2023. Weight of 2024 management compensation over net income were lower than 2023 due to 2024 management personnel changes affecting the allocation of managerial remuneration.

3. Corporate Governance Status

(I) Board of Directors Meeting Status:

5 (A) Board Meetings took place during 2024. The attendance status as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B/A 】	Remarks
Chairman	D.K. Tsai	5	0	100%	-
Director	JS Leu	5	0	100%	-
Director	Kingston Technology Corp. Rep: Shigeo Koguchi	5	0	100%	-
Director	Kingston Technology Corp. Rep: Daphne Wu	5	0	100%	-
Director	Greatek Electronic Inc. Rep: Boris Hsieh	5	0	100%	-
Director	Kioxia Memory Semiconductors Taiwan Rep : Kenjiro Hara (Note 1)	4	0	100%	-
	Kioxia Memory Semiconductors Taiwan Rep : Junichi Asada (Note 1)	1	0		
Independent Director	Morgan Chang	5	0	100%	-
Independent Director	Pei-Ing Lee	5	0	100%	-
Independent Director	Jui-Tsung Chen	5	0	100%	-

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
Independent Director	Chao-Chin Tung	5	0	100%	-
Accumulated Average Attendance		50	0	100%	-

Note 1: Kioxia Memory Semiconductors Taiwan rearranged Mr. Junichi Asada as the representative and effective on October 1, 2024.

Other Remark:

- Any of the following situation should be clearly stated board meeting date, term, proposal details, all opinions from independent directors, and responses from the Company reading Independent Director opinion:

- Items listed by Article 14-3 of Securities and Exchange Act:

Audit Committee has been set up complied with Article 14-3 of Securities and Exchange Act and approved by Board. Details operations of Audit Committee can be found in Audit Committee Meeting Status in next section.

- Other written opinion or objection from Independent Directors regarding Board approval items: None.

- Independent Directors should leave during discussion for matters with conflict of interest. Name of directors, proposal details, reason of conflicts and voting results:

- Board Meeting on March 8, 2024

Item 4: Proposal of 2024 Board and employee compensation

DK Tsai, Boris Hsieh, and JS Leu were excused from the meeting due to conflict of interests. Remaining participated directors approved the proposal.

Item 5: Management compensation adjustment

DK Tsai, Boris Hsieh, and JS Leu were excused from the meeting due to conflict of interests. Remaining participated directors approved the proposal.

- Self-professional targets set up for the Board (ex, set up of Audit Committee, improve corporation transparency) and keep track of progress:

Review Frequency	Once a year
Review Period	Jan 1 2024 to Dec 31 2024
Scope	Individual performance evaluation for director of board, audit and remuneration committee.
Evaluation Method	Each director will be reviewed by internal and self-evaluations. Or any other proper performance evaluation method.
Review Key Items	1.Board Operation Efficiency: Evaluation should include board's dedication, quality of decision making, quality of elected member, commitment of continuing education, and quality of internal control.
	2.Individual Director Performance : Realization of director responsibility, Awareness of corporate goals and progresses, involvement of operations,

	establishment of corporate communication, and improvement on professional learning and internal control.
	3.Functional Director Performance : Involvement of corporate operation, realization of director responsibility, quality of decision-making and elected members, and quality of internal control.

A performance category is rated as “exceptional” if the total completion rate was 90% or higher in the survey; A performance category is rated as “acceptable” if the total completion rate was between 80% (inclusive) and 90% in the survey; A performance category is rated as “improvement needed” if the total completion rate was less than 80% in the survey.

Whole board of directors				
Indicators	Number of indicators	Total score	Score	Achievement rate
A. Participation in the operation of the company	7	21	21.00	100.00%
B. Improvement of quality of decisions made by the board of directors	11	33	31.80	96.36%
C. Composition and structure of the board of directors	6	18	18.00	100.00%
D. Election and continuing education of the directors	6	18	16.80	93.33%
E. Internal control	5	10	9.60	96.00%
Total	35	100	97.20	97.20%
General comments	After evaluating the questionnaire, the total achievement rate was 97.20%, and the evaluation result was higher than the standard.			

Board members				
Indicators	Number of indicators	Total score	Average score	Achievement rate
A. Understanding of company goals and missions	3	15	14.40	96.00%
B. Director’s understanding of their duties and responsibilities	3	15	14.10	94.00%
C. Participation in the company's operation	8	40	36.40	91.00%
D. Internal relation maintenance and communications	3	15	13.80	92.00%
E. Director’s professional and continuing education	3	15	13.50	90.00%
F. Internal control	3	15	13.80	92.00%
Total	23	115	106.00	92.17%
General comments	After evaluating the questionnaire, the total achievement rate was 92.17%, and the evaluation result was higher than the standard.			

Audit committee				
Indicators	Number of indicators	Total score	Average score	Achievement rate
A. Participation in the operation of the company	4	20	19.75	98.75%
B. Member's understanding of their duties and responsibilities	5	25	24.50	98.00%
C. Improvement of quality of decisions made by the audit committee	7	35	34.50	98.57%
D. Makeup of the audit committee and election of its members	3	15	15.00	100.00%
E. Internal control	3	15	15.00	100.00%
Total	22	110	108.75	98.86%
General comments	After evaluating the questionnaire, the total achievement rate was 98.86%, and the evaluation result was higher than the standard.			

Remuneration committee				
Indicators	Number of indicators	Total score	Average score	Achievement rate
A. Participation in the operation of the company	4	20	19.33	96.67%
B. Member's understanding of their duties and responsibilities	4	20	19.33	96.67%
C. Improvement of quality of decisions made by the remuneration committee	9	45	44.00	97.78%
D. Makeup of the remuneration committee and election of its members	4	20	20.00	100.00%
E. Internal control	1	5	5.00	100.00%
Total	22	110	107.67	97.88%
General comments	After evaluating the questionnaire, the total achievement rate was 97.88%, and the evaluation result was higher than the standard.			

Risk management committee				
Indicators	Number of indicators	Total score	Average score	Achievement rate
A. Participation in the operation of the company	4	20	19.33	96.67%
B. Member's understanding of their duties and responsibilities	5	25	24.33	97.33%
C. Improvement of quality of decisions made by the risk management	9	45	44.67	99.26%
D. Makeup of the risk management and election of its members	3	15	15.00	100.00%
E. Internal control	2	10	10.00	100.00%
Total	23	115	113.33	98.55%
General comments	After evaluating the questionnaire, the total achievement rate was 98.55%, and the evaluation result was higher than the standard.			

Method of improvement:

- (1) In response to the opinions raised by directors and as required by board resolutions, arrange multiple communication channels outside the board of directors to facilitate directors to understand relevant opinions and the handling of resolutions, so as to enhance directors' participation in the company's operations.
- (2) Opinions raised by board members before the meeting will be forwarded to relevant departments for processing in a timely manner and used as a reference for future relevant decision-making evaluations.
4. An evaluation of the goals set for strengthening the functions of the Board (e.g. Establishment of Audit Committee, enhancing information transparency) and implementation status during the current and immediately preceding fiscal years:

The Company convened 5 meetings of the Board of Directors during 2024. An abstract of material resolutions passed by the Board were posted on the Market Observation Post System website in both English and Chinese on the same day immediately after each meeting in accordance with the principle of enhancing information transparency. Investor and press conferences were also held based on statutory or practical requirements to explain and answer questions about material information.

The “Rules for Performance Evaluation of Board of Directors” were passed by the 16th meeting of the 8th Board of Directors on March 10, 2020, to strengthen corporate governance and enhance Board functions, as well as improve the Board efficiency through the setting of performance targets. Under the Rules, an international evaluation of Board performance must be conducted annually and completed by the first quarter of the following year.

5. Succession planning for the Chairperson (or Board members) and Management including related training, development and timetables:

Under the Company's succession plan, a successor must not only possess exceptional strategic business planning, logical analysis and management skills but also demonstrate that their values are aligned with our corporate culture of humanism, honesty and integrity. They must strive to realize the goal of “Global No.1 in Technology, Quality and Service” to ensure the sustainable development of the company. Succession planning is now being carried out in the following areas:

1. Organizational adjustments and rotation

- (1) Change of CEO and President:

Through a change of CEO and the adjustment of organizational role served to refine our succession planning. The passing of the baton on the Chairperson's business philosophy and management strategy will help pave the way for the President to take over the reins of the Company and its future direction of development.

- (2) Rotation of senior managers:

Senior managers were appointed as the Chairperson or Board directors at subsidiaries while vice presidents of manufacturing operations were made managers at overseas subsidiaries. The rotation of assignments enhanced the business planning skills of senior managers and helped them build up experience in business administration.

- (3) Appointment of factory directors:

The position of factory director was appointed for manufacturing operations to hone their management skills and build up their hands-on experience with all aspects of manufacturing operations. The assignment is used to cultivate successors for senior managers in manufacturing units.

2. Passing on of ideals and experience

(1) Institutionalization of business philosophy and management experience:

Business philosophy and management experience are institutionalized and documented by current senior management. The continuation of this legacy is assured through the definition of the Company's core and management competencies as well as the restructuring of roles and responsibilities.

(2) Establishment and participation in important Company meetings:

Middle and senior management's participation in Company meetings such as business meetings, production and sales meetings, and information sessions by R&D units introduced them to core management operations, carry on the Company's business management philosophy, understand industry trends, and become familiar with the company's development strategy.

3. Successor nomination and development at all levels of management

(1) Successor nomination at all levels of management

Once a suitability assessment is conducted through annual performance management, managers can nominate personnel as potential successors.

(2) Development of potential successors

A series of internal and external education and training resources will be provided starting with the Company's education and training system. On online learning platform will also be introduced so that managers at every level can engage in continuous learning based on the requirements of their role; To pass on sound internal knowledge and the company culture, we hold senior executive lectures every quarter to share their valuable management skills and career experiences. Managers at all levels can learn about the Company's corporate culture and business philosophy to prepare them for other managerial positions at all levels in the future.

(II) Audit Committee Meeting Status:

The fourth term of Audit Committee held a total of 4 (A) meetings in 2024.

The attendance status as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B/A 】	Remarks
Independent Director	Morgan Chang	4	0	100%	
Independent Director	Pei-Ing Lee	4	0	100%	
Independent Director	Jui-Tsung Chen	4	0	100%	
Independent Director	Chao-Chin Tung	4	0	100%	

Other matters that require reporting:

i. Summary of the Audit Committee's operations during the year

The Audit Committee of the Company is made up of 4 independent directors. The purpose of the Committee is to ensure the quality and integrity of the Board of Directors during its execution of the accounting, auditing, and financial reporting processes as well as financial controls.

Key matters reviewed by the Audit Committee included:

- (1) Financial report as well as accounting policy and procedure
- (2) Internal audit plan and the effectiveness of the internal control system
- (3) Amendments to internal control system
- (4) Evaluation of CPA independence and competence
- (5) Distribution of earnings

- (6) Transaction of derivative financial products
- (7) Private placement of securities
- (8) Company risk control
- (9) Appointment or removal of the head of finance, accounting or internal audit.
- (10) Transaction with related parties

▲ Review of financial report

The 2024 business report, financial statements, and earnings distribution proposal were issued by the Board of Directors. The financial statements were audited by the accounting firm Deloitte Taiwan and an auditor's report issued. The business report, financial statements and earnings distribution proposal mentioned above were reviewed by the Audit Committee and no discrepancies found.

▲ Evaluation of effectiveness for internal control system

The Audit Committee reviewed periodic reports from the Company's audit department, CPA and management to evaluate the effectiveness of the Company's internal control policy and procedure (including controls for finance, operations, risk management, information security, and compliance). The Audit Committee concluded that the Company's risk management and internal control systems were effective, and that the Company has already adopted the necessary measures to supervise and rectify violations.

▲ Evaluation of CPA independence and competence

The Audit Committee is empowered to supervise the independence of the CPA as to provide reasonable assurance on the reliability of the financial statements. The CPA may not provide the Company with other services except for those related to taxation or permitted under special dispensation.

To ensure the independence of the CPA, an independence evaluation form was drawn up by the Audit Committee based on Article 47 of the Certified Public Account Act, and the section on "Integrity, Objectivity, and Independence" in the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10. Since 2023, the Audit Quality Indicators (AQIs) have also been taken into account when evaluating the independence, professionalism, and competence of the CPA. The 5th meeting of the 4th Audit Committee and 5th meeting of the 10th Board of Directors held on March 8, 2024, resolved that the accountants Cheng Chi-Lin and Su-Li Fan and Cheng-chi Lin of Deloitte Taiwan both satisfied the standard for independence and were qualified to serve as the CPA of the Company.

- ii. The date of the Board meeting, the term, contents of the proposals, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting:

(1) Items specified in Article 14-5 of the Securities and Exchange Act:

Contents of Agenda	Objections, Reservations or Major Advice	Contents of Resolutions	The Company's Response to the Audit Committee's Opinion
The 5th of the 4th term Audit Committee Meeting (2024/03/08)			
1. To review and approve the business plan of year 2023.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
2. To review and approve of the Earnings Distribution Plan for year 2023.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
3. To review and approve year 2023 annual efficacy of the internal control system and to produce Internal Control System Statements of year 2023.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.

Contents of Agenda	Objections, Reservations or Major Advice	Contents of Resolutions	The Company's Response to the Audit Committee's Opinion
4. Review the evaluation of the independence and suitability of the CPAs and audit fee.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
5. Approved the proposed to establish the “Rules of Non-Assurance Services by CPA”.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
6. To discuss and resolve the discontinuance of the “issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares (“DR Offering”) and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement (“Private Placement Shares”) and/or issuance of overseas or domestic convertible corporate bonds in private placement and/or issuance of overseas or domestic convertible corporate bonds” resolved by Annual General Shareholders’ Meeting of the year 2023.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
7. To approve the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares (“DR Offering”) and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement (“Private Placement Shares”) and/or issuance of overseas or domestic corporate bonds (straight corporate bonds, convertible corporate bonds) in private placement and/or issuance of overseas or domestic corporate bonds (straight corporate bonds, convertible corporate bonds).	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
The 6th of the 4th term Audit Committee Meeting (2024/05/10)			
1. To review and approve the Consolidated Financial Report of Q1/2024.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
2. To review and approve the proposed credit-lines for trading of forward foreign exchange.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
The 7th of the 4th term Audit Committee Meeting (2024/08/09)			
1. To review and approve the Consolidated Financial Report of Q2/2024.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
2. To review and approve the proposed credit-lines for trading of forward foreign exchange.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
The 8th of the 4th term Audit Committee Meeting (2024/11/08)			
1. To review and approve the Consolidated Financial Report of Q3/2024.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
2. To review and approve the proposed amendment to the Company’s internal control system and internal audit system.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
3. To review and approve the internal audit plan for the year of 2025.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
4. To review and approve the proposed amendments to the “Audit Committee Charter.”	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.

Contents of Agenda	Objections, Reservations or Major Advice	Contents of Resolutions	The Company's Response to the Audit Committee's Opinion
5. To review and approve the retirement of the managerial personnel.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
6. To review and approve the appointment of the managerial personnel.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
7. To review and approve the proposal to terminate the global depositary receipts (GDRs).	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
8. To review and approve the proposed credit-lines for trading of forward foreign exchange.	None	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.

(2) Proposal Approved by more than 2/3 of Board Members without Audit Committee Approval: **None**.

iii. Independent Directors should leave during discussion for matters with conflict of interest.

Name of directors, proposal details, reason of conflicts and voting results: **None**.

iv. Communication between Independent Directors and CPA (ex. Issues regarding corporate financial, business operations, methods, results, and etc.):

- (1) Internal audit department email audit reports to independent directors in a monthly basis. The head of internal audit should have specified major findings during Audit Committee meetings.
- (2) Summarized quarterly consolidated and standalone financial statements information should be delivered and communicated with independent directors during Audit Committee meetings in order to comply with regulations defined in No 39 Statements of Auditing Standards and No.0930105373 of Securities and Futures Bureau.
- (3) No less than 1 Audit Committee meeting per quarter. Summarized communication among independent directors, head of internal audit, and CPA:

Date	Communication Summary	Action Item
2024/03/08	<p>Matters communicated at the 5th of the 4th term Audit Committee were as follow:</p> <ol style="list-style-type: none"> 1. Report on the results of the internal audit for Q4/2023. 2. To review and approve year 2023 annual efficacy of the internal control system and to produce Internal Control System Statements of year 2023. 3. Review the evaluation of the independence and suitability of the CPAs and audit fee. 4. Approved the proposed to establish the “Rules of Non-Assurance Services by CPA”. 5. Approved the discontinuance of the “issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares (“DR Offering”) and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement (“Private Placement Shares”) and/or issuance of overseas or domestic convertible corporate bonds in private placement and/or issuance of overseas or domestic convertible corporate bonds” resolved by Annual General Shareholders’ Meeting of the year 2023. 6. Review the proposal of private placement approved in 2024. 7. Accountant’s report on the content and outcomes from their audit of the 2023 separate and consolidated financial statements. (including explanation of key audit matters in the audit report). Discussion and communication of major accounting estimate issues as 	<p>There were no other recommendations than the items communicated on the left.</p> <p>The results from the internal audit for 2023 Q4 were reported to the Board of Directors; Statement on the effective design and execution of internal controls for 2023, as well as the 2023 separate and consolidated financial statements were submitted to the Board of Directors for approval. Once approved, they were published and filed with the competent authorities on time.</p>

Date	Communication Summary	Action Item
	<p>well as recent amendments to tax and securities management regulations. In addition, review/audit planning for 2024 were also presented by the accountant. There was also discussion and communication over major audit risk items already identified by PTI.</p> <p>Communication with independent directors and recommendations: None.</p>	
2024/05/10	<p>Matters communicated at the 6th of the 4th term Audit Committee were as follow:</p> <ol style="list-style-type: none"> 1. Report on the results of the internal audit for Q1/2024. 2. Accountant's report on the content and outcomes from their audit of the Q1/2024 consolidated financial report. Discussion and communication of major accounting estimate issues. <p>Communication with independent directors and recommendations:</p> <p>An independent director asked about the reasons and the contents for the qualified conclusion issued by the accountants, and whether the subsidiaries are required to be reviewed by the accountants and what the criteria are. The accountants replied and explained the situation.</p>	<p>There were no other recommendations than the items communicated on the left.</p> <p>The results from the internal audit for Q1/2024 were reported to the Board of Directors; Once approved, they were published and filed with the competent authorities on time.</p>
2024/08/09	<p>Matters communicated at the 7th of the 4th term Audit Committee were as follow:</p> <ol style="list-style-type: none"> 1. Report on the results of the internal audit for Q2/2024. 2. Accountant's report on the content and outcomes from their audit of the Q2/2024 consolidated financial report. Discussion and communication of major accounting estimate issues. <p>Communication with independent directors and recommendations:</p> <p>An independent director asked the accountants whether the Company could issue an unqualified quarterly report. The accountants replied and explained the situation.</p>	<p>There were no other recommendations than the items communicated on the left.</p> <p>The results from the internal audit for Q2/2024 were reported to the Board of Directors; Once approved, they were published and filed with the competent authorities on time.</p>
2024/11/08	<p>Matters communicated at the 8th of the 4th term Audit Committee were as follow:</p> <ol style="list-style-type: none"> 1. Report on the results of the internal audit for Q3/2024. 2. Accountant's report on the content and outcomes from their audit of the Q3/2024 consolidated financial statements. Discussion and communication of major accounting estimate issues as well as recent amendments to tax and securities management regulations. The accountant also outlined and discussed the key audit matters for PTI. 3. Amendments to internal control system and internal audit system 4. Formulation of the 2025 internal audit plan 5. Separate meeting was hold for communication among attended directors, CPAs, and internal audit officer regarding financial reports and operations status. <p>Communication with independent directors and recommendations:</p> <ol style="list-style-type: none"> 1. An independent director asked whether the Company has participated in external information security organizations and the frequency of phishing mail cases. The Chief Internal Auditor replied and explained the situation. 2. An independent director asked about the impact of the current carbon fee issue on the Company. The Chief Internal Auditor replied and explained that the impact of this issue on the Company's financials is not yet material. 	<p>There were no other recommendations than the items communicated on the left.</p> <p>The results from the internal audit for Q3/2024 were reported to the Board of Directors; Once approved, they were published and filed with the competent authorities on time.</p> <p>The internal audit plan was submitted to the board of directors for approval and announced as scheduled.</p>

(III) Variances and Reasons between PTI Corporate Governance Practices and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies:

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	√		PTI Corporate Governance Best Practice Principles has followed “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and approved by Board of Directors on Nov 5 2014 and amended many times by board meeting. The document was disclosed in PTI company website and MOPS.	Complied with Regulation.
2. Shareholding Structure & Shareholders’ Rights				
(1) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	√		(1.) PTI has dedicated spokesman and shareholders’ affairs department to handle inquiries for shareholders. Contact information is available on company website. Legal inquiries will be handling by legal department.	Complied with Regulation.
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	√		(2.) Regular reports and shareholder lists will be provided by stock transfer agent. PTI has disclosed information required by authority and kept good communication with major shareholders.	
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	√		(3.) Procedures for activities with related parties has been established and followed.	
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	√		(4.) “Prohibition against Insider Trading” policy has been established to educate and prevent insiders trading for who has access to significant internal information.	
3. Composition and Responsibilities of the Board of Directors:				
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	√		(1.) The diversity policy and specific management objectives of the Company, please refer to Explanation 1 below the table for detail.	Complied with Regulation.
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	√		(2.) The Company has set up the Remuneration Committee and Audit Committee as directed by law, and voluntarily established “Risk Management Committee”. The Company also set up “Information Security Committee”, “Environment, Safety and Health Committee”, “Total Quality Management Committee”, “Sustainable Development Committee” and “Training Committee” directly report to the President.	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	√		(3.) Board performance evaluation method has been approved in Mar 10, 2020 board meeting. Annual review will be performed and take into consideration for individual director compensation and future nomination. Current board of directors have been performed at the highest standards for shareholders' interests. 2024 evaluations were done by Feb 2025 and results has discussed in Feb 21, 2025 board meeting. Please see the "Board of Directors Meeting Status" of the Annual Report for the details.	
(4) Does the Company regularly evaluate its external auditors' independence?	√		(4.) Starting from 2015, annual independence review of CAP will be performed and major items are: a. Review CPA qualification and experiences. b. Declaration of Independence from CPA including audit team members and their spouses and dependents don't have conflict of interests to influence their independency. c. Search on internet for records of employed CPA breach of independence. d. Evaluate employed CPA independency using check list defined by No. 10 Article 23 of Certified Public Accountant Act. Please refer to Explanation 2 below the table for detail. e. In 2023, an amendment to the "Corporate Governance Best Practice Principles" was passed by the Board of Directors stipulating that the Audit Quality Indicators (AQIs) should be regularly used (at least once a year) to evaluate the independence, professionalism and competency of accountants retained by the Company. The results were to be submitted to the Audit Committee and the Board of Directors for review and approval. In 2024, the AQI assessment confirmed that the number of audit hours invested by the accountants and their firm as well as their quality control capabilities were better than the industry average. Innovative auditing tools were also introduced by the accounting firm in the past three years to improve audit quality so it was qualified to serve as the certified public accountant of the Company. f. Present the evaluation for Board of Directors on Feb 21, 2025.	
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their	√		The Finance Department is in charge of corporate governance related issues and major tasks were listed in below. CFO was appointed as Corporate Governance Officer on Nov 6, 2020 Board meeting. a. Plan annual shareholder and board meetings agenda and schedule. b. Planning for board meetings details and notify attendance directors board meeting agenda 7 days before the meeting. c. The laws and regulations are updated from time to time for the information of the Directors. Remind conflict of interests' attendance to leave when necessary. d. Meeting minutes recording. Copy directors and file the	

Assessment Item	Implementation Status			Non-impleme ntation and Its Reason(s)														
	Yes	No	Explanation															
duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?			meeting minute document within 20 days of meeting. e. Register for annual shareholder meeting with authorization with completed meeting notice, meeting agenda, annual report and meeting minutes within required period. File for amendment within 15 days after annual shareholder meeting. f. Public announcement of board and shareholder meeting conclusions comply with regulation and investor interests. g. Assist Directors for continue education programs. h. Report the results of the review of the compliance of the qualifications of independent directors with relevant laws and regulations at the time of nomination and election and during the term.															
5.Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a shareholder section on its company website? Does the Company appropriately respond to stakeholders’ questions and concerns on important corporate social responsibility issues?	√		<table><tr><th colspan="2">Stakeholders communication methods as below:</th></tr><tr><th>Related Party/Major Topics</th><th>Communication Method</th></tr><tr><td><u>Shareholders/Investors</u> Operations performance, Code of business conduct and ethics, technology and service, compliance regulations, risk management, customer services</td><td>Shareholders’ Meeting Financial Reports Host Quarterly Institutional Investor Conference Established spokesman and Investor Relations Department Company Website</td></tr><tr><td><u>Employees</u> Wages and benefits, human rights of employees, work environment healthy and safety, talent recruitment and retainment, communication between employer and employees</td><td>Staff Email Employees Benefits Committee Employee and Employer Meeting Occupational Safety and Health Committee Suggestion Box Electronic Platform & Announcement Procedures for Improvement Proposal Reviewing Psychological Consultant and Aids</td></tr><tr><td><u>Customers</u> Biodiversity, services, work environment healthy and safety, human rights of employees, wages and benefits, development of employees, community involvement</td><td>Customer Satisfaction Survey Sales Meetings Customer Service Annual Customer Audit</td></tr><tr><td><u>Suppliers</u> Code of business conduct and ethics, human rights of employees, work environment healthy and safety, compliance regulations, communication between employer and employees</td><td>Supplier Audit Procedure Supplier seminar Supplier Evaluation Supplier Management Meeting</td></tr><tr><td><u>Government</u> Water resource management, pollution prevention and control, work environment healthy</td><td>Emails and Official Notice in Mail Seminars and Public Hearings Host by Officials Supplement Documents</td></tr></table>	Stakeholders communication methods as below:		Related Party/Major Topics	Communication Method	<u>Shareholders/Investors</u> Operations performance, Code of business conduct and ethics, technology and service, compliance regulations, risk management, customer services	Shareholders’ Meeting Financial Reports Host Quarterly Institutional Investor Conference Established spokesman and Investor Relations Department Company Website	<u>Employees</u> Wages and benefits, human rights of employees, work environment healthy and safety, talent recruitment and retainment, communication between employer and employees	Staff Email Employees Benefits Committee Employee and Employer Meeting Occupational Safety and Health Committee Suggestion Box Electronic Platform & Announcement Procedures for Improvement Proposal Reviewing Psychological Consultant and Aids	<u>Customers</u> Biodiversity, services, work environment healthy and safety, human rights of employees, wages and benefits, development of employees, community involvement	Customer Satisfaction Survey Sales Meetings Customer Service Annual Customer Audit	<u>Suppliers</u> Code of business conduct and ethics, human rights of employees, work environment healthy and safety, compliance regulations, communication between employer and employees	Supplier Audit Procedure Supplier seminar Supplier Evaluation Supplier Management Meeting	<u>Government</u> Water resource management, pollution prevention and control, work environment healthy	Emails and Official Notice in Mail Seminars and Public Hearings Host by Officials Supplement Documents	Complied with Regulation.
Stakeholders communication methods as below:																		
Related Party/Major Topics	Communication Method																	
<u>Shareholders/Investors</u> Operations performance, Code of business conduct and ethics, technology and service, compliance regulations, risk management, customer services	Shareholders’ Meeting Financial Reports Host Quarterly Institutional Investor Conference Established spokesman and Investor Relations Department Company Website																	
<u>Employees</u> Wages and benefits, human rights of employees, work environment healthy and safety, talent recruitment and retainment, communication between employer and employees	Staff Email Employees Benefits Committee Employee and Employer Meeting Occupational Safety and Health Committee Suggestion Box Electronic Platform & Announcement Procedures for Improvement Proposal Reviewing Psychological Consultant and Aids																	
<u>Customers</u> Biodiversity, services, work environment healthy and safety, human rights of employees, wages and benefits, development of employees, community involvement	Customer Satisfaction Survey Sales Meetings Customer Service Annual Customer Audit																	
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<u>Government</u> Water resource management, pollution prevention and control, work environment healthy	Emails and Official Notice in Mail Seminars and Public Hearings Host by Officials Supplement Documents																	

Assessment Item	Implementation Status			Non-impleme ntation and Its Reason(s)
	Yes	No	Explanation	
			<div>and safety, climate change, green products, human rights of employees</div> <div>from Officials</div> <div> <u>Community</u> Community involvement, human rights of employees, compliance regulations, pollution prevention and control, development of employees, diversity and inclusion </div> <div> PTI has set up a section for stakeholders on the company website to disclose corporate social responsibilities, and CSR hotline and email account. Dedicated staff will take care of reported problems. </div>	
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	√		Concord Securities Co. Ltd assisted PTI for shareholder affairs.	Complied with Regulation.
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	√		(1.) Company website has been set up and well maintained. Financial and Corporate Governance information will be disclose on the website upon occurrence.	Complied with Regulation.
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	√		(2.) The Company has dedicated personnel in charge of disclosure on MOPS following authority regulations. Investor Relations section under company website discloses information in both Chinese and English. Spokesman and deputy spokesman are in place. The Company has been hosting physical quarterly Institutional Investor Conference. Live webcasting and replay of conference available on company website for investors.	
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	√		(3.) PTI published and reported the first, second, and third quarters financial report before the specified deadlines and annual financial report within two months after the end of the fiscal year. Also, PTI published and reported the operating statements for each month before the specified deadlines. For more information, please visit the MOPS.	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders,	√		a. Employee rights, interests and wellbeing: Please refer to Paragraph 4, Items (1) ~ (4) in (5) Implementation of Sustainable Development. b. Directors and managerial officers are reminded by the Company to engage in continuing education each year in accordance with the rules. Please refer to Explanation 3 below the table for detail. c. The "Risk Management Committee" and "Business Continuity Management Task Force" have already been established by the Company to identify risks to business	Complied with Regulation.

Assessment Item	Implementation Status			Non-impleme ntation and Its Reason(s)
	Yes	No	Explanation	
directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?			<p>operations from environment, social, and governance issues in accordance with the principles of materiality. Potential emergencies or impacts on business continuity are also examined to strengthen our risk management and response capabilities. Please refer to Explanation 4 in the table below for an overview of Risk Management Committee's composition, roles and responsibilities, and operations.</p> <p>d. The Company began purchasing liability insurance for directors (including independent directors) and managerial officers in 2008. The most recent insurance policy expired on August 26, 2024. Stacked insurance policies were renewed through Chubb (basic insurance) and Fubon Insurance Co., Ltd. (excess insurance) for the period running from August 26, 2024, through to August 26, 2025. Insurance coverage was US\$30,000,000. The scope of insurance and contents were reported at the 9th session of the 10th Board of Directors on Nov 8, 2024.</p> <p>e. The "Organic Charter of the Corporate Sustainability Committee" was formulated by the Company to establish the "Sustainable Development Committee." The Committee is convened once each quarter to improve and discuss the implementation of corporate sustainability and related topics.</p> <p>f. Annual reports, financial statements and sustainability reports are published every year for the disclosure of corporate governance information.</p> <p>g. PTI has been working actively to build to a secure and reliable information security management system to effectively protect the intellectual property and assets of our company and customers. ISO 27001 information security management system certification was obtained in October 2016, and renewed for a further 3-year period on October 21, 2022 which is valid until Oct 2, 2025, to maintain the validity of our ISO 27001 certification.</p>	
<p>9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.</p> <p>PTI did not receive points for certain items in 10th Corporate Governance Evaluation (for 2023). Improvements made for the 11th Corporate Governance Evaluation (for 2024) are outlined below:</p>				
Type of Indicator	Indicator Description		Improv ement Status	Explanation for non-improvement or improvement
Protecting Shareholder Rights and Interests, and Treating Shareholders Equitably	1.1	Did the Company report the remuneration received by the directors at the annual general shareholders' meeting, including the remuneration policy, individual remuneration content and amount?	No	Pending for board director approval.
	1.2	Does the Company have a regulation on financial operations related to related parties, which should include procedures for managing transactions such as purchases, sales, acquisitions, and dispositions of assets, and should be submitted to the board of directors for approval and to the shareholders' meeting for approval or reporting of significant transactions?	No	The Company has established rules for financial operations related to related parties and will submit them to the stockholders' meeting for approval or report in the future, depending on the situation.
	1.3	Did more than half of the directors (including at least one independent director) and the audit committee convener (or at least one supervisor) attend the AGM in person, and did the company disclose in the minutes the names of those who attended?	Yes	

Assessment Item		Implementation Status			Non-imple mentation and Its Reason(s)
		Yes	No	Explanation	
Type of Indicator		Indicator Description		Improv ement Status	Explanation for non-improvement or improvement
Protecting Shareholder Rights and Interests, and Treating Shareholders Equitably	1.7	Does the company upload the shareholders' meeting handbook and supplementary information for the meeting 30 days prior to the regular shareholders' meeting?		Yes	
	1.15	Did more than half of the directors (including at least one independent director) and the audit committee convener (or at least one supervisor) attend the AGM in person, and did the company disclose in the minutes the names of those who attended?		No	Publicity and reminders will be strengthened in the future.
	1.19	Did the Company's shareholders' meetings stream live online or upload with uninterrupted audio recordings after the meetings?		Yes	
Enhance Board Structure and Operations	2.21	Has the company appointed a dedicated corporate governance officer, and explain his/her duties and continuing education on the company's website and in annual reports?		No	The Company has a head of corporate governance based on the organization.
	2.23	Have the rules adopted by the company for assessing the performance of the board of directors been passed by the board, with the express requirement that an external assessment be carried out at least once every three years, and has it furthermore carried out the assessment during the year being evaluated by the specified deadline, and disclosed the implementation status and assessment results on its website or in its annual report?		No	The existing Board evaluation excluded this item. Amendment of evaluation maybe needed.
	2.30	Did at least one of the company's internal auditors possess a certificate of qualification as a Certified Internal Auditor, Certified Information Systems Auditor, or Certified Public Accountant?		Yes	
Improving Transparency	3.4	Did the company file the audited annual financial reports within 60 days of accounting year end?		YES	
	3.9	Does the Company upload the insiders' shareholding changes in the previous month to the Market Observation Post System (MOPS) by the 10th day of each month?		Yes	
	3.13	Did the annual report voluntarily disclose individual compensation for board director and supervisor?		No	Pending for board director approval.
	3.21	Did the annual report voluntarily disclose individual compensation for President and Vice President?		No	Pending for President approval.
Practices on Corporate Social Responsibility	4.22	Does the company invest resources to support domestic cultural development and disclose the support methods and results on the company's website, annual report or sustainability report?		No	The Company established the Education Foundation to invest resources in education in remote villages to fulfill its corporate social responsibility.

Explanation 1: The diversity policy and specific management objectives of the Company:

(1) The diversity policy of the Board

Article of Incorporation 20-3 stated: board members should not be discriminated against gender; all members should be capable in knowledge, skills, and mind set. All board of directors should be capable in:

- | | |
|---------------------------|--------------------------------|
| a. Operational judgments; | e. Industry knowledge; |
| b. Financial analysis; | f. International perspectives; |
| c. Management skills; | g. Leadership skills; |
| d. Crisis management; | h. Decision Making. |

(2) Target and Progress:

Target	Progress Status
No less than 4 independent directors	Completed
Independent directors accounted for no less than 1/3 of board	Completed
No less than one female board director	Completed
Employees accounted for less than 1/3 of directors	Completed

(3) Execution Status:

Name	Nationality	Gender	Employee of PTI	Age Range			Independence Director Seniority (Terms)		Operational Judgment	Financial Analysis	Management Skills	Crisis Management	Industry Knowledge	International Perspectives	Decision Making
				51 - 60	61 - 70	71 - 80	<3	> 3							
DK Tsai	ROC	Male	√			√			√		√	√	√	√	√
J. S. Leu	ROC	Male	√		√				√		√	√	√	√	√
Shigeo Koguchi	Japan	Male				√			√		√	√	√	√	√
Daphne Wu	ROC	Female		√					√	√	√	√	√	√	√
Boris Hsieh	ROC	Male	√		√				√		√	√	√	√	√
Junichi Asada	Japan	Male			√				√		√	√	√	√	√
Morgan Chang	ROC	Male				√	√		√		√	√	√	√	√
Pei-Ing Lee	ROC	Male			√		√		√		√	√	√	√	√
Jui-Tsung Chen	ROC	Male				√	√		√		√	√	√	√	√
Chao-Chin Tung	ROC	Male				√	√		√	√	√	√	√	√	√

Remark: Not including information of directors whose terms were expired.

Explanation 2: Evaluation of independency of CPA Cheng-Chih Lin and Su-Li Fang:

Events Influence CPA Independency:	Yes	No
1. CPA did not accept the offers from the Company to serve as CPA for 7 consequent years.	√	
2. There is no direct or indirect but significant financial interest between the Company and CPA.	√	
3. CPA did not receive any financial support or endorsement from the Company.	√	
4. There is no highly correlated business relationship between the CPA and the Company.	√	
5. There is no potential employment negotiations between the CPA and the Company.	√	
6. CPA did not accept a contingent fee relating to an audit engagement.	√	
7. CPA did not serve as the Company' s Directors, managers, or someone had great impact on audit results within 2 years from now.	√	
8. CPA and assurance team were not related to the Company' s Directors, managers, or someone has great impact on audit results.	√	
9. CPA and assurance team did not accept any valuable gifts or items from the Company or its Directors or managers.	√	
10. The non-assurance service which performed by the firm for an audit client that would affects directly a material item of the assurance engagement.	√	
11. CPA did not promote or broker shares or other securities issued by the Company.	√	

Explanation 3: Status of 2024 Continue Education for Board of Directors and Management:

Title	Name	Date	Host By	Course	Duration (Hours)
Chairman	DK Tsai	2024/06/05	Taiwan Corporate Governance Association	Regulation of Competitive Behavior and Analysis of Practical Cases on Company's Right to Operate	3
		2024/7/3	Taiwan Stock Exchange	2024 Cathay sustainable finance and climate change summit	6
Director	JS Leu	2024/6/5	Taiwan Corporate Governance Association	Regulation of Competitive Behavior and Analysis of Practical Cases on Company's Right to Operate	3
		2024/7/3	Taiwan Stock Exchange	2024 Cathay sustainable finance and climate change summit	6
Director	Boris Hsieh	2024/6/5	Taiwan Corporate Governance Association	Regulation of Competitive Behavior and Analysis of Practical Cases on Company's Right to Operate	3
		2024/7/3	Taiwan Stock Exchange	2024 Cathay sustainable finance and climate change summit	6
		2024/9/30	Taiwan Stock Exchange	Strengthening Taiwan's Capital Markets Summit	3
Director	Junichi Asada	2024/11/15	Taiwan Investor Relations Institute	Legal and Tax Issues for Japanese Companies Investing in Taiwan	3

Title	Name	Date	Host By	Course	Duration (Hours)
Independent Director	Morgan Chang	2024/7/3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024/9/20	Securities & Futures Institute	2024 Preventing Insider Trading Seminar	3
Independent Director	Pei-Ing Lee	2024/11/14	Securities & Futures Institute	Innovative Thinking for Business Growth in the Age of AI	3
		2024/11/14	Securities & Futures Institute	Awareness and Connotation of Corporate ESG - Global Net-Zero Carbon Emission Trend and Corporate Responses.	3
Independent Director	Jui-Tsung Chen	2024/3/16	Importers and Exporters Association of Taipei	Global Political, Economic and Financial Trends in 2024 and the Way for Taiwan Enterprises to Respond to Them	3
		2024/3/16	Taiwan Independent Director Association	Two Risks in High-Tech Manufacturing: Export Trade Controls and Supply Chain Purchasing Fraud in the Face of Geopolitical Conflicts	3
Independent Director	Chao-Chin Tung	2024/8/14	Taiwan Corporate Governance Association	Trends in Intelligent Manufacturing and Application of Digital Technology in Management.	3
		2024/12/17	The Business Development Foundation of the Chinese Straits	The Present and Future of Energy Service Companies (ESCOs)	3
Former CFO and Head of Accounting and Head of Corporate Governance	Evan Tseng (Note 1)	2024/6/5	Taiwan Corporate Governance Association	Regulation of Competitive Behavior and Analysis of Practical Cases on Company's Right to Operate	3
		2024/7/19	Accounting Research and Development Foundation	Analysis of Common Deficiencies in Financial Report Review and Important Internal Control Regulations	6
		2024/8/20	Accounting Research and Development Foundation	Sustainability Reporting: A Trilogy of Revelations.	3
		2024/8/23	Accounting Research and Development Foundation	Continuing Professional Development Course for Accounting Supervisors of Issuing Brokerage Firms Stock Exchange Professional Development Course	12
Manager	Jim Lin	2024/6/5	Taiwan Corporate Governance Association	Regulation of Competitive Behavior and Analysis of Practical Cases on Company's Right to Operate	3
		2024/7/3	Taiwan Stock Exchange	2024 Cathay sustainable finance and climate change summit	6
		2024/10/7	Chinese National Association of Industry and Commerce	2024 Taishin Net-Zero Summit	3

Note 1: Mr. Evan Tseng, the former CFO and Head of Accounting and Head of Corporate Governance, retired on 8 November 2024, and the status of his further studies is disclosed until the date of his retirement; the duties of the CFO and Head of Corporate Governance have been taken over by Mr. Huck Shen and the duties of the Head of Accounting have been taken over by Mr. Benson Hung, and the number of hours of further studies is required by law to be completed within one year from the date of their succession.

Explanation 4: The Risk Management Committee was composed by 2 independent directors and one board director. The purpose of the committee was to supervise and enhance management operations whose responsibilities include:

- Review overall corporate risk management, establish risk management policy, structure, organization, and matrix.
- Execute risk management plans approved by board.
- Supervise the operation of the risk management procedures.
- Review and consolidated risk management finding and report to board timely.

Attendance Status of Risk Management Committee:

Title	Name	Specialty	2024 Attendance
Director / Chair	JS Leu	Note 1	100%
Independent Director	Morgan Chang	Note 1	100%
Independent Director	Chao-Chin Tung	Note 1	100%

Note 1: Please refer to Board of Director page 11 ~ 19 for details.

Risk Management Committee meeting minutes' summary:

Risk Management Committee	Agenda and follow-up	Contents of Resolutions	The Company's response to Risk Management Committee opinions
2nd term 1st meeting (2024/05/10)	1.Report the implementation of risk management operations by the Company in 2023. 2.Report the proposed risk management plan in 2024.	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.

(IV) If the company has a remuneration committee or nomination committee in place, the composition and operation of such committee shall be disclosed:

1. Information Regarding Remuneration Committee Members

Title	Criteria Name	More than 5 years of working experiences and professional filed	Test for Independent	Number of Remuneration Committee of other Public Listed Company	Note
Independent Director/Chair	Morgan Chang	Note 1	Note 1		
Independent Director	Pei-Ing Lee	Note 1	Note 1		
Independent Director	Chao-Chin Tung	Note 1	Note 1		

Note 1: Refer to Board of director table page 11 ~ 19 for details.

2. Attendance of Remuneration Committee Members

(1)Total 3 members of Remuneration Committee.

(2)Service Period:

The 5th term of Remuneration Committee commences from Jun 8 2023 to May 31 2026.

2 (A) meeting (5th term) took place during 2024, and attendance status as below:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remarks
Independent director/ Chair	Morgan Chang	2	0	100%	-
Independent director	Pei-Ing Lee	2	0	100%	-
Independent director	Chao-Chin Tung	2	0	100%	-

Other information required to be disclosed:

- i.If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.
- ii.With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

Date of Meeting	Meeting Summary	Contents of Resolutions	The Company's response to Risk Management Committee opinions
2024/03/08	1. Review the compensation distribution plan for directors of the Board and employees for year 2023. 2. Review 2024 proposed salary adjustment plan for managerial personnel.	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.
2024/11/08	1. Report the implementation of 2023 director's remuneration. 2. Report the comparison of director's remuneration for the Company and the industry. 3. Report the implementation of 2023 managerial personnel's remuneration. 4. Report the comparison of managerial personnel's remuneration for the Company and the industry. 5. Review the remuneration of newly managerial personnel.	All committee members unanimously passed this motion.	The proposal was passed by all directors of board.

iii.Regular review of directors'/managerial officers' performance evaluation and other information such as salary policy, system, standard and structure.

- (1) Information from PTI's review and assessment of remuneration in 2023 is as shown in the above table.
- (2) The Remuneration Committee shall exercise the care of a prudent manager to fulfill the following duties, and submit recommendations to the board of directors for discussion.
 - A. PTI remuneration rules are regularly reviewed and amendments proposed.
 - B. Establish and regularly review the annual and long-term performance targets for directors and managerial officers, as well as the policies, systems, standards, and structure for their remuneration.
 - C. PTI directors and managerial officers are regularly assessed on their ability to

meet performance targets. The content and amount of their individual remuneration are set accordingly.

- (3) The PTI Remuneration Committee shall carry out its duties in accordance with the following principles:
- A. Ensure that the remuneration arrangements of the Company conform to the law and are sufficient to attract quality talent.
 - B. The performance evaluation and remuneration of directors, supervisors and executives should take prevailing industry standards into account and take into consideration the amount of personal time invested, responsibilities, personal target completion, performance in other roles and company compensation for other people in equivalent roles in recent years. The achievement of the company's short-term and long-term business objectives as well as the company's finances are used to evaluate the correlation between personal performance, company business performance and future risks.
 - C. The remuneration plan should not entice directors and managers into exceeding the Company's capacity for risk in pursuit of personal remuneration.
 - D. Short-term performance bonuses for directors and senior managerial officers, and the timing of variable salary payments/remunerations shall be set with reference to the particular industry characteristics and the nature of the Company's business.
 - E. Whether the content and amount of director and managerial officers' remuneration is reasonable should be taken into account. It is inadvisable for the remuneration decided for directors and managerial officers to diverge excessively from financial performance.
 - F. Members of the Committee may not participate in the discussion and voting on their personal remuneration.

(V) Fulfillment of Corporate Sustainable Development as well as deviations from Corporate Sustainable Development Best Practice Principles for TWSE/TPEX listed companies and their reasons:

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary Explanation	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>a. A dedicated "CSR Office" was established by the Company on August 1, 2014, ensure proper CSR management, and was approved by the Board of Directors on February 9, 2015. The CSR Office was changed to the "Sustainable Development Management Office" in March 2022, and is responsible for the development and execution of corporate sustainability policies, systems, as well as related management strategies and action plans. A "Corporate Sustainability Committee" is also convened quarterly to brief senior managerial officers on current progress. Regular schedule annual reporting to Board of Directors regarding the progress. Latest reporting to board was on Aug 4 2023.</p> <p>b. To effectively conduct risk identification, response, monitoring and reporting, as well as to implement the risk management of uncertain factors that may threaten business operations, PTI's Board of Directors approved the establishment of the "Risk Management Committee" in May 2021 under the Board, which consists of 2 independent directors and one director, and at least one meeting is convened annually. The committee's responsibilities include assisting in the review of the risk management policy and risk tolerance and supervising the implementation of various risk management protocol in a bid to realize corporate sustainable development. To advance relevant services, the "Risk Management Task Force" was created under the Risk Management Committee, where a task group was formed with the President acting as the group leader supported by an assistant group leader; other members of the group include a secretary (Corporate Governance Officer) and several executive officers. Quarterly meetings are convened to discuss risk topics, and the relevant contents are presented to the Risk Management Committee annually to materialize executive risk management.</p>	None.
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?	✓		<p>a. The Company practices strict risk management to ensure the continuity of our operations. We confront risks and have established a "Risk Management Committee" under the Board of Directors to monitor risks and make annual reports to the Board. We turn risks into opportunities by adopting a</p>	None.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary Explanation	
			<p>proactive mentality. Risk reduction is accomplished through regular risk monitoring, identification, impact assessment and formulation of response strategies.</p> <p>b. In 2024, the following environmental, social, and corporate governance (ESG) risks relating to Company operations were identified in accordance with the principles of materiality and business continuity management objectives. Environmental category: "Disruption of public services", "Environment and climate change"; Social category: "Talent attraction and retention": Governance category: "Information security management and network security", "Regulatory changes" and "Supply chain management." The six issues above were reported to the Board of Directors and responsibility for each type of risk's management methods and crisis response procedures assigned to dedicated personnel. A business continuity and sustainability safety net was constructed through early warning, response, crisis management and business continuity plans as well as recovery actions as part of our efforts to create sustainable value for stakeholders. Relevant risk content will also be reported and explained to the Board of Directors.</p>	
<p>3.Environmental Issues</p> <p>(1)Has the Company set an environmental management system designed to industry characteristics?</p>	✓		<p>(1)PTI has established an environmental management system based on the characteristics of our industry to fulfill our corporate responsibility on environmental protection as well as look after the safety and health of our employees. Certification for ISO 14001 environmental management system was obtained in 2003, followed by OHSAS 18001 (now ISO 45001) occupational safety and health management system in 2004. In response to the global trend towards energy conservation, carbon reduction and green environment, Powertech Technology began deploying and adopting the ISO50001 energy management system in 2018, Environmental, safety and health management measures were implemented in accordance with the system. Environmental safety and sustainability goals were formulated and periodically reviewed. The Company was certified by SGS Taiwan in December 2019. The latest certification is valid from December 4, 2022 to December 4, 2025. Environmental, safety and sustainability goals are now set and reviewed</p>	None.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary Explanation	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		on a regular basis. The operation of the international standard management systems enables PTI to effectively control emissions, water pollution and waste from the production process. In addition, IECQ QC08000 hazardous substance management system certification was obtained in 2008. The certification ensured that PTI products do not contain substances harmful to human health or the environment, and complied with international regulations and customer requirements, reducing the environmental impact of our products and increasing their competitiveness. (2) Refer to Explanation 1.	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		(3) PTI is actively responding to the potential business impacts of climate change and is committed to the continued reduction of greenhouse gases, waste, and wastewater discharge. We are actively working on plans and configurations that optimize our energy efficiency, conducting R&D on low-carbon or energy-efficient processes and services, continuing to review our risks and opportunities under the Task Force on Climate related Financial Disclosures, (TCFD) framework every year, and conducting trans-organizational assessments on climate change risks and response measures. The management team takes the findings into account in their business decisions to turn crisis into opportunity. These positive changes are also being pushed out to our suppliers to build a resilient climate change culture so that we can realize our goals and responsibilities on sustainability. The outcomes of PTI's 2024 TCFD assessment were as follow: 1. Risk factors: Increase in demand for use of green electricity, increase in carbon prices (carbon taxes), and increase in demand for alternative low-carbon products and services. 2. Opportunities: Development of low-carbon or energy-efficient products, upgrading of green production, distribution and logistics processes, improvements to energy efficiency. 3. Response: The four core elements of governance, strategy, risk management, and metrics and targets in the TCFD framework were used to identify climate change risks	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary Explanation	
(4)Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		<p>and opportunities. The results were then used to formulate response measures and business continuity plans that help mitigate the impact of climate risks. PTI can then take advantage of climate opportunities to the resilience of our business operations.</p> <p>An analysis and description of the Company's climate risks and opportunities is published in the Company's ESG Report and the annual "Climate-Related Financial and Opportunities" report, as well as on the Company's website.</p> <p>(4)Refer to Explanation 2.</p>	
<p>4. Social issues</p> <p>(1)Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>	✓		<p>(1) The Company follows international standards and norms such as the "Responsible Business Alliance (RBA) Code of Conduct", "SA8000 International Standard on Social Responsibility", "United Nations Guiding Principles on Business and Human Rights (UNGPs)" and International Labor Organization Conventions (ILO Conventions) to enforce the protection of human rights.</p> <p>a. A human rights policy has been formulated to realize a friendly workplace that embraces diversity, equality and inclusion (DEI).</p> <p>b. The "Responsible Business Alliance" (RBA) is committed to supporting the rights and well-being of workers and communities worldwide affected by the global supply chain. The "RBA Code of Conduct" is a set of standards on social, environmental and ethical issues in the global industry supply chain that references key international human rights standards including the "United Nations Guiding Principles on Business and Human Rights", the "Declaration of Fundamental Principles and Rights at Work" of International Labor Organization (ILO), and "Universal Declaration of Human Rights." The "RBA Code of Conduct" introduced by PTI in 2009 covers labor, health and safety, environment, ethics and management systems. PTI became a formal member of RBA on April 20, 2015.</p> <p>c. The Social Accountability 8000 International</p>	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary Explanation	
			<p>Standard (SA8000) was formulated with reference to International Labor Organization ILO, UN Convention on the Rights of the Child, and Universal Declaration of Human Rights. It is a management standards system for the protection of labor rights, occupational environments and labor conditions. Workplace PTI has been working actively to introduce the SA8000 social responsibility management system. Certification was achieved in 2016 and all subsequent annual audits passed successfully.</p> <p>d. Human rights risk assessments and due diligence investigations are conducted by the Company every year to monitor and mitigate human rights risks. A Human Rights Due Diligence (HRDD) report is also issued and published on the corporate website.</p> <p>e. Training on labor rights, RBA and SA 8000 social responsibility management systems are conducted every year for all employees to enhance employee awareness on human rights protection.</p> <p>The Company is committed to providing a safe and healthy working environment where employees can develop their talents to the full. To implement this commitment, we comply with local laws and regulations, and formulate management policies and procedures based on the international labor and human rights standards mentioned above.</p>	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		(2) Refer to Explanation 3.	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		(3) Refer to Explanation 4.	
(4) Has the Company established effective career development training programs for employees?	✓		(4) PTI's planning of the education and training system ensures our training investment is aligned with business philosophy. The interaction between different training mechanisms provide employees with a complete blueprint for training and career development. Training tailored to each role and grade ensure that our talent cultivation	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary Explanation	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		<p>and development will meet PTI's needs for business growth. Further information on career development, please refer to PTI's ESG report and corporate website.</p> <p>(5) The PTI "Code of Business Conduct and Ethics" required relevant policies to be formulated for all company R&D, purchasing, production, operation and service processes, such as: Policies for preventing stakeholders from being harmed by products or services, prohibition against leaking of confidential information, prohibition against violation of intellectual property rights, or engaging in unfair competition. PTI management of intellectual property is explained in item 6 of the following table. The relevant complaints procedure has been established by PTI. In addition to internal announcements, complaints channels are also disclosed on our corporate website to safeguard the interests and rights of both internal and external stakeholders.</p>	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		<p>(6) PTI considers suppliers/contractors to be our partners. Our supply chain management strives for steady development and sustainability through mutual cooperation.</p> <ol style="list-style-type: none"> 1. In accordance with the Company's "Code of Business Ethics and Integrity", before establishing business relationships with suppliers, the Company shall evaluate the business counterparties via appropriate procedures to examine and to find out whether there is any past record of impacting the environment and society. 2. Require suppliers to follow the RBA Code of Conduct, and establish supplier codes of conduct that include labor rights, environmental protection, and business ethics; of which, business ethics include the Code of Integrity, honesty and business ethics, anti-competition and anti-bribery policies. 3. Targets and assessments are continuously set for quality, delivery time, cost and technology. Planned visits and on-site audits of business systems are conducted every year as well. The audit systems include: <ol style="list-style-type: none"> a. Quality management system b. Green product management system for non-use of hazardous substances in raw materials c. RBA Code of Conduct management system on labor and human rights, the environment 	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary Explanation	
			<p>and ethics</p> <p>d.Environmental, safety and health risk management</p> <p>e.Operation Sustainable Management</p> <p>Our “Code of Business Conduct and Ethics” require potential suppliers to undergo an assessment of their past business associations. A suitable screening process is used to examine their business dealings and determine whether they have a past record on environmental and social impact.</p> <p>PTI’s supply chain management practices are explained in item 6 of the following table.</p>	
5.Does the company refer to international reporting standards or guidelines for the preparation of corporate social responsibility reports and other reports that disclose non-financial information? Does the company obtain third-party verification or assurance for the reports above?	✓		<p>The compilation and drafting of the Company's 2021 Sustainability Report adhered to the "Core" option of the GRI Standards published by the Global Reporting Initiative (GRI), the Task Force on Climate-Related Financial Disclosures (TCFD) framework, and the Semiconductor Sustainability Accounting Standard 2018 issued by the Sustainability Accounting Standards Board. Independent third-party verification was also conducted by the British Standards Institution (BSI) against the AA1000 AS Type II high-level assurance. Limited assurance was also conducted by the accounting firm PwC based on the ISAE 3000 standard. The information for "salary of permanent employees in non-management positions" was verified by the accounting firm Deloitte.</p>	None.
<p>6.If the Company has established corporate sustainable development principles based on "Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any difference between the principles and their implementation:</p> <p>PTI referred to the “Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and other relevant laws and regulations in formulating our own “Corporate Sustainable Development Best Practice Principles.” The Corporate Sustainable Development Best Practice Principles were approved for implementation by the Board of Directors on November 8, 2013. Amendments were passed by the Board on November 4, 2016, to improve Corporate Sustainable Development performance, promote better corporate governance, develop a sustainable environment, protect social welfare and strengthen the disclosure of Corporate Sustainable Development information. There is no difference between the defined principles and their implementation. These principles apply to the overall business activities of PTI and all subsidiaries.</p>				
<p>7. Other supplement information:</p> <p>Referred to Explanation 7.</p>				

Explanation 1: Performance management targets for energy/resource recovery were set by PTI to improve resource utilization and reduce the environmental impact of production activities.

1. Establish energy and resource performance management goals:

The results are reviewed on a regular basis; We also assessed and advocated the use of reclaimed materials with low environmental burden/impact where it does not affect product quality. To protect the environment as well as cope with the effects of climate change and water resource depletion, we are gradually increasing our waste recycling and energy

savings every year. Reclamation of process water has also been increased as an alternative to tap water use.

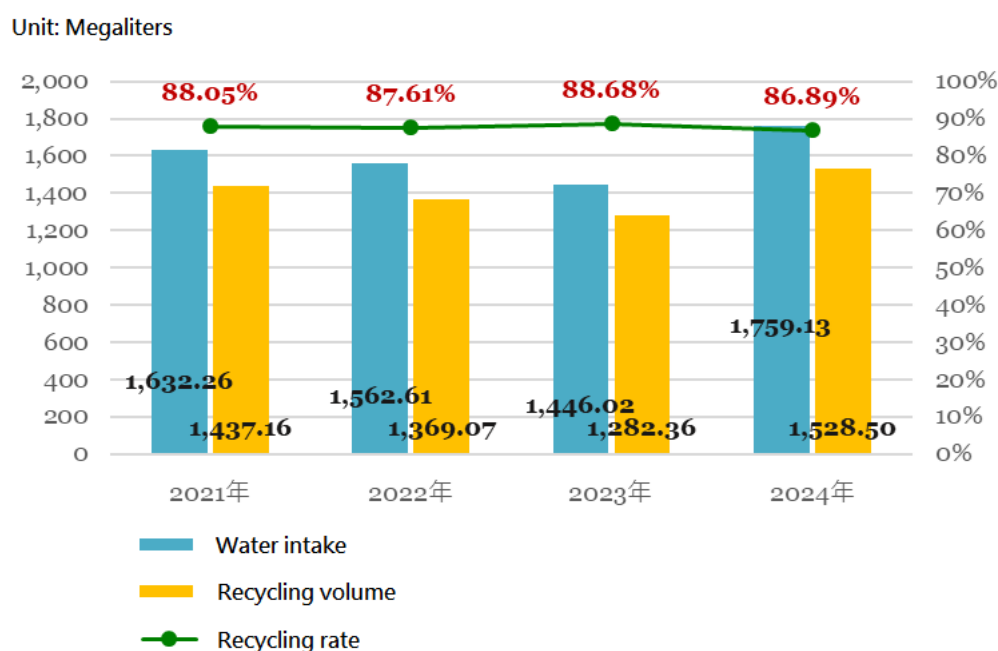
1. 2024 energy concentration status:

Item	2023	2024	YoY
Power Concentration (kWh/NT\$K)	15.84	15.05	Decline 4.99%
Water Concentration (Usage)/Revenue(NT\$M)	65.77	63.78	Decline 3.03%
Waste Concentration (Volume)/Revenue(NT\$M)	0.15	0.15	-

Item	2022	2023	2024
Waste Recycle (Tone)	1,051.53	4,728.26	5,707.24
Electronic Saving (kWh)	11,435,224	17,240,951	14,459,016
Waste Water Recycle (Tone)	1,369,070	1,282,359	1,528,497

Note: Waste recovery projects have been expanded to include resource recovery, recycling, energy recovery, etc.

2. 2024 PTI recycled 86.89% waste water during dicing and grinding process.



Note: 1. Facility process dicing and grinding including: Plant 2A/B, 3A, 3C, and 8.

2. $\text{Recycle rate \%} = \{ \text{Recycle water volume (m3)} / \text{Recycle Equipment Water input (m3)} \} \times 100\%$

3. 2022 target water for dicing and grinding recycle rate was 85%.

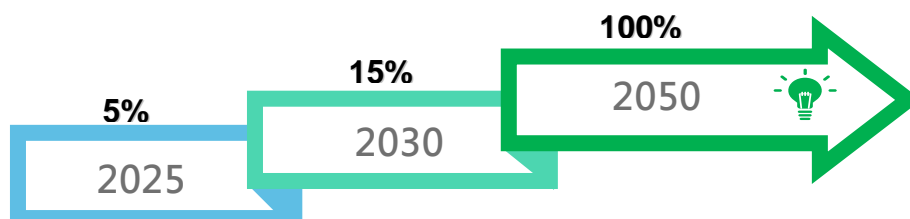
2. Renewable energy consumption targets

The Company supports climate change initiatives and actively implements carbon reduction measures, and has initiated a renewable energy installation project since 2022 and an implementation plan will be such as:

1. Implement renewal energy project

- Installation of solar power equipment on the roof of the planet in 2022, and meter hanging operation was completed in 2023, and the total power generation in 2024 was 3,520,460 kWh.

- Purchase of green energy from renewable energy providers and engage in green energy wheeling from 2023 onwards.
The two projects are expected to supply around 8.54 MWh of renewable energy (green energy 1%) each year and reduce carbon emissions from electricity consumption; it will also meet two years early the requirement for major electricity consumers to use renewable energy for 10% of their contract capacity by 2025 set by the government.
2. Med-to-Long term target: Net zero schedule in line with international standard.
- Green entry reached 5% by 2025 and 15% by 2030.
 - 100% Renewal energy by 2050 in line with RE100 standard.



Explanation 2:

Measures such as energy conservation, carbon reduction, greenhouse gas reduction, reduced water consumption and waste management were promoted by PTI through the internal management system and various pollution control facilities to fulfill our corporate social responsibility. Our goal is to promote sustainable environment. An explanation of the statistics from the past two years is provided below:

1. GHG emissions, water consumption and total amount of waste

(1) Greenhouse gas emissions

A voluntary GHG inventory has been conducted by PTI every year since 2007. The inventory outcome serves as the basis for reduction efforts. The 2024 GHG emission statistics for PTI were based on data from actual inventories conducted at each production site that were verified by an independent third-party (BSI). Direct GHG emissions (Scope 1) accounted for 3.77% of total emissions. The main source of indirect GHG emissions (Scope 2) was electricity consumption and accounted for 96.23% of total emissions. The GHG reduction strategy implemented by PTI focused therefore on electricity management and reduction of electricity use. GHG emissions over the past two years are shown in the table below:

Emissions of greenhouse gases by PTI in the last two years are as follow:

(Scope 1, 2 and 3 include all PTI factories.)

Greenhouse Gas Emission (Unit: ton CO ₂ e/ year)		
Item	2023	2024
Scope 1	14,381.30	13,371.26
Scope 2	328,260.29	341,191.96
Scope 3	314,328.84	263,504.04
Total Emission	656,970.43	610,328.31

Note 1: The GHG data of 2024 is the result of self-inventory, and third-party verification is expected to be completed before the end of April 2025.

Note 2: The details of Scope 3, please refer to PTI's ESG report chapter 7.1.3 Carbon management.

(2) Water Usage

Extreme weather caused by climate change significantly impacted the water resources. PTI has been taking proactive actions for usage reduction, recycle and re-use. Table summarized the water usage for 2023 and 2024:

Item	2023	2024	Percentage
Tap Water (Tons)	2,734,971	2,982,264	Increase 9.0%
Unground Water (Tons)	45,573	35,262	Decline 22.6%

(3) Waste Material

2024 PTI generated 7,032.20 tons of hazard wasted material during the cleaning wafer process. PTI generated 2,265.16 tons of wasted material from waste water process which were handled by qualified vendors. In 2024, PTI Taiwan recycled total 4,767.04 tons of recyclable waste which was mainly sludge produced during wastewater treatment.

The amount of non-hazardous waste recycled (including energy recovery) totaled 4,562.25 metric tons. Through measures such as recycling and reuse, the 2024 non-hazardous waste recycling rate (including energy recovery) reaches 95.7%. And through the implementation of resource classification and circular economy in the factory, resources are recycled and reused to reduce the impact on the environment.

2. Promote energy saving, greenhouse gas reduction, water usage reduction, waste management and other measures in responds to climate change, PTI has annual goals and manage the results of our environmental protection outcome via data management. This includes:

(1) 2024 Annual Goals

- A. Non-hazardous waste recycling rate (including energy recovery) reaches 95.7%
- B. Efficiency of water reclamation system for cutting, trimming, and polishing processes reached 86.89%.
- C. Realized the target of a 1% saving in electricity consumption. Electricity consumption was reduced by 14,182,415 kWh, equivalent to the reduction of 7,006.11 tones CO₂e in carbon emissions.
- D. Realized the target of 1% carbon reduction; Reduce GHG emissions by 15% between 2020 and 2030
- E. A total of 159 energy conservation and carbon reduction measures were proactively executed for factory facilities and production processes.
- F. Climate change performance from the Carbon Disclosure Project (CDP): The 2024 CDP rating of B placed us in the Management grade.
- G. Water Questionnaire (WQ) performance: The B- rating from Water Questionnaire in 2024 placed us in the Management grade.
- H. In response to the impact of climate change on corporate operations and to provide disclosure of concrete climate change information, the Company conducted business inventory and risk identification on climate change in 2024 based on the TCFD management mechanism. The direct or indirect impacts of extreme weather, the effects of transformation from regulatory, technical or market requirements, as well as the risks and opportunities for the Company's business activities from other cultural and social dimensions were analyzed. A TCFD thematic report was then issued and disclosed on the corporate website.
- I. Waste Reduction and Recycling:
 - a. Waste liquid purification and recovery
In 2024, the photolithography process produced 681.44 metric tons of waste liquid that was collected within the factory and a contractor partner commissioned to purify the recycled substance and re-manufacture them into industrial secondary

products that can be used as a thinner for paint or surface coatings.

b. Precious metal recovery from waste liquid

In 2024, the electroplating and etching processes produced 168.56 metric tons of precious metal waste liquid. These were collected within the factory and partner vendors contracted to extract the precious metals in the waste liquid, then turn them into precious metal ingots or precious metal sheets through extraction, oxidation-reduction and other methods for use in metal smelting and product manufacturing; It can also be re-manufactured into industrial pharmaceutical secondary products (copper sulfate crystals, tin hydroxide or nickel hydroxide, etc.) for use in the chemical industry and base metal manufacturing industry.

c. Recycling of empty chemical barrels

Chemical suppliers implemented the recycling of empty barrels from 2023 onwards. The empty barrels left after the chemicals are used are collected by the original suppliers, refilled with raw materials and sent back to PTI for reuse. In 2024, 7 new chemical suppliers adopted the container recycling model. They supplied 769.6 metric tons of chemical liquids to PTI and recovered approximately 3,848 200L drums, with a container recycling rate of 100%. The production of discarded drums was reduced by 44.3 metric tons and carbon dioxide equivalent emissions reduced by 5,443.00 kilograms.

d. Recycling of waste anti-static bags

The disposal direction of waste antistatic bags is being gradually adjusted. Incineration was the only disposal method in 2022, but a physical disposal agency was contracted in 2023 to handle 30% of all waste produced. In 2024, new recycling flows were added to reduce the amount of waste requiring incineration or physical processing. About 84% of the output is now contracted to recycling organizations. The recycled aluminum ingots and composite plastic pellets produced in this manner could then be reused. In addition to creating circular economy value from waste antistatic bags, there are also carbon reduction benefits for the waste treatment sector. Carbon emissions in 2024 was reduced by 9,790.1 kg of carbon dioxide equivalent compared to 2023.

J. Evaluation of clean production assessment system:

PTI is committed to the continued reduction of environmental impact from its operations and has been investing in green manufacturing technologies for many years. These covered raw material reduction/recycling, design of environmentally friendly processes, and innovative decarbonization/detoxification methods. In 2024, the Company applied to the MOEA Industrial Development Administration for the Cleaner Production Assessment (CPA) with the Datong factory as its representative. The assessment was completed successfully and a certificate of conformity issued. We will continue to push for all sites to pass the CPA.

(2) Environmental Management Plan

To fulfill company's corporate social responsibility and through the correct use of pollution monitor system, PTI has a long-term plans and measures for environmental management:

A. Air Emission: PTI Taiwan installed air pollution prevention equipment especially designed for reducing Volatile Organic Compound (VOCs) emissions. They are tested regularly to comply with the treatment efficiency tests.

B. Wastewater Recycle: Recycle and reuse the wastewater from the dicing and grinding process in order to reduce the use and protection of water resource.

C. Waste Removal: PTI complies with the law in regard to the treatment of generated waste. We implement a proper recycling program at the source of the waste to improve

the recycling efficiency. By collecting, classifying, reducing, and recycling, our major strategy focuses on "recycling" instead of "dumping." Transforming waste to resources will not only reduce impact on environment, but also increase the value generated by recycling.

- D. Audition and Coaching the Contractor: PTI audit our supplier and outsourcer with environmental pollution risks regularly. We also coach our contractor to carry out environmental protection duties; altogether we fulfill our responsibility of environmental protection as enterprise, and the goal of sustainable supply chain.
- E. Energy Saving and Carbon Reduction: An energy-saving cross-department task force to monitor energy saving project and the reduction of energy and greenhouse gas emission. PTI voluntarily provide carbon emission information in order to correspond with global trend.
- F. Autonomous Environmental Monitoring: Consist of wastewater properties, noise, air quality and waste monitoring in order to control the effective and impact of enterprise activities.
- G. Alternation of Environmental Permit: Update our environment permits to corporate with our enterprise activities and allow our activities and emissions in accordance to the law

(3) Environmental Protection Department

The company has Occupational Safety and Environmental Protection Section, specific in the management and promotion of occupational Safety and environmental protection, also, supervise pollution prevention facilities are function normally. Furthermore, the occupational safety and environmental protection committee consists of high ranking supervisors and selected departmental representative, which, in charge of drafting, responding to, and executing topics related to sustainable environment.

(4) Environmental Safety and Health Policy

To implement environmental safety and health protection values into business operations and every employee, the company has established "Environmental, Health and Safety Policy" and put actions on our employees, customers and other interest groups. Detailed illustrations are as follow:

- A. Convey our environmental, health and safety policy to our employee, customers and other interest groups.
- B. Comply with policies which demand for environmental protection, health and safety and the demand of the customers.
- C. Participation of damage, disease and accident prevention and damage control from all employees.
- D. Compliance with international environmental protection tendency, promote energy saving and reduce waste.
- E. Continuously review and improve to improve safety, health, environment and energy management goals and overall performance.

Explanation 3:

To accomplish long-term developments of the Company while at the same time maintaining the living standards of our employees, the overall remuneration of PTI employees is based on professional knowledge and skills, work duties, performance, and long-term contributions as well as the Company's business targets to ensure the competitiveness of the Company's overall compensation. Adequate adjustments are made to their salaries on a yearly basis through the salary survey and by taking the market salary standards as well as the overall economic index and commodity price index into consideration. By continuing to optimize the competitiveness of our remuneration, PTI can attract more outstanding talents and attain a win-win outcome. Also, PTI complies with the relevant labor laws and regulations to hire employees at a salary level higher than the local minimum wage, whether in Taiwan or overseas. In addition to the above-mentioned quality compensation system, PTI also offers comprehensive benefits: from work to life, from everyday life to festivals, we offer a comprehensive benefits system that is better than the legal requirement to encourage and inspire every employee.

1. Rewards and benefits of PTI Taiwan are as follows: Benefit subsidies in 2024 totaled NT\$ 297,991,589. Details in below:

Category	Details
Other Incentives	<ul style="list-style-type: none"> •Annual Incentives : distributed in Jul and Jan •Quarterly Incentives : base on company financial performance target •Compensation/Encouragement Incentives : base on company financial performance target, individual employee job performance and contribution •Pay Raise : annual adjustment
Fringe Benefits	<ul style="list-style-type: none"> •Special Events (Wedding, Childbirth, Hospitalization, Funeral) •Birthday gifts •New Year Festival 、Dragon Boat Festival 、Mid-Autumn Festival •Movie Tickets •Travel Vouchers •Meals discounts •Free group insurance coverage (Life insurance for spouse & dependent 、accident insurance 、medical insurance 、cancer insurance, etc.) •Free annual physical check-ups •Club Activities •Other Events (Physical or on-line activities depends on plans.) •Discounted Stores (over 800 discounted stores) •Children day care (Contracted with multiples day care facilities to provide various supports).

2. The “Employee Stock Ownership Trust” was launched in 2024 and included in the employee welfare plan. By strengthening the relationship between employees and the Company, the program will encourage employees to work together with the Company to continue delivering even better results. Employees can voluntarily contribute a portion of their salary each month with matching contributions from the Company as an incentive. The trust is then managed and invested by a trustee bank to encourage employees to make long-term, regular and fixed-amount investments and hold company stock.
3. Diversity and equality in the workplace
 - ◆Our company guarantees that women and men have the same working rights. According to statistics, at the end of 2024, male employees accounted for 49.93% of the total workforce, and female employees accounted for 50.07% of the total workforce. The ratio of male and female employees was almost equal, indicating that female workers enjoy fair objectively equal job security and growth potential at PTI.

- ♦Salary design and assessment are based on employees' educational background, professional knowledge and skills, years of experience, job category and personal performance. We define fair and equitable operating procedures that provide all employees with equal pay for equal work. Salaries are also based on job category rather than gender. Once hired, employees receive appropriate compensation, annual salary adjustments and promotions based on their performance regardless of their gender, race, religion, political views, marital status or union/group affiliations etc. The Company's compensation system complies fully with the relevant labor laws and regulations. The Company actively promotes a diversified workplace. We support the growth and career development of female employees. Female employees accounted for 39.9% of annual promotions announced on April 1, 2024.

Explanation 4

Given the consideration of the working environment and the importance of personal protective equipment, PTI is to provide a safe and healthy working environment. The protection of employee's safety measures is as follow:

1. Implementation of "Environmental Safety and Health Policy"

To prevent occupational injuries and accidents and ensure the safety and health of our workplace, we implemented our "Environmental Safety and Health Policy."

2. Follows the Health and Safety Management System

Based on ISO 14001 and ISO 45001 systems to manage.

3. Measurement of Operating Environments

PTI conducts measurements of operating environments every six month to understand the hazard exposure in workplace environments. If the measurements return abnormal readings, we perform monitoring and improvement on the affected areas.

4. Personal Protective Equipment

To ensure the safety and health of employees and minimize exposure to harmful factors, PTI has implemented its personal protective equipment management regulations and required that employees wear appropriate personal protective equipment when handling hazardous operations.

5. Health Care

We provide comprehensive employee care and health care system to ensure every employee's mental and physical health. Including comprehensive channels for open communication, psychological counseling system, manage and follow up on health conditions with regular and special health examinations and medical counseling service. We value the health of working mothers and manage the prevention of disease triggered by abnormal workload toward employees, thus, creating an excellent work environment and a healthy corporate culture.

6. Training & Development

To raise the awareness of environmental safety and health, beside from training for new employees, PTI organize various training courses annually. Such as, waste management, greenhouse gas inspection, hazardousness identifies, risk and environmental assessment, personal protective equipment management, automatic check, emergency response and health seminars.

7. Health promotion and management

A number of health promoting activities were held in 2024, including: Flu vaccination, employee health exam, blood donation and bone density testing. On-site physician services were provided 262 times in 2024.

8. Occupational Injury Management

In 2024, there were no cases of occupational disease among PTI employees and 20 cases of injuries. Analysis showed that the main type of injury was "falls" and accounted for 35% of all injuries. To reduce this type of injury and prevent similar occupational injuries, supervisors are continuing to conduct routine inspections to keep work passages clear for personnel in their department. Personnel must also fence off work sites to keep unauthorized personnel out. To reduce the risk of occupational injury from slipping or tripping over, measures were taken to raise awareness on the need to use measured steps and pay attention to the ground while walking or carrying items, as well as avoid wearing worn or damaged footwear.

9. Industrial safety inspections

A comprehensive inspection system was established to ensure that health and safety personnel can use the corrective and preventive actions of the management system to identify problems areas and prevent accidents in the factory and its surrounding area. They are also expected to cooperate with the site manager on self-inspections or joint inspections. Identified deficiencies and their correction rate are analyzed by department and type then submitted to the monthly industrial safety meeting and the quarterly meeting of the Occupational Health and Safety Committee for review.

	Responsible Personnel/Content	Frequency
1	Site inspections by industrial safety personnel	No less than once a day
2	Environmental safety inspections by industrial safety personnel	No less than once a week
3	Special environmental inspections by industrial safety personnel	No less than once a month
4	Topical inspections by industrial safety personnel (In response to regulatory changes, incidents, and after internal/external audits)	Random
5	Cross-audit of industrial safety performance management	Once a quarter
6	Industrial safety inspection of production sites	No less than once a week
7	Walk-about management by site management	Random
8	Internal joint inspections by factory director/department heads	Once a month

10. There is no fire incidents in the Company in 2024.

Explanation 5:

The Intellectual Property Management Department is the designated company unit for intellectual property (IP) management. The relevant plans and management activities are as shown below. The status of planning and execution was reported in the fourth quarter board meeting in 2024. The details were as follow:

1. Intellectual property strategy

PTI initially focused on boosting our “patent count” to protect our business freedom and strengthen our competitive advantage. Our patent strategy began shifting towards “patent quality” in 2012. We have been integrating our patents with products and technologies over the past years to create value and revenue. We also developed an IP management plan based on the patent strategy of our R&D department, continued to make improvements of the IP management system, and engaged in the production, management and application of IP to maintain our technical leadership.

2. Intellectual property management system

Regulates the acquisition, protection, evaluation, maintenance and use of intellectual property and other related matters, with the Intellectual Property Department being responsible for managing patents and trademarks. The “Guidelines for Patent/Trademark Application and Management” and “Patent Proposal/Application Management System” were formulated and introduced by PTI to encourage the conversion of R&D outcomes into patent proposals by research personnel. These streamlined the process for researchers to submit proposals and allow members of the review committee to determine the value of proposals from all aspects. Patent engineers can also track the progress of patent applications and ensure the quality of execution. For patent rights and trademark rights owned by the Company, establish a management registry that is regularly inventoried and updated.

PTI also formally applied for Taiwan Intellectual Property Management System (TIPS) certification in 2020 and certified in Dec 2020. Certificate was renewal and good through 2023. Random audit will be performed by TIPS to ensure the quality of execution. The certificate is valid until December 31, 2025

3. Potential IP risks and responses

(1) Implementation of regulatory compliance: In the future, business strategy must be connected to IP management and meet the requirements set by IP indicators newly added to the “Corporate Governance Evaluation” in order to achieve regulatory compliance. IP management must therefore be linked to our business strategy to maximize the returns from IP created by PTI and continue improving our ranking in the Corporate Governance Evaluation. The IP management system will be expanded to all local and overseas subsidiaries of PTI Group as well to secure customer recognition of our IP management capability.

- (2) Implementation of IP management: PTI is required by customers to engage in data loss prevention. We have strengthened our management of information security and trade secrets but more work needs to be done to prevent risks from inadequate control of intellectual property rights as a whole. IP audits, IP management documentation and standardized management must be implemented to ensure that PTI and customers' interests are not harmed.
- (3) Protection and application of R&D accomplishments: It is essential for PTI to establish a long-term technological advantage due to the trend towards diversification and high-technology in the packaging & testing industry. We our own in-house R&D capability and the ability to cultivate customers that provide a stable source of orders but there is a risk that competitors may develop similar products. A sound IP management system must be established for preemptive protection and application R&D outcomes to prevent the development of similar products by competitors that impact on our competitiveness in the industry.

4. Future planning

To realize smart manufacturing and green production, ESG elements will be injected into product R&D and manufacturing processes so that advanced packaging technologies and processes can protect the environment as well. Intellectual property management will be refined through continuous strengthening of the intellectual property management regime and system, ensuring that R&D results are converted into IP and given effective protection; we will continue to implement measures such as R&D management, personnel management, and confidential information management to ensure alignment with industry trends and the Company's operational goals. Intellectual property rights such as patents, trademarks, and trade secrets will continue to be accumulated as well to enhance the company's competitive advantages as well as strengthen our defensive and response capabilities..

5. PTI IP awarded as of end of Dec 2024:

IP Case Number	■ Innovation Patten	Domestic	28 cases	Approved : 282 cases	International	Applied : 54 cases	Approved : 195 cases
	■ New Patten	Domestic	Applied : 0 cases	Approved : 5 cases	International	Applied : 0 cases	Approved : 3 cases
	■ Logo	Domestic	Applied : 0 cases	Approved : 18 cases	International	Applied : 0 cases	Approved : 21 cases
IP Category	Copyrights	International : 2		Trade Secrets	Listed in index		

Explanation 6:

Supplier Management Guidance:

PTI has established effective and comprehensive supplier management guidance to secure suppliers and company sustainability.

1. Supplier Management Target:

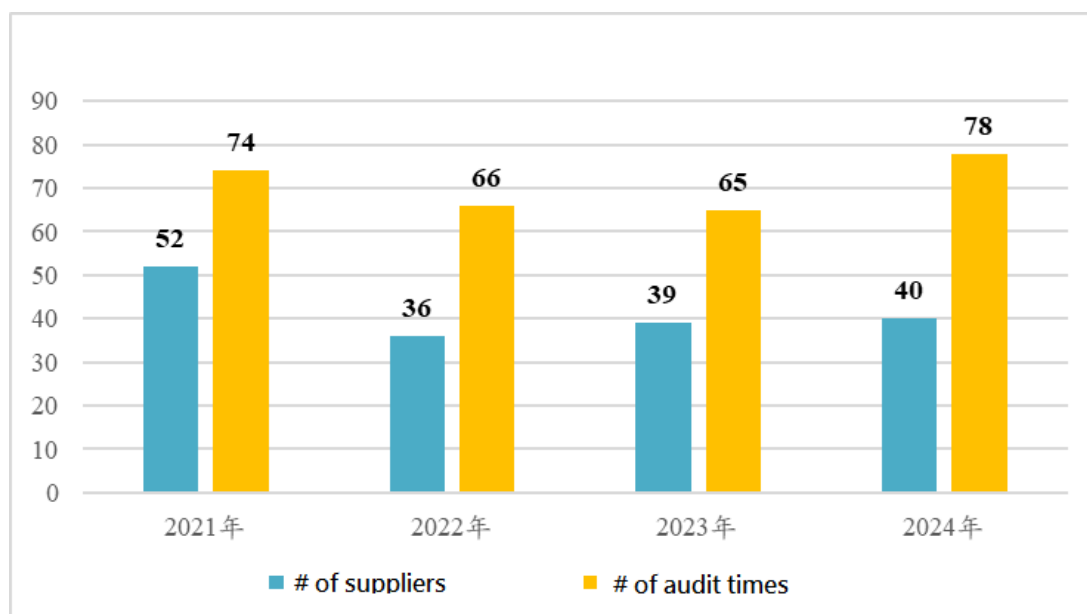
No.	Item	Target	Status
1	New supplier completes bribery risk and due diligence assessment	100% completed	Achieved
2	Supplier social responsibility risk	Vendors with no significant risk of human rights violations	Achieved
3	Conflict minerals investigation operations supplier qualification rate	100% non-conflict mineral supplier	Achieved
4	Supplier participation rate in "Supplier Social Responsibility Seminar"	>85%	Achieved

2. Supplier evaluation

New Supplier Evaluation	<ul style="list-style-type: none"> Assess new suppliers, including paper, plant and sample evaluations. Supplier candidates must sign the "Business Integrity Commitment" and abide by the RBA Code of Conduct. Complete the supplier bribery risk and due diligence procedures to implement anti-bribery and anti-corruption. Those who meet PTI's requirements are eligible suppliers.
Supplier Assessment	<ul style="list-style-type: none"> Assess supplier of raw materials every season / 6 months, and assessment criteria include quality, delivery date, cost, and technology. Suppliers that fail the assessment are required to improve within a time limit and provide evidence of improvement or arrange for an on-site inspection. 2024 Raw material supplier evaluation results, all of which have reached the standard of qualified supplier score.
Supplier Audit	<ul style="list-style-type: none"> Major raw material suppliers are audited annually, and auditing categories include quality management system, green product system, environment, safety, health system and RBA system (Labor Rights). When shortcomings are identified, suppliers are required to submit appropriate improvement plans with specific goals and time limits. Those who fail to achieve the goals within the time limit are disqualified as suppliers.
Supplier Consultation and Training	<ul style="list-style-type: none"> Conduct regular on-site consultation and training including RBA Code of Conduct, human rights issues, etc. to suppliers. "Supplier Social Responsibility Forum" is held annually to promote the green policy, quality policies, business integrity and ethics, CSR, etc. Direct materials suppliers must have international certifications such as the ISO 9001 Quality Management System. Those without certification must provide plans to obtain such international certification.

3. Supplier audits

Key raw material suppliers are screened by PTI and evaluated on the basis of quality of process requirements. The evaluation outcome is then used to organize the audit plan. These included key suppliers of raw materials and labor services. In 2024, audits were conducted at 40 suppliers including major raw material suppliers and labor suppliers. We audited the Responsible Business Alliance Code of Conduct systems and business continuity management systems of suppliers scheduled for annual audits or classified as high-risk. The audit controls served to prevent or reduce negative impacts on society. A total of 78 audits were conducted. The majority of non-conformities identified during on-site supplier audits in 2024 related to process control, occupational health and safety management, fire safety, SOP implementation and 6S management on the production line. Suppliers were asked to implement corrective action by the given deadline. Follow-up inspections found that corrective action was carried out for all non-conformities and no supplier were disqualified as a result of audits. Supplier audits found no suppliers with significant risks of forced or compulsory labor and child labor in the Company's supply chain.



4. Hosting of “Supplier Social Responsibility Conference”

To establish a sustainable supply chain and effectively communicate ESG sustainability awareness, supplier outreach activities are organized by the Company every year. The content is provided to domestic and overseas suppliers in both Chinese and English to help suppliers grow with us and maintain position relations. We also share and exchange with each other the results of our ESG activities.

Key topics in the 2024 "Supplier Social Responsibility Promotion" included professional ethics, supply chain carbon management, RBA Code of Conduct and supply chain due diligence, etc. A total of 148 manufacturers and 181 supplier representatives from the chemicals, direct materials and labor agencies took part. Through supply chain communication and cooperation, a green and sustainable supply chain as well as shared values that create a win-win outcome can be established.

Explanation 7: Status and Results of the Practice of Sustainability:

《Social Aspects》

1. Talent Recruitment

PTI continues to provide job opportunities by employing over 1,664 employees in 2024. At the same time, we hire from the minority groups which helps resolve their economic pressure. In 2024, we have 61 employees from minority group.

2. Employment for Disabled People

To attend the needs of disable people and improve our work environment, we welcome physically or mentally disadvantaged persons to work at PTI. PTI continues to hire disabled people in accordance to the law, as of Dec. 2024, PTI have 117 employees from disadvantaged group and we have hired 30 persons in 2024.

Year	2021	2022	2023	2024
Number of Employee with Disability	116	123	111	117

3. Establishment of “PTI Education Foundation”

PTI has established the "PTI Educational Foundation" (the Foundation) in 2017, to promote technology education, culture education, and talent development, as well as to be responsible corporate citizens. The foundation has been actively involved in community services to make the world a better place to live in.

2024 community give back NT\$ 3,907,987 activities, and the number of employee volunteer service hours reached 1,348 and the number of beneficiaries reached 4,746. Details of the Company's social participation are disclosed in the Company's ESG Report and on the Company's website.

《Employee Aspects》

1. Policy for Positions Retained without Pay

The Company creates a diversified and lively workplace stress relief environment, and provides health checkups that are better than the law, tracking and management of health checkup abnormalities, as well as psychological counseling and employee assistance programs to help employees achieve physical and mental health in their work and life.

2. Positions Retained without Pay:

Following government regulations, PTI (Taiwan) allows applications for positions retained without pay from any gender to encourage childbirth. As for 2024, there are a total of 320 childbirths under this policy. Number of childbirths in the past three years is 1,346.

✧ In 2024, 186 employees applied for maternity/ paternity leave without pay, and 36 male employees which accounts 19.35%. Among those who applied for position retained without pay for maternity or paternity, 84% of employee returned to their positions. After returning to their positions for one year, retention rates were 86%.

✧ Breastfeeding Room: We encourage postnatal employees to feed and collect breast milk. All plants are equipped with breastfeeding rooms with refrigerators installed for breastfeeding mothers to use.

✧ Reserved Parking Spots for Pregnant Women: To allow pregnant women and postnatal mothers to have more convenient workplace, we have reserved parking spots for pregnant women for their priority parking.

✧ Partner maternal and child institutions: The Company has contracted with 17 institutions in employee neighborhoods such as hospitals, clinics, post-natal care centers, quality kindergartens and childcare centers to provide employees with high-quality services from pregnancy, post-natal care to childcare and child development.

Implementation of Climate-Related Information

Item	Implementation status								
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Board of Directors PTI attaches great importance to shareholders' rights and interests, and the Board of Directors form the core of our business operations. The Board of Directors plays a supervisory and commanding role in the promotion of climate change and sustainability management strategies as well. Its subordinate Risk Management Committee, Remuneration Committee and Audit Committee assist the Board with oversight of corporate sustainability and climate change-related management actions. Each committee also briefs the Board of Directors on a regular basis.								
	<table><tr><th>Organization</th><th>Job</th></tr><tr><td>Risk Management Committee</td><td>Assist in reviewing risk management policies, identifying and adapting to climate change risks, risk tolerance, and supervising the implementation of various risk management systems.</td></tr><tr><td>Remuneration Committee</td><td>Evaluate and ensure that individual compensation is linked to the Company's operating and ESG performance.</td></tr><tr><td>Audit Committee</td><td>Supervise the company's overall business risks.</td></tr></table>	Organization	Job	Risk Management Committee	Assist in reviewing risk management policies, identifying and adapting to climate change risks, risk tolerance, and supervising the implementation of various risk management systems.	Remuneration Committee	Evaluate and ensure that individual compensation is linked to the Company's operating and ESG performance.	Audit Committee	Supervise the company's overall business risks.
	Organization	Job							
	Risk Management Committee	Assist in reviewing risk management policies, identifying and adapting to climate change risks, risk tolerance, and supervising the implementation of various risk management systems.							
	Remuneration Committee	Evaluate and ensure that individual compensation is linked to the Company's operating and ESG performance.							
Audit Committee	Supervise the company's overall business risks.								
Management - In addition to the support of senior managers, the promotion of carbon reduction, environmental sustainability, and other issues also requires the participation and cooperation of all units. PTI uses sustainability goals as the vertical axis and cross-functional organizations as the horizontal axis to outline all the areas of interest in each dimension of environmental sustainability. Providing senior executives and management with the big picture facilitates effective support and assistance. - We have established climate risk identification and response procedures for "top-down command and supervision, bottom-up response and feedback" that are implemented by TCFD Promotion Team and Energy Conservation Team. The outcomes are reported to the Industrial Safety and Environmental Protection Committee, ESG Committee and Risk Management Promotion Team. Impact analysis and risk identification for climate change are conducted and the results compiled by the Risk Management Committee.									
<table><tr><th>Organization</th><th>Job</th></tr><tr><td>Risk Management Promotion Team</td><td>The "Risk Management Promotion Team" was also set up under the Risk Management Committee to support the practice of climate governance. The team is organized as a task force headed by the President who also appoints a deputy team leader while the Chief Governance Officer serves as the executive secretary. The task force meets periodically to discuss risk topics including the effect and threat of extreme weather to company operations. An annual report is also made to the Risk Management Committee for discussion to ensure effective risk management.</td></tr><tr><td>ESG Committee</td><td>When matters relating to corporate sustainability management are discussed, the President serves as the convener while the Sustainable Development Management Office serves as the executive secretary to assist with the implementation of activities relating to sustainable development policy goals. Issues of</td></tr></table>	Organization	Job	Risk Management Promotion Team	The "Risk Management Promotion Team" was also set up under the Risk Management Committee to support the practice of climate governance. The team is organized as a task force headed by the President who also appoints a deputy team leader while the Chief Governance Officer serves as the executive secretary. The task force meets periodically to discuss risk topics including the effect and threat of extreme weather to company operations. An annual report is also made to the Risk Management Committee for discussion to ensure effective risk management.	ESG Committee	When matters relating to corporate sustainability management are discussed, the President serves as the convener while the Sustainable Development Management Office serves as the executive secretary to assist with the implementation of activities relating to sustainable development policy goals. Issues of			
Organization	Job								
Risk Management Promotion Team	The "Risk Management Promotion Team" was also set up under the Risk Management Committee to support the practice of climate governance. The team is organized as a task force headed by the President who also appoints a deputy team leader while the Chief Governance Officer serves as the executive secretary. The task force meets periodically to discuss risk topics including the effect and threat of extreme weather to company operations. An annual report is also made to the Risk Management Committee for discussion to ensure effective risk management.								
ESG Committee	When matters relating to corporate sustainability management are discussed, the President serves as the convener while the Sustainable Development Management Office serves as the executive secretary to assist with the implementation of activities relating to sustainable development policy goals. Issues of								

Item	Implementation status	
		<p>stakeholder concern are also discussed.</p> <ul style="list-style-type: none"> • TCFD Promotion Team: The Sustainable Development Management Office serves as the convener and carries out the identification of TCFD climate-related risks and opportunities every year. The TCFD climate-related risks and opportunities identified each year are reported to and discussed by the ESG Committee” to provide the management team with a reference for its decision-making.
	Industrial Safety and Environmental Protection Committee	<p>The President serves as the convener and is responsible for the study and discussion of matters relating to industrial safety and environmental protection. The goals are prevention of occupational injuries and pollution, improvement of environment, safety, and health (ESH) in the workplace, and enhancing ESH management. Quarterly meetings are convened to discuss issues such as climate change and environmental protection. For example: Development of environmental and energy-saving performance indicators, as well as the tracking and improvement greenhouse gas inventory results.</p> <ul style="list-style-type: none"> • Energy Conservation Team: The Factory Affairs Department serves as the convener for annual forums on energy conservation issues and energy management at each factory. Annual energy conservation statistics are also compiled and reported to the Industrial Safety and Environmental Protection Committee.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The analysis of climate risks and opportunities please refer to 2024 ESG Report “7.1 Climate Change and Energy”.	
3. Describe the financial impact of extreme weather events and transformative actions.	The analysis of financial impact to climate changes please refer to 2024 ESG Report “7.1 Climate Change and Energy”.	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Identification and monitoring of risks please refer to 2024 ESG Report “2.3 Risk Management” and “7.1 Climate Change and Energy”.	
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Climate-related risks and opportunities impact on PTI's strategy and financial planning. We use quantitative and qualitative analysis of climate-related scenarios so that appropriate response strategies can be adopted. Discussions are held by PTI on the Concentration Pathway Scenario (RCP) 2°C Scenario (2DS), and 1.5°C Scenario during the project meetings. Issues such as climate change risks and opportunities are assessed on the physical risks, transition risks, opportunity sources and so on in these scenarios.	
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	PTI Formulate related management indicators in response to the impact of climate change, including improving energy-saving efficiency, saving 1% electricity consumption, setting up a project for renewable energy vouchers in the roof frame of the plant, renewable energy use of 3,43%, execution of ISO 14064 greenhouse gas inventory, ISO 14067 product carbon footprint, etc. And understand carbon exhaust hot spots and implement reducing carbon emissions, actively practice carbon reduction paths, and move towards 2050 net zero targets.	

Item	Implementation status
	PTI develop carbon reduction measures based on customer, product characteristics, and comprehensive implementation of environmental management plans, including planning to obtain the “Cleaner Production Assessment System” certificate, improving resource use efficiency and goals, and expanding water resource and waste recycling, as well as investing in the development of low-carbon and environmentally friendly products or processes, working together with the supply chain on low-carbon transformation projects, etc., to practice responsible production and concrete actions, and strive for a better society and environmental sustainability.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Assessing factors such as international trends and regulatory requirements, PTI is still studying internal carbon pricing management measures.
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 source and quantity of carbon credits or RECs to be offset should be specified.	For the various goals and implementation progress, please refer to 2024 ESG Report “1.5 Sustainable Development Goals in Action” and “Chapter 7.1 Climate and Energy”.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	Greenhouse gas inventory data please refer to 2024 ESG Report “Chapter 7.1 Climate and Energy.”

**(VI) Ethical Corporate Management – Implementation Status and Deviations
from the Ethical Corporate Management Best Practice Principles for
TWSE/TPEX Listed Companies and the Reasons**

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	<p>√</p> <p>√</p> <p>√</p>		<p>The Company's Board of Director has approved "Corporate Conduct and Ethics Policy" base on the guidance of "Public Company Conduct and Ethics Practice Principles" on April 30 2013, and approved the 1st amendment on Feb 9 2015. 2nd amendment approved on Nov 2 2018. 3rd amendment approved on Mar 10 2020. 4th amendment approved on Mar 10 2022. 5th amendment approved on Nov 4 2024.</p> <p>The Company has established the following guidance:</p> <ol style="list-style-type: none"> 1. Prohibition against Providing or Accepting Improper Benefits 2. Prohibition against and Handling Procedure for Facilitating Payments 3. Avoidance of Conflict of Interest 4. Procedures for Making Political Contributions, Charitable Donations or Sponsorships 5. Procedures for Developing & Establishing Business Relationship 6. Disclosure of Ethical Management Policy to the Public 7. Prohibition against Insider Trading 8. Prohibition against Disclosure of Confidential Information 9. Prohibition against Infringement of Intellectual Property Rights 10. Prohibition against Acts of Unfair Competition 11. Preventing Products or Services from Damaging the Stakeholders 12. Report system, dishonesty behavior disposal, reward and punishment and appeal system <p>Please refer to Explanation 1.</p>	Comply with regulations.
<p>2. Ethic Management Practice</p> <p>(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p> <p>(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy</p>	<p>√</p> <p>√</p>		<p>Please refer to Explanation 2.</p> <p>The Company has set up a CSR Office on Aug 1, 2014 and renamed as Corporate Sustainability Development Office and approved on Mar 10 2022 board meeting. The office is dedicated to promote and enforce ethical practices and reported directly to the Board of Directors. No less than once per year report to board. (Nov 8 2024 10th term 9th board meeting reported Status of practice of business conduct and ethics.)</p>	Comply with regulations.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
<p>and program to prevent unethical conduct and monitor their implementation?</p> <p>(3) (Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?)</p> <p>(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>	<p>√</p> <p>√</p> <p>√</p>		<p>Employment contract stated all employees should avoid conflict of interests. Every employee every year signs "Agreement of Avoidance of Conflicts of Interest." starting from 2015. 2016 implement online training course for Code of Ethic and weighted in training scores with annual evaluation.</p> <p>The Company has established comprehensive accounting and internal control procedures and reporting system.</p> <p>Please refer to Explanation 3.</p>	
<p>3. Implementation of Complaint Procedures</p> <p>(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle blowers?</p> <p>(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?</p>	<p>√</p> <p>√</p> <p>√</p>		<p>The Company has established communication channels and complaint reporting system. Dedicated personnel handle complaints and make sure whistleblower identity will remain anonymous.</p> <p>Please refer to Explanation 4.</p> <p>The Company has established proper procedure to keep whistle-blower identity anonymous and away from wrongful conducts.</p>	Comply with regulations.
<p>4. Information Disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</p>	√		The information and results of Code of Business Conducts and Ethics were available on MOPS and company website.	Comply with regulations.
<p>5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation:</p> <p>Compliant with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>				

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): PTI has been regularly reviewed the conduct and ethics compliance practices. 4th amendment was approved by Board on Mar 10 2022. Amendment was intended to improve the performance of the practice. Corporate Sustainability Development office was in charge of the implementation and directly report to the Board.				

Explanation 1:

The Company has placed the flowing procedures in place for business activities with higher risk of ethical conducts defined by Article 7 Item 2 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies:

1. Assist to incorporate the business integrity and ethics into the business strategy of the Company, and to establish the preventive measures in accordance with the laws and regulations to ensure the business integrity.
2. Regularly analyze and evaluate the risk of dishonesty in the business scope, and according the plans to prevent unethical business conduct, and to set forth the related work scope, standard procedures and guidelines for each plan.
3. Propose internal organizations and job functions, and cross-checking monitoring systems for those business activities within operation scope that may involve high unethical business conduct.
4. Hold the business ethics education training courses to let the employees understand the determination, policy and preventive action of the business ethics and the consequences of involving unethical conduct.
5. Set up the channels to report unethical conducts, and the categories and investigation procedures for each type of unethical conducts, and ensure the effective implementation.
6. Assist the Board of Directors and the managerial personnel to examine and evaluate the effectiveness of the preventive action for unethical conducts, and evaluate and report the relevant compliance procedures on a regular basis.
7. Establish the data related to the implementation of business integrity, and analyze and evaluate the effectiveness of such ethics implementation, and disclose such ethics policy, implementation status and evaluation result in the website and annual report of the Company, and disclose the Guidelines in the Market Observation Post System
8. Certified for ISO 37001 Anti-Bribery Management System as a guide for corporate governance enhancement

Explanation 2:

Evaluation for risk of ethic conducts before engaged with suppliers. Evaluation items included:

1. Operation locations, organization structure, operation policy, and payment location.
2. Ethical conduct status and practice.
3. Located in high risk of countries.
4. Industry belongs to high risk category.
5. Long term profitability and reputation.
6. Consult other vendors.
7. History of bribery or misconduct.

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and may make the observance of ethical management as a part of the terms and conditions of the contract, stipulating at the least the following matters:

- (1) When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of commissions, rebates, or other benefits, the party shall

immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim damage from the breaching party.

- (2) Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
- (3) Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Explanation 3:

(1) 2024 Internal Training Details:

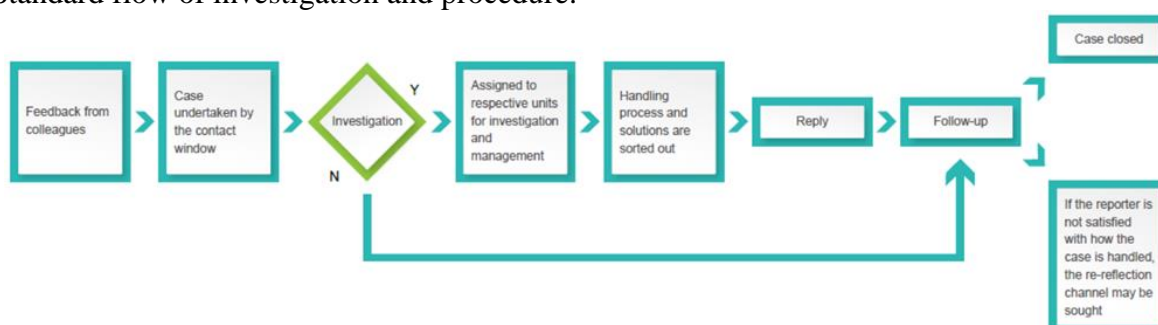
No.	Course	Hours per person	Number of Employees	Total hours
1	TIPS IP Management	1	3,839	3,839
2	Individual Identity Security.	1	11,172	11,172
3	Aware of Energy Management and Saving	1	11,172	11,172
4	Training for new hire employees.(Including data security, and code of ethics)	0.45	1,380	621
5	Corporate Ethics Conduct.	1	11,172	11,172
6	Cyber Security focus on Fishing email	1	98	98
7	Cyber Security	1	21,595	21,595
8	Law of Trade Secret	1	11,172	11,172
9	Work Place Sexual Harassment Prevention	1	11,172	11,172
10	General safety and health training	1	10,123	10,123
11	Hazardous chemical generals training	1	11,172	11,172
Total		-	104,067	103,308

(2) Supplier and contractor training:

1. Perform 2024 “Supplier's Social Responsibility Propaganda”, with a total of 148 manufacturers and 181 participants; the agenda content covers integrity operations and anti-bribery.
2. All contractors and factory manufacturers will complete the relevant training of the factory before entering the factory, including integrity operations and anti-bribery.

Explanation 4:

Standard flow of investigation and procedure:



(VII) Other Significant Information Regarding Code of Business Conduct and Ethics: None.

(VIII) Internal Control System Execution Status

1. Statement of Internal Control System

Please refer to the Chinese version of Market Observation Post System (MOPS). The access path is as follows:

Market Observation Post System (MOPS) > Individual Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

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

1. Shareholder Meeting Major Conclusion and Execution

Date	Type of Meeting	Major Conclusion
May 30, 2024	Annual General Shareholders Meeting	1. Approved 2023 Business Report and Financial Reports. 2. Approved and distributed 2023 profit sharing distribution. Implementation status: NT\$7.00 cash distribution on Sep 5, 2024 for shareholders holding position on Aug 7, 2024. 3. Approved the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement and/or issuance of overseas or domestic convertible bonds in private placement and/or issuance of overseas or domestic convertible bonds. Implementation status: Considering the aforementioned plan will be expired and no suitable strategic investor(s), it is approved to discontinue the plan of this Private Placement offering on Feb 21 2025 10th of 10th term board meeting, and will be report to AGM.

2. Board Meeting Major Conclusion and Execution

Date	Type of Meeting	Major Conclusion
Mar 8, 2024	Board Meeting (10th term 5th meeting)	1. Approved the business plan of year 2024. 2. Approved the Report of Business and the Financial Reports of year 2023. 3. Approved the Earnings Distribution Plan for year 2023. 4. Approved the compensation distribution plan for directors of the Board and employees for year 2023. 5. Approved the proposed salary adjustment plan for managerial personnel. 6. Approved the retirement of managerial personnel. 7. Approved 2023 Internal Control Declaration and reviewed the results of 2023 Internal Control execution. 8. Approved the proposed amendments to the "Rules of Procedure for Board of Directors Meetings." 9. Approved the evaluation of the independence and suitability of the CPAs and audit fee. 10. Approved the proposal to request credit-lines increase from the bank institutions. 11. Approved the discontinuance of the "issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares and/or issuance of new common shares for cash in public offering

Date	Type of Meeting	Major Conclusion
		<p>and/or issuance of new common shares for cash in private placement and/or issuance of overseas or domestic convertible corporate bonds in private placement and/or issuance of overseas or domestic convertible corporate bonds” resolved by Annual General Shareholders’ Meeting of the year 2023.</p> <p>12. Approved the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement and/or issuance of overseas or domestic corporate bonds (straight corporate bonds, convertible corporate bonds) in private placement and/or issuance of overseas or domestic corporate bonds (straight corporate bonds, convertible corporate bonds).</p> <p>13. Approved the Convening of Annual General Shareholders’ Meeting for the year of 2024.</p>
May 10, 2024	Board Meeting (10th term 6th meeting)	<p>1. Approved the Consolidated Financial Report of Q1/2024.</p> <p>2. Approved the proposal to request credit-lines increase from bank institutions.</p> <p>3. Approved the proposed credit-lines for trading of forward foreign exchange.</p>
Jun 28, 2024	Board Meeting (10th term 7th meeting)	<p>1. Approved the ex-dividend date for distribution of cash dividend for the year of 2023.</p>
Aug 9, 2024	Board Meeting (10th term 8th meeting)	<p>1. Approved the Consolidated Financial Report of Q2/2024.</p> <p>2. Approved the Company’s 2023 ESG Report.</p> <p>3. Approved the proposal to request credit-lines increase from bank institutions.</p> <p>4. Approved the proposed credit-lines for trading of forward foreign exchange.</p> <p>5. Approved the proposed revision to the “Articles of Association for the Employee Stock Ownership Plans” and the “Measures for the Implementation of Employee Stock Ownership Plans”</p>
Nov 8, 2024	Board Meeting (10th term 10th meeting)	<p>1. Approved the Consolidated Financial Report of Q3/2024.</p> <p>2. Approved the “Sustainability information management procedure”.</p> <p>3. Approved the proposed amendment to the Company’s internal control system and internal audit system.</p> <p>4. Approved the internal audit plan for the year of 2024.</p> <p>5. Approved the proposed amendments to the “Audit Committee Charter.”</p> <p>6. Approved the retirement of the managerial personnel.</p> <p>7. Approved the appointment of the managerial personnel.</p> <p>8. Approved the proposal to terminate the global depositary receipts (GDRs).</p> <p>9. Approved the proposal to request credit-lines increase from bank institutions.</p> <p>10. Approved the proposed credit-lines for trading of forward foreign exchange.</p>
Feb 21, 2025	Board Meeting (10th term 11th meeting)	<p>1. Approved the business plan of year 2025.</p> <p>2. Approved the Report of Business and the Financial Reports of year 2024.</p> <p>3. Approved the Earnings Distribution Plan for year 2024.</p> <p>4. Approved the compensation distribution plan for directors of the Board and employees for year 2024.</p> <p>5. Approved the proposed salary adjustment plan for managerial personnel.</p> <p>6. Approved the promotion of managerial personnel.</p> <p>7. Approved the retirement of managerial personnel.</p> <p>8. Approved 2024 Internal Control Declaration and reviewed the results of 2024 Internal Control execution.</p> <p>9. Approved the appointment of the chief internal audit officer.</p> <p>10. Approved the proposed amendments to the Company’s “Internal Control System” and “Internal Audit System”.</p>

Date	Type of Meeting	Major Conclusion
Feb 21,2025	Board Meeting (10th term 11th meeting)	<p>11. Approved the Company's proposed amendments to the "Employee Stock Ownership Association Charter."</p> <p>12. Approved the evaluation of the independence and suitability of the CPAs and audit fee.</p> <p>13. Approved the proposal to request credit-lines increase from the bank institutions.</p> <p>14. Approved the proposed credit-lines for trading of forward foreign exchange.</p> <p>15. Approved the discontinuance of the "issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement and/or issuance of overseas or domestic convertible corporate bonds in private placement and/or issuance of overseas or domestic convertible corporate bonds" resolved by Annual General Shareholders' Meeting of the year 2024.</p> <p>16. Approved the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement and/or issuance of overseas or domestic corporate bonds (straight corporate bonds, convertible corporate bonds) in private placement and/or issuance of overseas or domestic corporate bonds (straight corporate bonds, convertible corporate bonds).</p> <p>17. Approved the Convening of Annual General Shareholders' Meeting for the year of 2025.</p>

(X) Different opinions from board or supervisor regarding major decision of board: None.

4. Information on the professional fees of the attesting CPAs

- (1) The company shall disclose the amounts of the audit fees and non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services

Unit: NT\$ K

Name of accounting firm	Name of CPAs	Period covered by the CPA audit	Audit Fees	Non-Audit Fees	Total Fees	Remarks
Deloitte & Touche LLP	Cheng-Chih Lin, Su-Li Fang	Jan 1 ~ Dec 31, 2024	12,200	1,080	13,280	Details of non-audit fees 1. Transfer Pricing report \$350 2. Audit and compensable fees \$260 3. Sales tax filing \$170 4. Audit on Investment tax credit for Undistribution tax \$200 5. XBRL \$60 6. Audit for Payroll disclosure on MOPS \$40

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

5. Information on Replacement of CPAs

- (1) Former CPAs

Date of replacement	Mar 10 2022		
Reason for replacement and explanation	In compliance with regulatory requirements on rotation.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Status/Client	CPA	Consignor
	Terminated the engagement	Not Applicable	Not Applicable
	No longer accepted (discontinued) the engagement	Not Applicable	Not Applicable
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	None		
Disagreement with the Company?	Yes	-	Accounting principle or practice
		-	Disclosure of financial statements
		-	Auditing scope or steps
		-	Other
	No	√	
Note	-		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None		

(2) Successor CPAs

Name of accounting firm	Deloitte & Touche
Names of CPAs	Cheng-Chih Lin, Su-Li Fang (note)
Date of engagement	Mar 10, 2022
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	None
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	None

NOTE: In compliance with CPA firm regulatory rotation requirements, Cheng-Chih Lin and Su-Li Fang appointed as CAPs to replace Yu-Feng Huang and Cheng-Chih Lin.

(3) The company shall mail to the former certified public accountant a copy of the disclosures it is making pursuant to item A and to (c) of the here preceding item, and advise the accountant of the need to respond by mail within 10 days should the accountant disagree. The company shall disclose the content of the reply letter from the former certified public accountant: None.

6. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed. The term "affiliated enterprise of a certified public accountant's accounting firm" means one in which the certified public accountants at the accounting firm of the attesting certified public accountant hold more than 50 percent of the shares, or of which such accountants hold more than half of the directorships, or a company or institution listed as an affiliated enterprise in the external publications or printed materials of the accounting firm of the certified public accountant: None.

7. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the company as well as the company's directors, supervisors, managerial officers, and ten-percent shareholders, and the number of shares transferred or pledged:

(1) Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Unit: Shares

Title	Name	2024		As of Mar 31, 2025	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman	D.K. Tsai	(640,000)	—	0	—
Director	Kingston Technology Corp. Investment Account Rep: Shigeo Koguchim, Daphne Wu	0	—	0	—
Director	Greatek Electronic Inc. Rep: Boris Hsieh	1,200,000	—	5,895,000	—
Director	Kioxia Semiconductors Taiwan Corp. Rep: Junichi Asada	0	—	0	—
Independent Director	Morgan Chang	0	—	0	—
Independent Director	Pei-Ing Lee	0	—	0	—
Independent Director	Jui-Tsung Chen	0	—	0	—
Independent Director	Chao-Chin Tung	0	—	0	—
CEO	Boris Hsieh	0	—	0	—
Director & President	J.S. Leu	0	—	0	—
Manager	Y.C. Chen	0	—	0	—
Manager	Paul Wu	0	—	0	—
Manager	Wilber Wu	0	—	0	—
Manager	Kevin Chiao	0	—	0	—
Manager	Perry Lin	(9,000)	—	0	—
Manager	Yohan Lin	(30,000)	—	0	—
Manager	Vic Chen	(87,000)	—	0	—
Manager	Victor Tung	(3,000)	—	0	—
Manager	Michael Hsu	0	—	0	—
Manager	Jim Lin	0	—	0	—
Finance & Governance Manager	Huck Shen (Note 1)	0	—	0	—
Accounting Manager	Benson Hung (Note 1)	0	—	0	—
Former Finance & Accounting Manager & Governance Manager	Evan Tseng (Note 2)	0	—	—	—
Former Manager	John Wang (Note 3)	0	—	—	—
Former Manager	Jonny Chu (Note 4)	0	—	—	—

Note 1: Mr. Huck Shen and Mr. Benson Hung were appointed since November 8, 2024, The number of shares they held were disclosed since the date of their appointment.

Note 2: Mr. Evan Tseng retired on November 8, 2024. The number of shares he held was disclosed until the date of his retirement.

Note 3: Mr. John Wang retired on February 29, 2024. The number of shares he held was disclosed until the date of his retirement.

Note 4: Mr. Jonny Chu retired on February 29, 2024. The number of shares he held was disclosed until the date of his retirement.

(2) Stock Transfer with Related Party: None.

(3) Stock Pledge with Related Party: None.

8. Information on Top 10 Shareholders of company shares who are spouses or within Second-degree Relative of Consanguinity to Each Other:

March 29, 2025

Name	Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Name and Relationship Between PTI's Top 10 Shareholders as Defined in the Statement of Financial Accounting Standards No. 6		Note
	Shareholding	%	Shareholding	%	Shareholding	%	Title (or Name)	Relationship	
Capital Tip Customized Taiwan Select High Dividend ETF	71,509,000	9.42%	—	—	—	—	None	—	—
Yuanta Taiwan Dividend Plus ETF	36,351,138	4.79%	—	—	—	—	None	—	—
Investment Account of Kingston Technology Corporation	29,875,000	3.94%	—	—	—	—	KTC-SUN Corp.	The CEO of that company and the rep. of that shareholder is the same person	—
Cathay Life Insurance Co., Ltd. Rep: Ming-Ho Hsiung	29,448,000 0	3.88% 0.00%	—	—	—	—	None	—	—
Taipei Fubon Bank in custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF	27,693,000	3.65%	—	—	—	—	None	—	—
Hua Nan Commercial Bank in custody for Yuanta Taiwan Value High Dividend ETF	22,429,000	2.95%	—	—	—	—	None	—	—
Nan Shan Life Insurance Company, Ltd. Rep: Chung-Yao Yin	18,507,000 0	2.44% 0.00%	—	—	—	—	None	—	—
Chunghwa Post Co., Ltd. Rep: Kwo-Tsai Wang	15,469,900 0	2.04% 0.00%	—	—	—	—	None	—	—
Greatek Electronic Inc. Rep: Boris Hsieh	14,748,000 18,000	1.94% 0.00%	— 2,000	— 0.00%	—	—	None	—	—
KTC-SUN Corp. Rep: David Sun	13,765,362 0	1.81% 0.00%	—	—	—	—	Investment Account of Kingston Technology Company	The CEO of that company and the rep. of that shareholder is the same person	—

9. Shareholding Information Regarding the Same Invested Company of Company's Board of Directors, Committee Members, Managers, and Businesses That Are Directly or Indirectly Controlled by Company

Units: Shares; %

Invested Company (Note 1)	Investment by Powertech Technology Inc.		Investments directly or indirectly controlled by Directors, Committee members, managers, and company		Combined Investments	
	Shareholding	%	Shareholding	%	Shareholding	%
TeraPower Technology Inc.	73,385,830	49.00%	76,381,170	51.00%	149,767,000	100.00%
Powertech Holding (BVI) Inc.	50,000	100.00%	0	0%	50,000	100.00%
Greatek Electronics Inc.	244,064,379	42.91%	0	0%	244,064,379	42.91%
Powertech Technology (Singapore) Pte. Ltd.	69,000,000	100.00%	0	0%	69,000,000	100.00%
PTI Technology (Singapore) Pte. Ltd.	102,995	100%	0	0%	102,995	100.00%
Powertech Technology Japan Ltd.	(Note 2)	100.00%	0	0%	(Note 2)	100.00%
Get-Team Tech Corp.	—	—	7,796,498	97.46%	7,796,498	97.46%

Note 1: Investment using Equity Method Evaluation.

Note 2: No share issued.

III. Capital and Shares

1. Capital and Shares

(1) Sources of Capital

1. Capitalization

Month / Year	Issue Price Per Share (NT\$)	Authorized Share Capital		Capital Stock		Remark		
		Shares (thousand shares)	Amount (NT\$ thousands)	Shares (thousand shares)	Amount (NT\$ thousands)	Sources of Capital	Capital Increase by Assets Other than Cash	Others
5/1997	10	200,000	2,000,000	60,000.0	600,000	Company established, with paid-in Capital of NT\$ 600 million	None	None
4/1998	12	200,000	2,000,000	120,000.0	1,200,000	Cash Injection of NT\$ 600 million	None	Note1
5/1999	11	200,000	2,000,000	200,000.0	2,000,000	Cash Injection of NT\$ 800 million	None	Note2
8/2001	10	280,000	2,800,000	221,800.0	2,218,000	Surplus and Capital Reserve Capital Increase of NT\$ 218 million	None	Note3
9/2002	10	280,000	2,800,000	235,222.9	2,352,229	Capitalization of retained earnings of NT\$ 134.229 million	None	Note4
9/2002	11.5	280,000	2,800,000	246,312.9	2,463,129	Cash Injection of NT\$ 110.9 million	None	Note5
9/2003	10	280,000	2,800,000	261,250.0	2,612,500	Capitalization of retained earnings of NT\$ 149.371 million	None	Note6
9/2004	10	440,000	4,400,000	308,000.0	3,080,000	Capitalization of retained earnings of NT\$ 467.5 million	None	Note7
9/2004	43	440,000	4,400,000	338,000.0	3,380,000	Cash Injection of NT\$ 300 million,	None	Note8
6/2005	10	580,000	5,800,000	400,500.0	4,005,000	Capitalization of retained earnings of NT\$ 625 million	None	Note9
6/2006	10	580,000	5,800,000	471,000.0	4,710,000	Capitalization of retained earnings of NT\$ 705 million	None	Note10
6/2007	10	580,000	5,800,000	556,300.0	5,563,000	Capitalization of retained earnings of NT\$ 853 million	None	Note11
6/2008	10	750,000	7,500,000	630,800.0	6,308,000	Capitalization of retained earnings of NT\$ 745 million	None	Note12
7/2009	10	750,000	7,500,000	669,385.2	6,693,852	Capitalization of retained earnings of NT\$ 385.852 million	None	Note13
5/2010	60.6	750,000	7,500,000	704,236.7	7,042,367	Conversion into common shares by convertible bonds of NT\$ 348.515 million	None	Note14
9/2010	58.4	750,000	7,500,000	715,366.8	7,153,668	Conversion into common shares by convertible bonds of NT\$ 111.301 million	None	Note15
12/2010	58.4	750,000	7,500,000	726,496.9	7,264,969	Conversion into common shares by convertible bonds of NT\$ 111.301 million	None	Note16
8/2011	10	1,000,000	10,000,000	799,146.6	7,991,466	Capitalization of retained earnings of NT\$ 726.497 million	None	Note17
8/2012	10	1,000,000	10,000,000	779,146.6	7,791,466	Note Purchased of company's treasury stocks, with a capital reduction of NT\$ 200 million	None	Note18
4/2022	10	1,000,000	10,000,000	759,146.6	7,591,466	Note Purchased of company's treasury stocks, with a capital reduction of NT\$ 200 million	None	Note19

Note1: 2/17/1998 MOF (1) No. 18910

Note2: 3/2/1999 MOF (1) No. 22357

Note3: 6/21/2001 MOF (1) No.139798

Note4: 7/10/2002 MOF (1) No.0910137911

Note5: 7/10/2002 MOF (1) No.0910137913

Note6: 7/8/2003 MOF (1) No.0920130303

Note7: 6/25/2004 MOF (1) No.0930128233

Note8: 7/6/2004 SEC (1) No. 0930128234

Note9: 6/24/2005 FSC (1) No. 0940125391

Note10: 6/27/2006 FSC (1) No.0950126720

Note11: 6/28/2007 FSC (1) No.0960032903

Note12: 6/25/2008 FSC (1) No.0970031487

Note13: 7/2/2009 FSC (1) No.0980032960

Note14: 5/5/2010 YST No.09901091340

Note15: 9/21/2010 YST No.09901214270

Note16: 12/31/2010 YST No.09901291530

Note17: 8/31/2011 YST No.10001183300

Note18: 8/27/2012 YST No.10101177670

Note19: 4/15/2022 YST No.10101177670

2.Capital and Shares

Unit: Shares

Type of Stock	Authorized Share Capital			Note
	Shares Outstanding	Unissued Shares	Total	
Common Stock	759,146,634	240,853,366	1,000,000,000	TWSE Listed

3.Total reporting and filing related information: Not applicable

(2) Major Shareholders

March 29, 2025

Name of Shareholders	Shareholding	Total Shares Owned	Ownership (%)
Capital Tip Customized Taiwan Select High Dividend ETF		71,509,000	9.42%
Yuanta Taiwan Dividend Plus ETF		36,351,138	4.79%
Investment Account of Kingston Technology Corporation		29,875,000	3.94%
Cathay Life Insurance Co., Ltd.		29,448,000	3.88%
Taipei Fubon Bank in custody for Fuh Hwa Taiwan		27,693,000	3.65%
Hua Nan Commercial Bank in custody for Yuanta Taiwan		22,429,000	2.95%
Nan Shan Life Insurance Company, Ltd.		18,507,000	2.44%
Chunghwa Post Co., Ltd.		15,469,900	2.04%
Greatek Electronic Inc.		14,748,000	1.94%
KTC-SUN Corp.		13,765,362	1.81%

(3) Company's Dividend Policy and Implementation Status

1. Stock Dividend Policy:

Powertech Technology Inc. belongs to a capital intense industry. Thus, the stock dividend payout policy must consider the factors such as company's current and future investment environment, capital needs, market competition, and capital expenditures, etc. Under the consideration of balancing shareholders' & committee members' benefits, dividends paid, and the long term financial planning of the company, the payment of dividends will be in the form of cash and/or stock with cash dividends greater than 20% of total amount of dividends being distributed.

2. The dividend distribution status:

(1) The payout ratios were about 50% (about 80% in cash and 20% in stocks) during year of 2003 to 2010.

(2) The payout ratios were increased to about 60% after year 2011 and going forward. In year 2013, NT\$2 cash dividends were paid from capital reserved with net loss from legislative settlements.

(3) Powertech Technology Inc. proposed to pay \$7.00 cash in per share which was about 78% of 2024 profit earning.

3. 2024 dividend distribution status:

PTI proposed to pay NT\$5,314,026,438 (NT\$7.0 per share) in cash from 2024 earnings Actual distribution subject to shareholders' approval.

(4) The impact of the proposed stock grants at this shareholders' meeting on the Company's operating performance and earnings per share:

There is no stock grant proposals for the earnings distribution for 2024.

(5) Employee Profit Sharing and Directors' & committee members' compensation

1. The Company's Article of Incorporation states information regarding the amount and scope of employee profit sharing and Directors' & committee members' compensation.

The principal of distribution from the Company's annual net income are:

(1) Make up for losses from previous years at top of priority.

(2) 5.0%-7.5% employee compensation and less than 1.5% for Board compensation should be reserved from operating income before tax.

(3) Employee compensation could be in cash or stock and employees included all subsidiaries defined by Board. Board compensation can only be in cash. Independent directors were paid monthly and were excluded from the annual board compensation plan.

2. This period's basis of estimating the employee profit sharing and Directors' & committee members' compensation distribution of stock grants' share calculation basis and the accounting handling of the actual distributed amount being different from estimated amount.

The basis for estimating the employee profit sharing and Directors' & committee members' compensation was based on the annual net income. If the actual resolution for distribution by the shareholders' meeting is different from the estimated amount, then it will be viewed as changes in estimation and accounted into annual profit or losses of the distribution year.

3. The board meeting on Feb 21 2025 approved the 2024 distribution of employee profit sharing and directors' compensation proposal and details in below:

(1) 5.44% of operating income before tax for employees' profit sharing (NT\$ 458,230,949) and 1.09% of operating income before tax for directors' compensation (NT\$ 91,646,190) distributed in cash and no discrepancy with estimation made in 2024.

(2) The ratio of employees' profit sharing distributed in stock: Not Applicable.

4. Actual distribution of previous year employees profit sharing and directors' compensation:

	Amount (NT\$)
Employee profit sharing — in cash	\$ 540,574,520
Directors' compensation — in cash	108,114,904
Total	\$ 648,689,424

No discrepancy with board approval.

(6) Buyback of Common Stock: None.

2. Issuance of Corporate Bonds: None.

3. Issuance of Preferred Shares: None.

4. Issuance of Global Depositary Receipts:

Since 2006, part of PTI's issued common stock have been trading on the Luxemburg Stock Exchange in the form of GDRs. One GDR unit represents 2 shares of PTI's common stock. However, on November 8, 2024, the board of directors of PTI resolved to cease the trading of the common stock on the Luxemburg Stock Exchange in the form of GDRs, and the GDRs have been delisted on December 16, 2024. As of December 16, 2024, there were 22 outstanding units in circulation. Prior to June 15, 2025, the aforementioned GDR holders may still request redemption from the depositary institution.

5. Status of Employee Stock Option Plans and Employee Restricted Stocks: None.

6. Status of New Share Issuance in Connection with Merger and Acquisitions: None.

7. Financing Plans and Implementation

As of Mar 31, 2025, there are no situation of incomplete previous issuances and private placement of securities or complete plans whose benefits are not realized.

IV. Operational Highlights

1. Business Activities

1. Business Scope

1. Main Business Scope:

- (1) CC01080 Electronic Parts and Components Manufacturing
- (2) CC01101 Electronic Parts and Components Manufacturing
- (3) CC01110 Computers and Computing Peripheral Equipment Manufacturing
- (4) CC01120 Data Storage Media Manufacturing and Duplicating
- (5) CC01990 Electrical Machinery, Supplies Manufacturing
- (6) F119010 Wholesale of Electronic Materials
- (7) F219010 Retail Sale of Electronic Materials
- (8) H201010 Investment
- (9) I301010 Software Design Services
- (10) I501010 Product Designing
- (11) JE01010 Rental and Leasing Business

2. Revenue Proportion :

Established in May 1997, the Company's primarily provides Integrated Circuit (IC) packaging and testing services. Revenue proportion as of 2024 was followed :

Unit : NT\$ K

Items	Net Revenue 2024	Revenue Proportion
Packaging Service	46,202,311	63.02%
Testing Service	10,161,225	13.86%
Module Service	7,418,546	10.12%
Wafer Level Packaging	3,443,938	4.70%
Wafer Level Testing	6,063,678	8.27%
Others	25,344	0.03%
Total	73,315,042	100%

3. Current Product/Services :

- (1) High Pin-count Thin Small Outline Package (TSOP) packaging and testing services
- (2) Quad Flat No-leads (QFN) Packaging Services
- (3) Multi-Chip Packaging (MCP, S-MCP) Packaging and Testing Services
- (4) Ball Grid Array (wBGA, FBGA) IC packaging and testing services
- (5) Secured Digital Memory Card (SD, microSD) 、USB packaging and testing services
- (6) Solid State Drive(SSD) 、Embedded Memory (eMMC, eMCP, UFS) packaging and testing services
- (7) DRAM Chip-Stacking packaging and testing services
- (8) Mobile memory packaging and testing services
- (9) Wafer testing services
- (10) Wafer bumping packaging services
- (11) System-in-Package (SiP) packaging services
- (12) Redistribution Layer (RDL) services
- (13) Wafer Level Chip Scale Package (WLCSP) packaging services
- (14) Package on Package / Package in Package (PoP, PiP) packaging and testing services
- (15) CMOS Image Sensor (CIS) packaging and testing services

(16) Flip-Chip Packaging Services

~~Copper Pillar Bump Flip-Chip (Cu Pillar Bump Flip-Chip) packaging services~~

~~Electro Magnetic Interference (EMI) shield package packaging services~~

~~Fan-Out Panel Level (FOPLP) packaging and testing services~~

~~Module and System packaging services~~

(17) Large-size (>100mm x 100mm) FCBGA.

(18) Customization of CPO (SiPh chip + SoC) on FCBGA packaging

(19) High heat dissipation metal conductive adhesive applied to large-size FCBGA and FCLGA.

(20) FOPLP method based on RDL with ultra-fine line and pitch was successfully developed to supply high-density heterogeneous IC packaged products for high-speed network and server applications.

(21) Cu Pillar Bump Flip Chip packaging.

(22) EMI shield packaging.

(23) Panel level Fan-Out packaging and testing.

(24) Module and System packaging.

(25) High-speed Storage Class Memory (SCM) testing services and hardware development.

(26) Automotive power module testing.

(27) Power module pre-burning.

(28) PCIe interface testing

4. Product/Service in Development :

(1) Large-size (>70mm x 70mm) MCM FCBGA (logic + memory), applied to automotive.

(2) Application of new processes and materials such as Cu core solder ball for Package on Package applications.

(3) Application of advanced node wafers to automotive packaging and assembly.

(4) BT and ABF substrate applied to FCBGA such as AI, HP and automotive.

(5) Fan-out on Substrate packaging.

(6) Fan-out embeds small chips to integrate logic chips or system-on-chip (SoC) and high-bandwidth memory to meet the application of cloud artificial intelligence (Cloud AI) and edge computing (Edge Computing)

(7) Fan-out integrates logic chips or system-on-a-chip (SoC) and memory chips to be vertically stacked and integrated to meet the needs of wearable devices that are light, thin and compact.

(8) Chip Last Fan-out architecture based on combination of Flip-Chip Package and Redistribution Layer (RDL) technology.

(9) Pillars in Fan-Out (PiFO®) process for smart phone, wearable device and other consumer product applications.

(10) Application of Through Silicon Via (TSV) technology to the packaging of high-frequency, high-capacity memory used in AI and other products.

(11) FOPLP stacked packaging that combines 8 NAND memory IC with Controller to meet the requirements for ultra-thin, high-density, and high-speed mobile communication applications.

(12) High heat dissipation memory IC module technology combining NAND memory with micro-controller chip for ultra-thin, high capacity, high heat dissipation and high-performance cloud storage applications.

(13) High Bandwidth Memory (HBM) stacked IC incorporating TSV and microBump technologies, as well as Chip Fan-out Stack packaging to provide high bandwidth, high

memory density, high-performance computing, and high-speed Internet connection applications.

- (14) 8 NAND Flash memory IC was combined with 8 LPDRAM memory IC, micro-controllers, and 6 stacked IC with silicon dielectric layer to provide high-density, high-performance, and ultra-thin packaging for mobile communication applications.
- (15) Highly integrated FO-PoPoP structure to provide enhanced electrical attributes through integration of active IC and spherical devices.
- (16) 3D-FOPoP structure to supply package solutions for high-density, high electrical performance, as well as size shrinkage.
- (17) Ultra-small and ultra-large IC (CIS CSP) packaging to satisfy the requirements of different applications.
- (18) PiFO (Pillars in FO) with embedded bridge packaging.
- (19) Via middle TSV HBM packaging.
- (20) Development of high-speed 3D-NAND testing services and hardware development.
- (21) Development of Tester IO board hardware.
- (22) HBM test develops development

2. Industry Summary

1. Current Industry Status & Outlook

In 2024, the global economic faced many challenges, including geopolitical impacts on industrial development, regional wars, high inflation, high interest rates, and China's poor economic performance post-epidemic. According to the International Monetary Fund (IMF), the global economic growth rate in 2024 will be only about 3.2%.

Looking forward to 2025, the global economy is likely to show a moderate recovery, but still faces uncertainties such as inflation, geopolitical risks, and increased U.S. tariffs. According to the IMF's report, the global economic growth rate in 2025 is expected to be similar to that of 2024, remaining at 3.2%.

As far as the semiconductor industry is concerned, the semiconductor market is expected to return to a growth path as inventories are depleted and demand for emerging applications increases. According to the World Semiconductor Trade Statistics (WSTS), the market will reach US\$627 billion in 2024, a 19% increase from 2023. In 2025, the market is expected to continue its growth trend, with the WSTS estimating that the market size will reach US\$697 billion, an annual growth rate of 11.2%.

Industrial Economics and Knowledge (IEK) expected that the revenue of Taiwan's IC industry will reach NT\$5,315.1 billion in 2024, a 22.4% growth from 2023. Among them, the revenue of IC design industry will be NT\$172.1 billion, a 16.0% growth from 2023; the revenue of IC manufacturing industry will be NT\$341.5 billion, a 28.4% growth from 2023; the revenue of foundry industry will be NT\$343.8 billion, a 30.1% growth from 2023; the revenue of memory and other manufacturing industry will be NT\$75.7 billion, a 3.3% growth from 2023; the revenue of IC industry will be NT\$515.1 billion in 2024, a 22.4% growth from 2023. The memory and other manufacturing industry amounted to NT\$175.7 billion, a 3.3% growth from 2023; the IC packaging industry amounted to NT\$423.3 billion, a 7.7% growth from 2023; and the IC testing industry amounted to NT\$200.2 billion, a 5.0% growth from 2023. The exchange rate of NTD to USD is calculated at 32.1.

The semiconductor industry will continue to grow in the long-term however. Semiconductors have a wide range of applications including smart phones, computers, cloud servers, AI, AR/VR, 5G, electric and self-driving vehicles, IoT, and e-healthcare. New applications are constantly being developed.

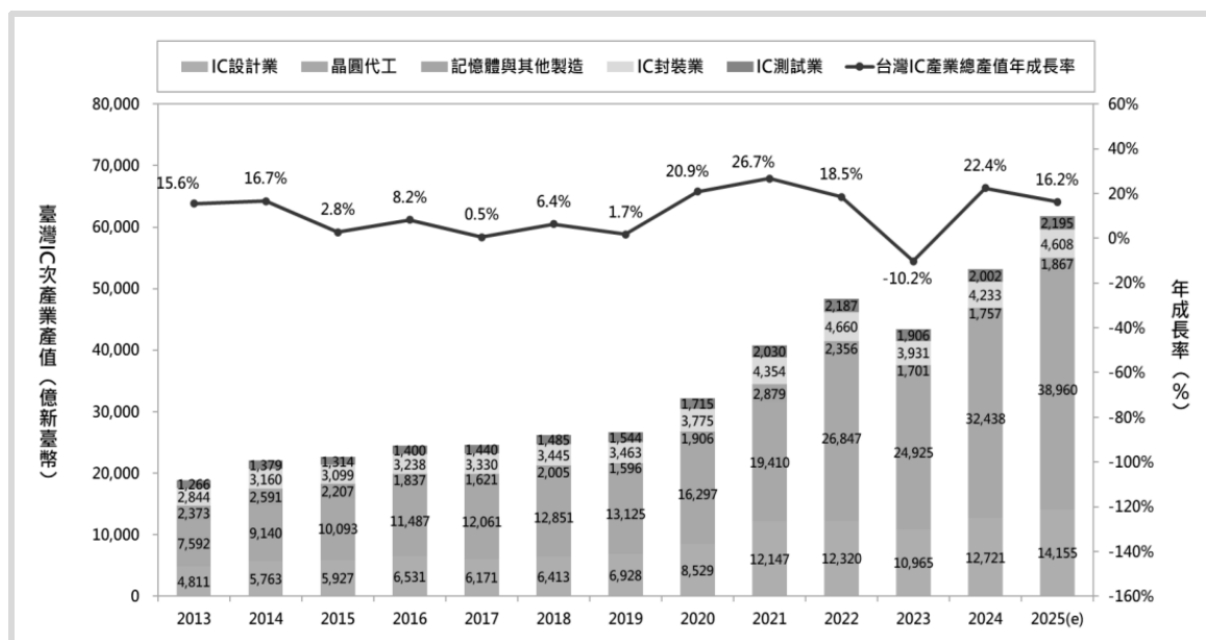
2021-2025 Taiwan IC Industry Value

Unit : NT \$billions

In NTD M	2021	YoY	2022	YoY	2023	YoY	2024	YoY	2025(e)	YoY
IC Industry value	4,082.0	26.7%	4,837.0	18.5%	4,342.8	-10.2%	5,315.1	22.4%	6,178.5	16.2%
IC Design	1,214.7	42.4%	1,232.0	1.4%	1,096.5	-11.0%	1,272.1	16.0%	1,415.5	11.3%
IC Manufacturing	2,228.9	22.4%	2,920.3	31.0%	2,662.6	-8.8%	3,419.5	28.4%	4,082.7	19.4%
Wafer Foundries	1,941.0	19.1%	2,684.7	38.3%	2,492.5	-7.2%	3,243.8	30.1%	3,896.0	20.1%
Memory & Other	287.9	51.0%	235.6	-18.2%	170.1	-27.8%	175.7	3.3%	186.7	6.3%
IC Packaging	435.4	15.3%	466.0	7.0%	393.1	-15.6%	423.3	7.7%	460.8	8.9%
IC Testing	203.0	18.4%	218.7	7.7%	190.6	-12.8%	200.2	5.0%	219.5	9.6%
IC Product Value	1,502.6	44.0%	1467.6	-2.3%	1,266.6	-10.2%	1,447.8	14.3%	1,602.2	10.7%
Overall Global Semiconductor Value (US\$ B)/YoY	555.9	26.2%	574.1	3.3%	526.8	-8.2%	627.6	19.1%	697.9	11.2%

Source : Industrial Technology Research Institute

Taiwan Semiconductor Revenue by Sector



資料來源：工研院產科國際所

2. Industry Supply Chain

Sectors in IC industry can be categorized according to position in production process, including IC Design at the upstream, IC Manufacturing & Foundries at the mid-stream and IC Assembly & Testing sector at the downstream.

(1) Upstream IC Design:

IC Design Sector includes companies designing IC products. The sector is knowledge-intensive with high entrance barrier and return on investment. Its main business scope includes designing and sales of own products or customized design for customers.

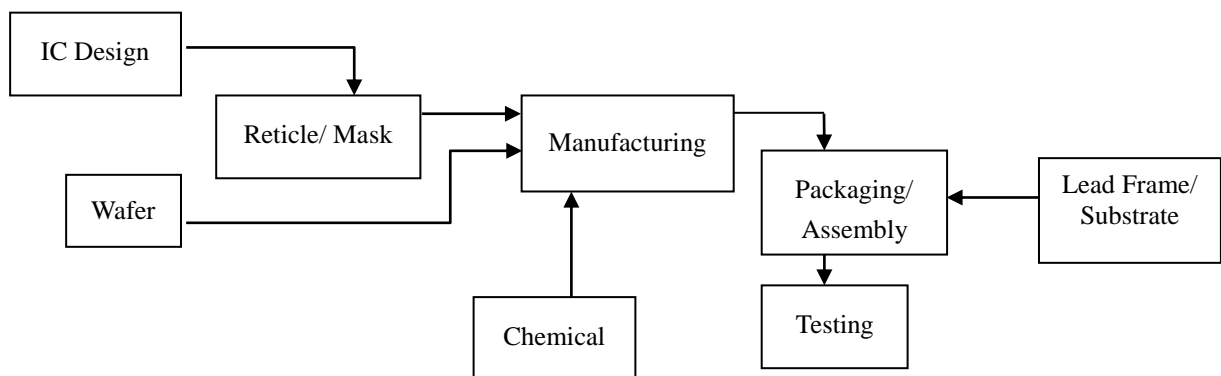
(2) Mid-stream IC Manufacturing:

Include IC manufacturing sector and related chemical suppliers. Its main business scope involves manufacturing wafer with precision tools according to in IC circuits designed in house or specified by customers. This sector is capital and technology intensive with high entrance barrier

(3) Downstream Assembly and Testing:

Outsource Assembly and Testing (OSAT) sector provides cutting, packaging, assembly and testing service to manufactured IC wafer for final product application.

IC Industry Supply Chain as illustrated below



In recent years' scope of IC manufacturing as well as assembly and testing continues overlap due to increasing market demand for larger quantity and higher quality IC. In addition to higher performance and smaller profile, IC is also required to satisfy demands for integrated functions. As a result, some wafer foundries begin to develop products and services that extends into scope of IC packaging and assembly. Majority of wafer foundries choose to work closely with cooperating assembly and testing service providers. Integrated Design and Manufacturers (IDM) also collaborate with OSAT service providers in designing and developing product solutions.

3. Trend of Product Development and Competition

(1) Trend of Product Development

Trends in semiconductor development include multi-function, enhanced performance, energy-efficiency, thermal dissipation, and a high level of integration. These are spurring the push towards advanced packaging technologies such as System in Package (SiP) and Heterogeneous Integration. New types of advanced packaging technologies such as Panel Fan-out, TSV, Embedded Package, Thin Wafer, Chip Stacking, Fine Pitch Flipchip, High Density Encapsulation, Antenna in Package (AiP), High Density SMT, as well as the integration of System Assembly and Testing technologies will be the next critical juncture for the semiconductor industry in the post-Moore's Law age.

Future products will inevitably require the integration of different advanced packaging and testing technologies. PTI has for many years focused on continuous R&D of technologies to meet the needs of new product types. Having a detailed of the latest product trends means PTI can launch technologies essential to the market at the optimum point in time.

The semiconductor industry is set for several years of continued growth. PTI will continue to develop innovative packaging and testing technologies to maintain our technological leadership in the global OSAT sector. At the same time, quality and production yields will be emphasized to provide the market and the industry with the different technologies required in each field. We aim to provide customers with the most competitive services in pursuit of joint growth.

(2) State of Competition :

A comprehensive back-end packaging and testing capability means that PTI is more than capable of providing semiconductor customers with everything from Bumping, Wafer Sort, WLCSP, Wire Bond Package, Flipchip Package, System in Package, Panel Fan-out, 3DIC TSV, System Assembly, to Final Test services.

Once the wafer emerges from the foundry, PTI can provide customers with a one-stop shop for all semiconductor back-end services instead of having to line up different production sites and schedules. The comprehensive semiconductor back-end services offered by PTI encompasses conventional product packaging & testing as well as mass production based on the latest technologies. These are some of the reasons why PTI is so competitive in the semiconductor back-end sector.

In addition, other PTI advantage include technical sophistication, short production cycle, high production yields, and low production costs. PTI is willing to share our strength with the customers. For more than two decades, we have made customers our top priority and shared our strengths with our customers so that we can grow together.

In the future, as the demand for advanced packaging technologies continues to grow, PTI will not only maintain our leadership in memory packaging and testing but also see large, sustained growth in our logic and SiP business. PTI is now a world-leader in total semiconductor packaging and testing services.

Revenue Annual Growth 2019-2024 of Taiwan OSAT Companies Ranking Among Global Top 10

Unit : NT million

Company/ Revenue	2019	YoY	2020	YoY	2021	YoY	2022	YoY	2023	YoY	2024
ASE Holding	413,182	15.4%	476,979	19.5%	569,997	17.7%	670,872	-13.26%	581,914	2.32%	595,410
Powertech	66,525	14.5%	76,181	9.99%	83,794	0.16%	83,927	-16.07%	70,441	4.08%	73,315
KYEC	25,539	13.4%	28,959	16.58%	33,759	-17.26%	27,932	-10.21%	33,025	-18.68%	26,856
Chipbond	20,419	9.1%	22,275	21.58%	27,082	-11.34%	24,010	-16.47%	20,056	1.40%	20,337
ChipMOS	20,338	13.1%	23,011	19.07%	27,400	-14.17%	23,517	-9.19%	21,356	6.27%	22,696

Source : Market Observation Post System/ Relevant Financial Statements Organized by PTI

(3) Summary of Technological Research & Development

1. R&D Cost

Latest Annual R&D expenditure as followed

Unit : NT thousands

Item \ Year	2024
R&D Expenditure	2,808,879

2. Successfully developed technology or product :

(1) Packaging Solution Achievements:

- A. The method for using RDL first (chip last) for substrate and Fan-Out Panel Level Package (FOPLP) was successfully applied to the development of automotive SiP with embedded passive components and has now been fully validated by the customer.
- B. FOPLP method based on RDL with Line/Space 3/3um RDL was successfully developed, validated and applied to high-performance computing IC.
- C. Utilize the redistribution capability of thin line width of Chips Integration Embedded Fan-out Solution (CHIEFS®) to minimize the size and layer of Substrate and form a Chip First Fan-out on Substrate with size and cost competitiveness
- D. SoC and High Bandwidth Memory HBM were successfully integrated through chip middle process for FOPLP. The technology can be used to meet the data processing and low-latency data transmission requirements of HPC/AI.
- E. LED and control IC were successfully integrated through chip middle process for FOPLP. Applications include AR/VR devices used in entertainment, healthcare, and education.
- F. The Chip Middle FOPoP architecture combines fan-out packaging with Through Silicon Via - Wafer-level CSP (TSV-WLCSP) to meet the requirements of wearable device applications.
- G. FOPLP method based on RDL with ultra-fine line/space was successfully developed, validated and applied to high-performance computing IC.
- H. G. Wafer reconstruction technology can integrate two or more types of IC with different functionalities into a single wafer with TSV-WLCSP. The advantages of small multi-IC modules match the demand for lightweight, thinness, compact size, high transmission rate and lower power consumption in consumer electronic products.
- I. High-density High Bandwidth Memory (HBM) made using TSV and high-precision die stacking processes.
- J. Successful development of TSV CIS CSP process for the mobile device, healthcare, security surveillance and automotive segments.
- K. Successful development of large-size for multi-chips FCBGA (SoC + chiplets) and AI server application.
- L. Successful development of embedded H/S FCCSP and applied to microcontroller and TV chip packaging
- M. Successful development of FCLGA and applied to AI, HPC and automotive.
- N. Successful development of FCCSP products for 5G AP, Modem and RF-related applications.
- O. Successful development of HS-FBGA products for TV Chip and RF-related applications.
- P. Successful development of Wi-Fi-related Hybrid (DB, WB + FC) products.
- Q. Successful development of H/S FCBGA and applied to SOC and MCU for automotive.
- R. Successful development of CIS system-level packaging on substrate.
- S. Successful development of FCBGA products for automotive IC.
- T. Successful development of FCCSP products for high-speed data transfer controller IC (PCIe).
- U. Successful development of FCBGA products for optical network controller IC (OTN).
- V. Successful development of metallic conductive adhesive with high thermal conductivity for use in large-size FCBGA and FCLGA.
- W. Successful development of Package-on-Package utilizing new processes and materials such as copper-core solder balls.
- X. Successful development of 16 NAND die stacking + 2 Interface Chi for high-capacity SSD products.
- Y. Successful development of 8xDRAM + 8xNAND+Controller uMCP Hybrid (WB+FC) product for high-speed, high-capacity mobile communication products.

Z. Successful development of Antenna in Package (AiP) technology. A Radio Frequency (RF) laboratory was also set up to help customers accelerate the development and validation of their 5G high-frequency packaged products.

(2) Testing Solution Achievements:

- A. Testing services for WiFi 6E and BTC.
- B. PCIe Gen4 system-level testing services and hardware development.
- C. Testing and hardware development for High Density 3D-AND.
- D. Testing and development of related hardware for Teradyne IP750 CIS.
- E. Development of high-speed test board for Advantest T5503HS.
- F. Development of Thin package COK.
- G. Development of BI testing solutions and hardware for system-level IC.
- H. Development of anti-adhesion memory test jigs.
- I. Development of large-size packaging and testing.
- J. Development of large-size packaging machines.
- K. Development of UFS 4.0 automotive products and hardware.
- L. Development of AR / VR related application of testing and hardware.

(4) Long-term and Short-term Business Strategy

Our Short-term and Long-term strategic business planning in management, production, sales & marketing and research & Development are outlined below

1. Short-term business planning

- (1) Technological leadership is one of PTI's key business strategies. The diversification of semiconductor product applications is reflected in the packaging technologies they need as well. PTI will continue to develop new processes and technologies aimed at meeting the needs of the industry. An example of this is Through-Silicon Via technology applied to HBM products and accomplish the memory module with high-speed and high-bandwidth. This is one of the products that PTI will be focusing on in the short-term. Panel Level Fan Out packaging applied to HPC/ AR / AI / IoT/ autonomous vehicle will realize the Heterogeneous Integration. And this will help to achieve the high-speed and high-bandwidth requirements of semiconductor chips
- (2) Continue to reduce production lead time in order to provide speedy service for customers.
Our main advantage lies in flexible production process offering high level of mobility. We will continue to reduce production lead time in order to provide speedy service for our customers.
- (3) Continue to provide integrated Turn-Key services
Due to consideration in cost, up-stream wafer foundries continues to outsource IC assembly, packaging and testing to specialized assembly and testing facilities (OSAT). We are among the few companies capable of providing complete assembly, packaging and testing services in the country. In order to increase our competitive advantage in providing customer with more options and better service, we will continue to offer integrated Turn-Key services.
- (4) Explore foreign and domestic market and increase market share
In addition to maintaining strong relationship with existing foreign and domestic customers, we will use our competitive advantage in flexible production process, high level of mobility and capability in providing Turn-Key services to develop new customer worldwide.

2. Long-Term Business Planning

(1) Emphasize long-term partnership with customer and supplier

Through emphasizing long-term collaboration with up-stream and down-stream partners, we aim to become the trusted OSAT service provider providing our customer reliable quality and service. We will also develop strong collaborative partnership with our suppliers

(2) Emphasis on long-term cooperation with suppliers

Suppliers are an extension of PTI's production capabilities. Our suppliers for semiconductor equipment and materials have been crucial to the growth of PTI over the years. PTI will therefore continue to strengthen and expand our cooperation with suppliers so that we can all grow and succeed together on a foundation of mutual trust and benefit.

(3) Promotion of digitization and digital optimization

Digitization efforts based on AI/Big data will continue. RPA (process robots) will be introduced to process large quantities of repetitive missions in order to save manpower and improve productivity. Operating reports provided by BI (Business Intelligence) can provide feedback on improvements to routine business processes. EDA (Engineering Data Analysis) not only offers routine project monitoring. The synergies from stacked technology enhance digital automation. Product yields will be increased to boost productivity.

(4) Continue to development next-generation packaging and testing technologies

PTI has always been on the cutting-edge of the industry in developing advanced packaging technologies that our customers need. The establishment of the packaging and testing R&D center in 2006 saw PTI become the industry leader in innovative R&D of new technology patents. The new technologies are then introduced into mass product at a suitable time and place. In the future, technology will continue to service as the foundation for sustained innovation. PTI will therefore continue to focus on the development of innovative technologies as well.

(5) Increase revenue contribution from Logic, Module(SSD) and Micro-electro-mechanical Systems(MEMS)

Through increasing customer and revenue in areas of Logic, Module (SSD) and (MEMS) we continue to diversify product risk and increase company scale.

2. Market and Product Sales Outlook

(1) Market Analysis

1. Primary area of product/service sales/provision

PTI primary business scope includes providing IC outsourced assembly and testing (OSAT) services in overseas as well as domestic market. As of 2023 revenue from domestic sales account for 25.72% of overall revenue while that of overseas markets account for 74.28%. PTI principle markets are located in Japan, Singapore, and North America.

Unit : NT\$ Thousands

Market \ Year	2023	%	2024	%
Domestic	18,117,103	25.72%	14,072,499	19.19%
Export	52,323,842	74.28%	59,242,543	80.81%
Japan	21,514,180		22,691,850	
Singapore	15,689,481		18,360,461	
North America	9,446,028		13,269,647	
Europe	1,689,438		1,718,756	
China and Hong Kong	2,038,684		1,571,006	
Others	1,946,031		1,630,823	
Total	70,440,945	100.00	73,315,042	100.00

2. Market Share:

The semiconductor packaging and testing industry will see a reversal of demand and a contraction of orders in the second half of 2023, but in 2024, the semiconductor market is expected to return to a growth trajectory with the de-stocking of inventories and an increase in demand from emerging applications, and the packaging and testing industry will also benefit from this trend. It is the Company's strategic policy to maintain stable operations by continuing to improve various product technologies and manufacturing capabilities in the hope of accelerating growth and increasing market share when the economy reverses. The market shares of PTI among the world's major professional packaging and testing OEMs can continue to rise.

In 2025, PTI expects its market share among the world's major professional packaging and testing foundries to continue to increase, and the Company will continue to grow at a steady pace under the strategy of steady operation and continuous growth.

3. Market Supply and Demand Outlook and Growth Potential

In terms of the outlook for 2025, Internet Data Center(IDC) forecast indicated that the global semiconductor may grow up by 15% in 2025, while the packaging and testing industry is expected to grow by 9%. The semiconductor industry will continue to grow in the long-term.

4. Competitive Advantages

PTI have grown to become one of the major OSAT service providers, delivering high quality, dedicated service and advanced technology for our customers. We continue to collaborate closely and maintain solid relations with our customers. Our competitive advantages are as followed.

(1) Solid Strategic Allies and Globalization

The IC OSAT sector is characterized by high level of collaboration with upstream wafer foundries. Consequently, profitability of assembly, packaging and testing service providers relies on solid relationship with customers. In the meantime, IC manufactures also chose long-term partnership with assembly, packaging and testing service providers due to confidentiality in product technology, product quality and production process. Such strategic alliance with concrete relationship of collaboration is beneficial for long-term development of the company.

(2) Turn-key Service

In response to rapid decline in IC sales prices, we offer Turn-key Service to our customers, including both assembly and packaging, as well as testing in order to reducing cost and risk in shipping process.

(3) Outstanding capability in development and production

PTI have been committed in developing new technologies while investing heavily in technological research and production process improvement. We have been proudly awarded many domestic and international patents, as well as technology license from multiple major international manufacturers, establishing our solid competitive edge within the industry.

(4) Investment in high precision automated equipment

In response to development of IC product towards increasingly higher performance, pin-count and density we continue to invest in high precision automated equipment from well-known Japanese and US vendors in order to satisfy customer needs and continuously improve our quality of service.

(5) Online automated customer service system

Our online automated customer service systems enable customer to track closely product status, production progress, and any potential problems. This facilitates swift problem resolution and product improvement while increasing added value for customer.

5. Supporting and Hindering Factors and Responding Strategy

(1) Supporting Factors :

【Industry Background】

① Competitive Advantage of Taiwanese Semiconductor Industry

Taiwan semiconductor industry encompasses a complete semiconductor industry structure from upstream IC Design and wafer foundries to downstream OSAT service providers. This vertically integrated chain of supply, consistent with industry development, contributes to establish the strong competitive position of Taiwanese semiconductor sector in the global market. Booming IC industry facilitated by rapid global development in electronics, information technology, communication technology, consumer electronics, optoelectronic industry, Artificial Intelligence (AI) and Internet of Things (IoT) will continue to support stable growth in OSAT sector.

② OSAT Sector Benefitting from Major Integrated Device Manufacturer (IDM) Outsourcing Trend.

Due to high capital investment of advanced production process, global IDM manufacturers continue to increase its outsourcing of wafer manufacturing, assembly, packaging and testing to Asia region with lower production cost. Taiwan, with its complete industry structure and dynamic vertical supply chain, is the most preferential outsourcing choice for international IDM manufacturers and IC Design Companies. Taiwanese OSAT sector also benefits from OEM orders.

【Competitive Niche】

① Strong Managing Team and Solid Strategic Alliance

Our major share-holders include well-known companies such as Kingston Group and Taiwan Toshiba Semiconductor, facilitating solid reputation and stable customer base. As our revenue continues to grow, support from our shareholders also ensures sufficient capital supply for our future operation and development. Furthermore, our management team is equipped with comprehensive working experience within the semiconductor sector and capability of making appropriate decisions according to market trend.

② Continued Development and Innovation

In response to rapid changes in semiconductor market, PTI is dedicated to technological development. In addition to developing new products, we continue to introduce new technologies through collaboration with our strategic partners. Our research and development team is equipped with capability in independent designing and developing testing software and hardware programs. In addition to continually developing testing program and improving testing equipment in areas of IC testing, we also continue to develop cutting edge technologies and services in respond to future mainstream IC market demand. Our business scope has extended into logic market from assembly, packaging and testing of memory products. Building on our leading advantage in assembly, packaging and testing for both memory and logic IC, PTI continues to expand its scope into 3D IC. In assembly and Packaging we have completed development in IC Chip-Stacking technology, Field Programmable Gate Array (FPGA) and Fan-Out Packaging technology, and have been rewarded many patents. We will also continue our effort in refining in material and production process.

③ Turn-key Service and Flexible Capacity

We able to provide our customer integrated turn-key service of IC assembly, packaging, testing and packing service in a single order, effectively reducing shipping time and cost. In addition, we are able to respond quickly to market and customer demand and swiftly expand and adjust our capacity accordingly through timely investment in advance equipment, providing our customer with most competitive solutions.

(2)Hindering Factor and Responding strategy

① Fluctuation in IC Industry in Connection with Economic Climate

Strategic Response :

A. Product Diversification

In addition to continually strengthening our memory assembly, packaging and testing quality and technology, also contributed immensely to expansion into Logic market. Our production technologies such as copper pillar bump, Re-distribution Layer (RDL), Wafer Level CSP, Flip Chip, MEMS and system-level packaging continues to achieve customer qualification. Through product diversification we are able to mitigate risk of economic cycle as well as provide our customer greater range of assembly, packaging and testing services

B.Strengthening Collaboration with Customers

Establish long-term partnership with existing customers and actively developing new customers to achieve stable and sufficient level of capacity utilization.

C.Increase Market Scope

Actively enter the Japanese, European and American markets, and enter into applications such as AI, self-driving cars, electric vehicles, 5G, and industry to expand customer base and product application areas.

② Erosion of Gross Profit by Increasing Material Cost

Strategic Response :

A. Inventory reduction

In response to persistently weak end-user demand and high inventory levels, we will continue to communicate with customers, accelerate the disposal of expired materials, and actively negotiate with suppliers on outstanding orders for raw materials to realize the effective control of inventory and accelerate inventory reduction.

B.Lowering of production costs

We will continue to inquire, negotiate and compare prices for raw materials, change our product structure, improve yields, propose alternative materials, and continue refining our production processes to mitigate the impact of higher costs.

C.Emphasis on added value

We will continue to put ourselves in the customer's position by providing a service with good quality, short delivery times, and responsive to customer requirements. Efforts will be focused on the development of new packaging, assembly and testing techniques to help customers bring competitive products to the market at the right time.

D. Building long term partnership with suppliers

We will continue to build long term partnership with equipment and material suppliers to secure stable supply. Create a win-win for both sides.

③Manpower shortage

Strategic Response :

A. Increase staff welfare and bonus incentives to attract talent and encourage cohesion among staff members. We also design staff training program according to long-term development strategy to support progress for both company and staff member.

B.We will continue to improve productivity and dependence on manpower through actively introducing advanced automated equipment.

C.Actively engage with universities to expand industry-academia cooperation and promote the industry-academia integration for the cultivation of new talent.

D. To support the middle-level technical talent plan for migrant workers proposed by the

Ministry of Labor, we will provide blue-collar migrant workers with technical training that promotes them to middle-level technical talent. The initiative will stabilize our production workforce to mitigate the effects of an aging population and shortage of semiconductor expertise.

④Intensifying competition in the semiconductor back-end.

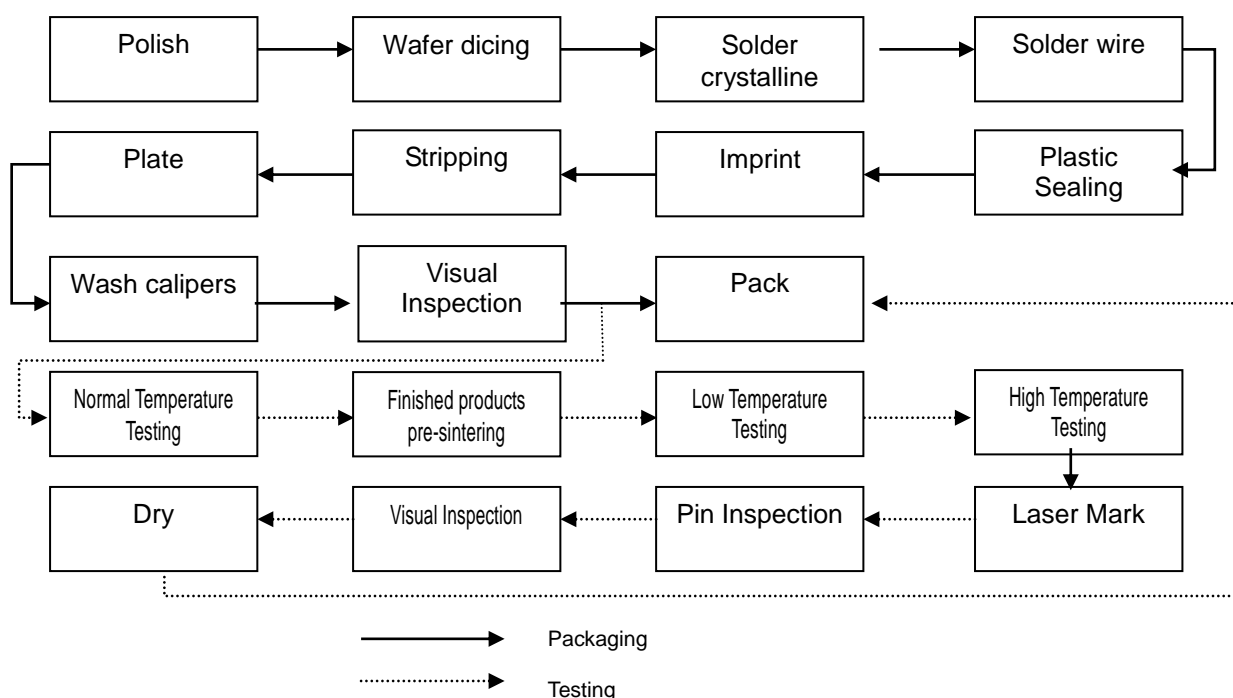
Semiconductor technology plays a critical role in the ever-changing field of advanced technology. In the past, most attention in the semiconductor supply chain was concentrated in the wafer foundry sector. In the post-Moore's Law age, semiconductor wafers produced by advanced processes must be complemented by advanced back-end packaging technology to realize their true performance. Foundries and PCB makers are now making a rush to enter the packaging sector. In response, PTI will continue to strengthen our R&D efforts, carefully assess our investments in new technologies and production capacity, and build solid partnerships with customer and suppliers. We will also strengthen the integration of our services from wafer testing through to the shipping of the final product to maintain our commanding advantage in the semiconductor back-end sector.

2. Important Applications and Production Process of Main Products

1. Product Applications

Main Products or Services	Important Applications or Functions
IC Assembly	To turn Wafer into complete single product through sawing, mounting, wire bonding, molding, trimming/forming, and other processes of the Integrated Circuit (IC).
Final Test	Placing the IC into different environment such as normal, high, or low temperature to test and classify according to test conditions specified by customers. These steps ensure the product conforms to the quality and stability demanded by customers.
Burn-In	Using Burn-In process forced the IC operate in extreme environments to accelerate aging of the products and screen out the unqualified, to ensure reliability of products.
Laser Mark	Printing the name of company and product details on the IC.

2. Production Process



(3) Suppliers of Major Raw Materials

Our company mainly provides IC processing for our customers. The suppliers of the key raw materials used in packaging operations are listed below:

Main Raw Materials	Main Suppliers
Lead-Frame	Shinko Electric Ind. Co., Ltd. Chang Wah Technology Corp. Nichiden Seimitu Kogyo Co., Ltd.
Substrate	Kinsus Interconnect Technology Corp. Shinko Electric Ind. Co., Ltd. Simmtech Co., Ltd. Samsung Electro-Mechanics Co. Leading Interconnect Semiconductor Technology Co., Ltd. Phoenix Pioneer Technology Inc. GTS
Die Attach Film (DAF)	Resonac Semiconductor Materials (Taiwan) Co., Ltd Nitto Denko Corp. LINTEC Corp. Henkel Korea
Gold Wire	Nippon Micrometal Corp. TANAKA Kikinzoku Kogyo K.K.
Compound	Chao Young Corp. Resonac Semiconductor Materials (Taiwan) Co., Ltd KYOCERA Asia-Pacific Pte. Ltd. Chang Wah Technology Corp.

(4) Information of suppliers' who commanding 10% and plus of annual purchasing volume in any year over the last 2 years.

1. List of major supplier accounted for over 10% of total purchase over the last 2 years.

Unit: NT\$ Thousands

Year	2023				2024				As of 2025 Q1			
Rank	Name	Amount	Percent of total amount sold (%)	Relation with Issuer	Name	Amount	Percent of total amount sold (%)	Relation with Issuer	Name	Amount	Percent of total amount sold (%)	Relation with Issuer
1	A	2,523,230	12.08	None	A	2,525,578	11.24	None	A	473,440	9.24	None
	Others	18,365,439	87.92		Others	19,935,465	88.76		Others	4,651,753	90.76	
	Net Amount Sold	20,888,669	100		Net Amount Sold	22,461,043	100		Net Amount Sold	5,125,193	100	

Reason for changes: None.

2. List of Major Customers:

	2023				2024				As of 2025 Q1			
Rank	Name	Amount	Percent of total revenue %	Relation with Issuer	Name	Amount	Percent of total revenue %	Relation with Issuer	Name	Amount	Percent of total revenue %	Relation with Issuer
1	A	17,978,222	25.52	None	A	15,208,796	20.74	None	A	3,191,747	20.6	None
2	B	14,717,119	20.89	Related Party	B	16,111,879	21.98	Related Party	B	2,958,384	19.09	Related Party
3	C	6,039,665	8.58	None	C	8,921,762	12.17	None	D	1,204,546	7.77	None
	Others	31,705,939	45.01		Others	33,072,605	45.11		Others	8,139,259	52.54	
	Net Revenue	70,440,945	100		Net Revenue	73,315,042	100		Net Revenue	15,493,936	100	

Reason for changes: None.

3. Employee Status

Table for Employees Number, Average Age, Average Years of Service, and Distribution of Education for Last Two Years

Year		2023	2024	As of Mar 31, 2025
Employees number	Management Staff	1,113	1,094	1,079
	Technical Staff	2,400	2,427	2,398
	Administration Staff	437	425	412
	Operators	7,048	7,412	7,294
	Total	10,998	11,358	11,183
Average Age		37.06	37.32	37.52
Average Years of Service		7.80	8.01	8.18
Education Distribution in %	Doctorates	0.05	0.04	0.06
	Masters	8.18	8.19	8.26
	College and Universities	71.66	73.11	72.93
	High School	19.39	18.08	18.17
	Below High School	0.72	0.58	0.58

4. Environmental Protection Expenditures

The total amount of losses (including reparations) and penalties due to environmental pollution caused in most recent year and as of the publication date of this annual report, and an explanation of future responses (including improvement measures) and possible expenditures.

(1) The total amount of losses (including reparations) and penalties due to environmental pollution caused as of most recent year and publication of annual report.

1. The Hsinchu County Environmental Protection Bureau sent a letter on October 11, 2024 (Fu-So-Huan-Kong Letter No. 1138656981), stating that the company's factory vehicle (vehicle registration: AAH-150) passed through the air quality maintenance zone of Hsinchu Science Park, Hsinchu County on March 1, 2024. No record was of the vehicle passing a exhaust system inspection within the last year was found so this was in violation of Paragraph 3, Article 40 of the Air Pollution Control Act. A notice was therefore issued by the Hsinchu County Environmental Protection Bureau on October 11, 2024, imposing a fine of NT\$500 in accordance with Paragraph 2, Article 76 of the Air Pollution Control Act.

Corrective actions: On March 1, 2024, the vehicle passed the EPA's exhaust system inspection and obtained the EPA's environmental compliance mark for air quality control.

Preventive measures: The storage and transportation units established an automated reminder system for upcoming periodic vehicle inspections to prevent overdue inspections from happening again.

(2) Expected Environmental Protection Capital Expenditures for Coming Years

Intended purchase of pollution prevention equipment or capital expenditure is listed below:

Unit: NT\$ Thousands

Item/Year	2025	2026	2027
Air pollution prevention fees	13,040	13,040	13,040
Wastewater treatment fees	97,420	97,420	97,420
Waste material disposal fees	97,010	97,010	97,010

Item/Year	2025	2026	2027
Soil and groundwater remediation fees	460	460	460
Greenhouse gas examination and consultant fees	3,480	3,480	3,480
Others	140	140	140
Total Expenditure Amount	211,550	211,550	211,550

2. Maintenance Measures: please refer to page 59 ~ 61 Explanation 2

5. Labor Relations

(1) The Implementation Status for Employee Welfare Policy, Training and Continue Education

PTI values the salary and benefits for its employees and offers lawful benefits. According to the bonus payment specifications, annual earnings minus taxes, surplus and dividends are then appropriate for employee bonuses. Employees can also enjoy benefits provided by the Employee Welfare Committee. With PTI family day, movie screenings and year end banquets to relieve stress from work and bond with coworkers.

1. Insurance:

All PTI employees are insured with free general group insurance (including life, accident, medical, cancer, and other insurances). In the spirit of caring for employees as well as their families, the spouse and children of employees also include in the free group insurance.

2. Health and Safety:

(1) Through professional medical staff and health management, PTI conducts health promotion and health management for employees. All plants are staffed with professional medical personnel to monitor the health of employees. We collaborate with professional medical organizations to conduct health examinations for employees.

(2) We conduct risk management and assessment for resumption of work for individuals with high health risks. We also offer health information and courses.

(3) PTI prevent the disease triggered by abnormal workload by self-reporting the workload, work in day/ night shift, prolonged abnormal workload, irregular schedule, frequent business trips, or tense working conditions. These employees undergo health risk evaluation, overwork risk evaluation, and Framingham risk evaluation. On-site doctors evaluate the results, talk with the employees, and if necessary, change job positions, decrease working hours, or take other administrative management to maintain employee health.

(4) In 2004, PTI obtained the OHSAS 18001 occupational health and safety management certificate. To prevent occupational injuries and accidents and ensure the safety and health of our workplace, we also devised our "Environmental Safety and Health Policy".

Environment, Safety and Health Policy

- Communicate ESH policy to employees, customers, and related groups.
- Comply with environmental protection, safety and health legislation/regulations and customer requirements.
- Consult and engage with workers and their representatives on the prevention of injuries, diseases, and accidents as well as damage control.
- Actively promote energy efficiency and waste reduction initiatives in response to international trends in environmental protection and the organization's current circumstances.
- Engage in continuous review and improvement to set higher targets for safety, health and environmental management, and improve their overall performance.

3. Employee assistance

PTI uses the "Psychological Counseling System" to let employees unload burdens and listened to themselves in this ever changing world of responsibilities. Care-free conversations during the Psychological Counseling System to heal inner wounds, rejuvenate, see a different world, and create a healthy work environment.

4. Travel

In 2024, the Welfare Committee invited colleagues to take "Leave No Trace Vacations". This time, electronic reward points were issued for colleagues to redeem at merchants and times of their own choose using. Discounted travel, theme park tickets or gourmet meals could all be accomplished over the mobile phone so that people can take a break and look after the planet at the same time.

5. Family day/ big activity/ leisure activity

The Welfare Committee regularly plans family days and other large-scale leisure activities to which colleagues and their families are invited to relax and have fun together. In terms of Family Day activities, the Welfare Committee held a total of 2 events in the first and second half of 2024. Each event was enthusiastically attended by nearly 5,000 colleagues and their families. Everyone had a great time together and came away with countless happy memories. As for leisure activities, we regularly hold health and stress relief classes in the aerobics classroom at the factory. Four yoga courses with eight classes each were attended by a total of 144 people. The classes helped people relax their mind and bodies in order to find inner peace and harmony. A total of 113 people participated in 7 aerobic dance classes. Dancing to dynamic music not only burned calories but also released the stresses of work. We invite colleagues to come and recharge their lives together!

6. Employee Club Activities

Clubs were one of the channels through which colleagues with the same interests could connect through with each other and relax after work; we continued to support our colleagues in managing and participating in various clubs. As of 2024, there were 429 members in 11 clubs founded by our colleagues themselves at PTI. In addition to regular club activities, each club also holds company-wide activities every year to provide opportunities for members and non-members as well as colleagues and non-colleagues to connect with each other. For the 2024 Club Carnival, exciting physical activities were painstakingly developed for all colleagues by 6 clubs: Jogging Club, Bowling Club, Badminton Club, Mountaineering Club, Parent-Child Discovery Club, Zen Club, Basketball Club, and Softball Club. A series of club activities were held between July and September. Both dynamic and static activities bore witness to the power of Powertechers! The latest club carnival attracted nearly 520 colleagues and their families. The carnival demonstrated not only the unity and creativity of PTI people, but also showed how much the Company values and cares about colleagues and their families.

7. Ask for Leave

In accordance with Labor Standard Act, PTI offers holiday and annual leave to employee. Regular reports are provided to supervisors to assist employee has a balanced work and life.

8. Birthday/ Funeral and Other Benefits

- (1) Birthday star is given a coupon equivalent of NTD\$500 to celebrate his/her birthday. Employees with matters of material contingencies are offered a grant from NTD\$1,000 to NTD\$10,000.
- (2) PTI offers NTD\$1,000 value of cash or equivalent coupon, gift on annual Labor's Day.
- (3) PTI offers coupon/ gift equivalent of NTD\$1,000 during Dragon Boat Festival, Mid-autumn Festival etc.
- (4) Gifts are offered to employees with 3, 5, 10, 20 years of seniority.

9. Maternity Subsidies and Other Services

A NTD\$2,000 of subsidies per child birth are provided to employee or its spouse. Also, PTI provides related application services for labor insurance. PTI cares about the employees and their interaction with their families. By having the employee welfare committee signing

designated kindergartens and child-care facilities in the areas where employees reside, we offer options of pre-school care for the children of our employees, so that the employees can excel in both their work and their family life without any worries.

10. Food and Housing:

- (1) PTI has outsourced catering services with subsidies for employees. Employee only has to pay a small amount to enjoy lavish meals.
- (2) Catering Committee has been established since 2008 to enhance the quality and welfare of employees.
- (3) PTI offers dormitory option for long distance commute employees.

11. On-Job-Training:

To ensure a diverse talent, we "listen to needs" to consider internal and external issues. PTI has committed to meet the demand of employee learning, organizational development, and company policies, which has led to PTI's unique "need and resolution oriented" operational model and training system, where PTI enhances the managerial abilities of executives, improve employee competence, and ensure the sustainable growth of the company. PTI has been promoting virtual training courses and e-books for continue education especially during the COVID-19 periods.

(2) The Implementation Status for employee retirement and pension system

1. Retirement Condition

Condition	Details
A. Voluntary	A ∙ Individual who served in the company over 15 years and over 55 years old. B ∙ Individual who served in the company over 25 years. C ∙ Individual who served in the company over 10 years and over 60 years old.
B. Mandatory	A ∙ Individual who was over 65 years old. B ∙ Individual who certified by public medical institutes with unfit physical or mental condition to work.

2. PTI Taiwan follows the Labor Standards Law and the Labor Pension Act in implementing employee retirement regulations and established a labor pension supervision committee to appropriate the full amount of pension contribution for employee to apply for pension after retirement. The insurer of Annuity Insurance is an insurance company approved by the central competent authority and the insured of the Annuity Insurance contract is the employer who will insure from the same insurer. The workers are the insured persons and beneficiaries. The Annuity Insurance premium to be paid by the employer each month may not be less than 6% of the monthly wages of the worker. In 2024, the listed total amount contributed to pension was NT\$421,761,226.

(3) Negotiation between Management and Labor and the Implementation of Employee Rights

1. Employee Care:

PTI values the opinion of its employees. We offer various channels to encourage communication between employees and the management, so that we thoroughly understand employees' satisfaction with management and welfare systems and maintain good labor-management relationship. Since our foundation, PTI has enjoyed harmonious labor-management relationship. There has been no occurrence of labor-management disputes that resulted in losses. The possibility of future labor management disputes leading to losses is extremely low. In addition, with quarterly labor management meetings and welfare committee meetings, employees can voice their opinions on specific issues and reach agreement with the company through discussions in the meetings, thus perpetuating effective communication channels. PTI also respect and protect employees' rights of

freedom of speech and freedom of assembly and association. The quarterly labor management meetings are negotiated by labor representation voted by employees.

2. Comprehensive Communication Channels

We have established comprehensive channels for diverse, two-way, and open communication. By helping employees communicate their opinions to the management, their concerns can be effectively taken care of. Our fair, confidential, and efficient handling procedure resolves employees' concerns while maintaining good labor management relationship. We have also established sexual-harassment prevention measures, employee psychological counseling services, and rewards and discipline regulations. We are always listening to employees' opinions. Anonymous or otherwise, we always exercise confidentiality and fairness in handling such information. All forms of retribution are protected against, so that employees can express their concerns without fear.



(4) Status of Violation of Labor Standards Act: None.

6. Information and Cyber Security Management

(I) Information Security Risk Management Structure



A comprehensive information security management regime was established by the Company to ensure our information security. Our organizational structure includes an "Information Security Committee" that reports directly to the President responsible for promoting and coordinating the construction and maintenance of the information security management system. The Committee is composed of heads of each unit. It meets at least once a year and as necessary depending on the needs of information security risk management. The Information

Security Committee receives regular briefings on the state of information security governance. A variety of methods including management review, internal audit, risk assessment, corrective and preventive measures were used to establish an information security management mechanism, strengthen information security protections, and enhance the standard of information security. To ensure the proper implementation of cybersecurity management, a dedicated information security department has been set up to assist with the upgrading and enforcement of cybersecurity policy. To ensure the proper implementation of cybersecurity management, a dedicated Information Security Department has been set up to assist with the implementation of information security policy. The department is responsible for ensuring the information security of the Company through information security awareness, education and training, threat detection, incident handling, etc. Through the above measures, the Company can effectively manage information security risks and protect the confidentiality, integrity, and availability of information assets.

(II) Cybersecurity Policies

PTI committed to protect information assets relating to the Company's business and information systems, as well as protection of confidential Company and customer information so they are not exposed to the risk of tampering, disclosure, damage or loss due to external threats, or their improper management and use by internal personnel.

To enforce effective information security management, the "Plan-Do-Check-Act" (PDCA) model set out in the ISO/IEC 27001:2013 specifications for the development, maintenance, continuous improvement and documentation of an information security management system. Information security risk management and continuous improvement structure:

- Management organization responsibilities:** Clearly define the responsibilities and powers of information security management personnel to ensure the effective promotion and implementation of information security tasks.
- Document and Records Management:** Establish a rigorous document and records control system to ensure the integrity, confidentiality and availability of all information security related information for easy tracking and verification.
- Principles of information security control measures:** A series of concrete information security control measures have been formulated to ensure the confidentiality, integrity and availability of information assets, effectively reducing potential information security risks.
- Multilateral collaboration and risk reduction:** We actively participate in information security information sharing organizations including the Science Park Information Security Sharing and Analysis Center (S-ISAC) and the Taiwan Computer Network Crisis Response and Coordination Center (TWCERT/CC) to obtain the latest intelligence on information security warnings, threats and vulnerabilities. At the same time, we also work closely with external information security vendors and experts to continuously track the latest information, technology and trends in information security. The latest defense and management methods are also put into practice to enhance our rapid response and recovery capabilities, provide effective defense against new types of information security threats, ensure the resilience of information services, and minimize any operational impact. Through the implementation of the above policies, the Company is able to effectively manage information security risks and fully protect the confidentiality, integrity and availability of information assets. The ultimate goal is to ensure the normal operation and sustainable development of the Company's business.

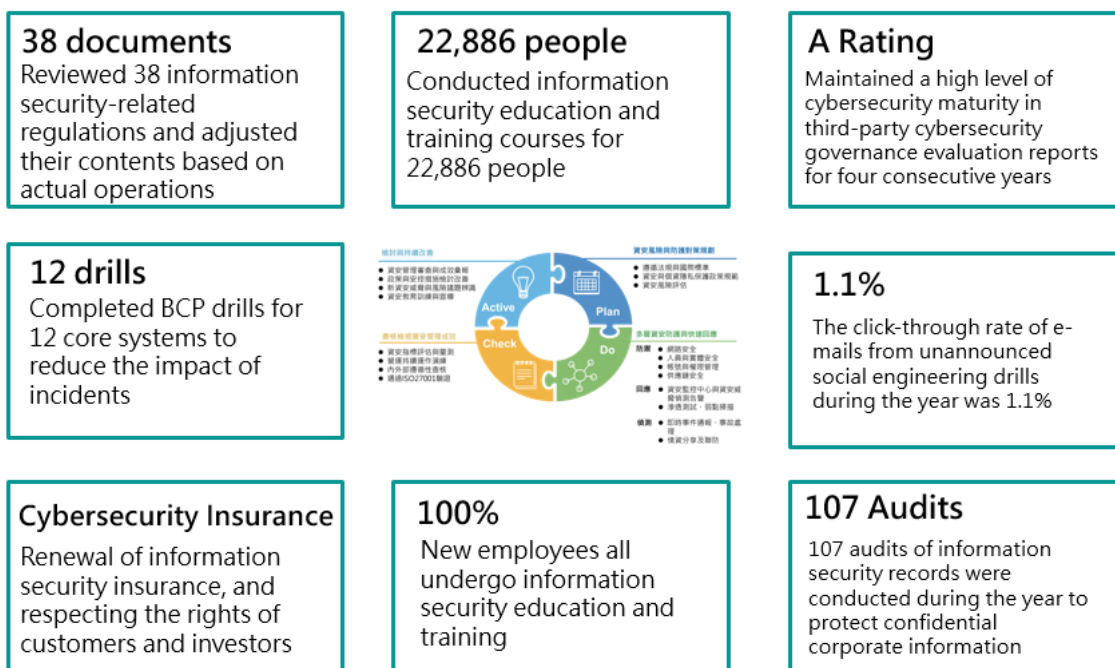
(III) Specific Management Plans

- I. The company is committed to building a robust information security protection network to prevent, detect and reduce the potential damage caused by information security attacks:
 1. Establish and maintain the Information Security Management System (ISMS): We have established a complete ISMS in accordance with international standards (such as ISO 27001) that encompasses policies, procedures, control measures and risk management framework for the systemic management of information security.
 2. Stakeholder communication and needs analysis: We regularly communicate with internal and external stakeholders (including customers, partners, employees, etc.) to understand their expectations and needs on information security. Such expectations and needs are taken into consideration by the ISMS considerations to ensure that our information security management regime meets the needs of all parties.
 3. Risk assessment and management: We regularly conduct comprehensive risk assessments to identify potential security threats and vulnerabilities. Appropriate risk reduction or migration measures are also taken based on the level of risk.
 4. Information security awareness training and social engineering drills: We regularly organize information security education and training and social engineering drills to enhance employees' information security awareness so they can identify and respond to phishing, malware and other social engineering attacks.
 5. Establish a multi-layered defense-in-depth system: We have built a multi-layered defense-in-depth system that includes network security equipment (firewalls, intrusion detection/prevention systems, etc.), endpoint security protection, data encryption, access control and other measures to provide comprehensive protection of information assets.
 6. Security incident monitoring and response: We have established a comprehensive security incident monitoring mechanism to detect any abnormal activities in real time. Detailed contingency plans have also been formulated so that we can respond quickly and effectively to security incidents and mitigate their impact.
 7. Disaster recovery and Business Continuity Plan (BCP): We regularly conduct disaster recovery drills for key application systems and data. A comprehensive BCP was also developed to ensure that business operations can be quickly restored in the event of a major disaster or interruption.
 8. Vulnerability management and penetration testing: We regularly perform vulnerability scanning and penetration testing to proactively identify potential vulnerabilities in systems and applications. Patches are applied in a timely manner to reduce the risk of attacks.
 9. Supply chain security management: We attach great importance to information security in the supply chain. Suppliers are required to comply with the relevant information security standards and regulations. Regular assessments and audits are conducted to ensure information security throughout the supply chain.
 10. Continuous improvement and tracking of emerging threats: We continue to monitor the latest information, technology and threat intelligence. Our information security management system is also periodically reviewed and updated to effectively respond to evolving information security threats.

II. Input of Information Security Management Resources

PTI is continuing to invest in information security related fields. The following key accomplishments were made in the promotion of cybersecurity:

(1) Information Security Management and Audit System



(2) Information Security Notification and Incident Management

1. The Information Security Monitoring Center works with external information security expert resources to track the latest security alerts and threat intelligence as well as strengthen detection and response mechanisms.
2. The number of network disruptions experienced by production machinery due to information security threats and system intrusions were both zero, ensuring the stable operation of the production system and prevention of operational losses.
3. Share network threat information with national-level TWCERT, SP-ISAC and other information security information sharing and analysis centers.

(3) Disaster recovery drill

To ensure the sustainable operation of the information system and avoid the risk of disruptions to important information systems due to major disasters, the Company conducts at least one information security incident emergency response plan drill and 12 key production system data recovery drills every year. The drills ensure that the Company can use its disaster response capabilities at critical moments to restore business operations to a normal or acceptable standard, maintaining the continuity of key application systems and business operations

(IV) Estimates of any damages or loss as the end of Mar 31, 2025 cause by information security misconducts: None.

7. Major Contracts

Contract Classification	Contract Company	Contract Duration	Main Contents	Limitations of Terms
Outsource Services Contract	A Company	Jun 2019 ~	Packaging and testing services	Non-disclosure agreement
	F Company	Dec 2019 ~ Dec 2025	Packaging and testing services	Non-disclosure agreement
	I Company	Dec 2019 ~ Dec 2025	Packaging and testing services	Non-disclosure agreement
	S Company	Mar 2022 ~ Dec 2025	Packaging and testing services	Non-disclosure agreement
Bank Loan	CTBC Bank	Aug 2024 ~ Aug 2027	Medium-term credit loan	Commitment to maintain a certain ratio between the assets & liabilities and net worth
	Mega International Commercial Bank	Sep 2024 ~ Sep 2027	Medium-term credit loan	None
		Oct 2021 ~ Oct 2026	Medium-term credit loan	
	Yuanta Commercial Bank	Nov 2022 ~ Nov 2026	Medium-term credit loan	Commitment to maintain a certain ratio between the assets & liabilities and net worth
	E.Sun Bank	Jul 2021 ~ Jul 2028	Machinery & Equipment Loan	None
		May 2024 ~ May 2027	Medium-term credit loan	
	Hua Nan Bank	Dec 2024 ~ Dec 2027	Medium-term credit loan	None
		Sep 2021 ~ Aug 2028		
	First Bank	Nov 2022 ~ Nov 2029	Building Construction	None
		Dec 2021 ~ Dec 2028	Machinery & Equipment Loan	
	Bank of Taiwan	Aug 2021 ~ Aug 2031	Building Construction Loan	None
		Aug 2021 ~ Aug 2028	Machinery & Equipment Loan	
	Taiwan Cooperative Bank	Dec 2021 ~ Dec 2028	Machinery & Equipment Loan	None
	Chang Hwa Bank	Jun 2023~ Jun 2029	Medium-term credit loan	None
		Dec 2021 ~ Dec 2028	Machinery & Equipment Loan	
	Land Bank of Taiwan	Feb 2022 ~ Dec 2028	Medium-term credit loan	None
		Jun 2023 ~ Jun 2026		
	DBS Bank	Dec 2023 ~ Dec 2026	Medium-term credit loan	None

V. Discussion and Analysis of Financial Status and Operating Results and Risk Management

1. Financial Status

Nonconsolidated Financial Statements

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	\$ 46,986,384	\$ 48,194,283	\$ (1,207,899)	(2.51)
Investment	2,379,539	2,003,163	376,376	18.79
Real estate, Plant & Equipment	56,588,276	56,923,703	(335,427)	(0.59)
Intangible Assets	1,104,434	1,107,074	(2,640)	(0.24)
Other Assets	2,132,258	2,926,342	(794,084)	(27.14)
Total Assets	109,190,891	111,154,565	(1,963,674)	(1.77)
Current Liabilities	18,356,037	16,508,127	1,847,910	11.19
Long-term Liabilities	19,142,303	25,539,955	(6,397,652)	(25.05)
Total Liabilities	37,498,340	42,048,082	(4,549,742)	(10.82)
Capital Stock	7,591,466	7,591,466	0	0
Capital Surplus	319,869	237,071	82,798	34.93
Retained Earnings	49,756,143	48,242,061	1,514,082	3.14
Other shareholders' equity	(372,090)	(732,267)	360,177	49.19
Treasury Stock	(533,313)	(468,802)	(64,511)	(13.76)
Equity Belong to Parent Company	56,762,075	54,869,529	1,892,546	3.45
Non-Controlling Interests	14,930,476	14,236,954	693,522	4.87
Total Shareholders' Equity	71,692,551	69,106,483	2,586,068	3.74

Reason for Major Difference:

1. The reduction of other assets: It is mainly due to the reduction of prepayment of land and equipment.
2. The reduction of non -liabilities: It is mainly due to the reduction of long -term loans.
3. Increased capital reserve: The iccrease was mainly due to the adjustment of capital surplus from dividends paid to subsidiaries in 2024.
4. Increased other rights and interests: It is mainly due to the reduction of the redeem benefits of the converts of financial statements in foreign operating institutions in 2024.

Where the effect is of material significance, the annual report shall describe the measures to be taken in response: None.

Note: The listed numbers were from consolidated report and audited by CPA.

2. Operating Results

(1) Comparison and Analysis Table for Operating Results for Last Two Years

Unit: NT\$ Thousands

Item \ Year	2024	2023	Increase (Decrease)	Difference (%)	Analysis
Net Sales	\$ 73,315,042	\$ 70,440,945	\$ 2,874,097	4.08	
Cost of Sales	59,323,602	57,831,970	1,491,632	2.58	
Gross Profit	13,991,440	12,608,975	1,382,465	10.96	1
Operating Expenses	4,609,174	4,455,409	153,765	3.45	
Operating Income	9,382,266	8,153,566	1,228,700	15.07	2
Non-Operating Income/Expenses	1,295,020	3,889,550	(2,594,530)	(66.71)	3
Net Income Before Tax	10,677,286	12,043,116	(1,365,830)	(11.34)	4
Income Tax Expense	2,177,879	2,533,978	(356,099)	(14.05)	
Net Income	8,499,407	9,509,138	(1,009,731)	(10.62)	4
Analysis of Difference over 20%					
1. Increased operating gross profit: It is mainly because of catching the AI Wave to increase the orders.					
2. Increase in operating income: It is mainly due to the increase in gross profit was greater than the increase in operating expenses.					
3. Increase in non-operating income/expenses: It is mainly due to recognize the gain of disposal of subsidiary.					
4. decrease in net income before tax and net income: It is mainly due to the reduction of non-operating income/expenses.					

Note: The listed numbers were from consolidated report and audited by CPA.

(2) Revenue Forecast and Financial Impact:

Please see 2024 Operation Report for details.

3. Cash Flow

(1) Cash Flow Analysis for 2024

Unit: NT\$ Thousand

Beginning Cash Balance 1/1/2024	2024 Cash Flow from Operating Activities	2024 Cash Flow from Investing Activities	2024 Cash Flow from Financing Activities	Currency Exchange for Cash and Cash Equivalent	Ending Cash Balance 12/31/2024
21,079,749	21,565,826	(9,864,644)	(11,351,315)	808,719	22,238,335
2024 Cash Flow Analysis : (1) Operating Activities: Increase cash inflow from change in 2024 depreciation and profit. (2) Investing Activities: Increase of cash outflow was due to acquisition of real estate, property and equipment in 2024. (3) Financing Activities: The increase of cash outflow was due to change in cash dividends payout and bank loan payment in 2024.					

(2) Cash Flow Improvement Plan

Not applicable.

(3) Cash Flow Estimation for 2025:

Unit: NT\$ Thousand

Beginning Cash Balance 1/1/2025	Estimated 2025 Cash Flow from Operating Activities	Estimated 2025 Cash Outflow	Estimated Ending Cash Balance 12/31/2025	Funding for Cash Flow Shortage	
				Investing Activities	Finance Activities
22,238,335	21,000,000	(22,000,000)	21,238,335	—	—
1. 2025 Cash Flow Analysis: (1) Operating Activities: The cash inflow is from 2025 estimated net income and depreciation. (2) Investing Activities: The cash flow is for acquisition of real estate, property, and equipment in 2025. (3) Financing Activities: The cash flow is for 2025 cash dividends payout and payback bank loan. 2. Funding for Cash Flow Shortage: Not Applicable.					

4. Effects of Major Capital Expenditures on Financial Status in Most Recent Year

Majority of 2024 PTI capital expenditures were for acquiring real estate, property and equipment. The sources of capital were from the Company's own funds and bank loans. In order to stay competitive, PTI has constantly devoted on production efficiency modification, new technology research, upgrade equipment, and capacity expansion to meet customer satisfaction.

5. Investment Policy in Recent Years, Main Causes for Profits or Losses, Improvement Plans, and Investment Plans for the Coming Year

PTI's investment policies conform with its strategies of deep cultivation of core business, strengthening of strategic alliance relationships with major clients and expansion of related industries, excepting to increase return on equity through the investment gains.

Investment Commission had approved no more than US\$51 million investment through Powertech Holding (BVI) Inc. for subsidiary Powertech Technology (Suzhou) Ltd. (PTI-Suz) for further expansion in China in 2009. Total investment for PTI-Suz was US\$216 million and register capital was US\$72 million. PTI HQ continued funding by increase capital of US\$ 28 million, and the capital increased was approved by Apr 2020 board meeting. In 2021, the register capital of PTI-Suz was US\$100 million. Because the tension of US-China trade war has intensified, which has seriously impacted the global semiconductor industries, PTI proposed to dispose 70% equity of PTI-Suz based that to utilize resources of PTI Group and implement our overall business strategy. This was approved by Board meeting on June 27, 2023. This transaction contributed NT\$3.5 EPS and was recognized in Year 2023.

In December 2014, the Company signed a contract on semiconductor manufacturing investment with Micron Technology Inc., one of our key customers. Under the contract, the subsidiary Powertech Semiconductor (Xi'an) Co., Ltd. (PTI-Xi'an) was established in Xi'an, China, through the third-country subsidiary Powertech Technology (Singapore) Pte. Ltd. The Company's total investment amount is US\$70 million. PTI holds 36% of PTI-Xi'an, while Powertech Technology (Singapore) Pte. Ltd. holds 64% of the subsidiary. PTI-Xi'an and Micron Xi'an jointly signed a semiconductor packaging service contract on January 21, 2016. Due to the expiration of the contract and Micron giving notice of its intention exercise its right of purchase, the disposal of PTI-Xi'an's assets was approved at the 2nd Meeting of the 10th Board of Directors in June 2023. The asset transfer was completed on June 28, 2024, and the company converted into a holding company. A cash capital reduction was approved by the Board of PTI-Xi'an in July 2024 and the change registration completed in September 2024. The US\$60 million from the capital reduction was remitted to the Company in November 2024.

Powertech Technology Akita Inc. was bought from Micron Technology in Japan. Board meeting in Aug 2020 concluded to end the operations of Powertech Technology Akita Inc. due to its poor financial performance and limited foreseeable opportunity. It has completed the liquidation process in Sep 2024.

Board meeting in Aug 2020 concluded to end the operations of Powertech Technology (Singapore) Pte. Ltd. due to its poor financial performance and transformed to holding function of Powertech Semiconductor (Xian) Co. Ltd. and Powertech Technology (Suzhou) Ltd. In Jul 2022 Board meeting had concluded for capital reduction. Filing of reduction was completed in Aug 2022. Powertech Technology Inc. had received returned capital US\$16 m in Sep 2022

Future investment plan will justify with industry condition and potential growing opportunities. Under the direction of strengthen the relationship of alliance and supply chain networking, the Board of Directors will carefully consider all the investment proposals.

6. Risk Analysis and Assessment in the Recent Year and as of Publication Date of Annual Report

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

1. Interest Rate

The semiconductor packaging and testing industry where our company is in is capital intensive therefore large fund is required for the Company to invest into fixed assets. Besides the Company's own funds, the sources of the Company's funding are primarily bank loans, thus the Company's profitability is affected by interest rate movement. To minimize this risk, PTI compares the level of interest rates of its bank loans on a regular basis with market average rate and negotiate timely with the correspondent banks to obtain better interest rates to ensure the financing costs are at comparatively low level.

2. Foreign Exchange Rate:

(1) Effects

Exportation account for 80.81% of 2024 PTI's net sales, so the majority of trade were conducted in foreign currency and US dollars is the most common currency used. Majority of equipment and raw materials were mainly trade in US dollars and Japanese yen as well. Both import and export were affected by currency exchange rate fluctuate. 2024 net foreign exchange gain were about NT\$ 911,167 thousand.

(2) Future Response Measures

- Foreign currencies from exporting income balance out with importing expenses which creates mutual hedging effects to eliminate exchange rate risks.
- Finance staff collected information regarding changes of foreign exchange rates, including supply and demand of foreign currencies, monetary tightness condition of the correspondent banks, and trend analysis of exchange rates, which will then serve as reference information to respond to future exchange rate movements.
- To timely purchase foreign currencies based on the Company's future foreign currency requirements, in order to determine the cost and reduce the impact of movements in exchange rates.
- To use the bank credit at the right time to convert foreign currency loans to NT dollars borrowing.
- To apply financial instruments such as derivatives of forward exchange to avoid the risks of changes in exchange rates leading to exchange loss on assets, liabilities and future transactions denominated by foreign currencies.

3. Inflation:

No significant impact of inflation on the PTI's profitability and business operations in 2024.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:

1. PTI and its subsidiaries has not engaged in any high-risk or high-leveraged investments.
2. The Company and its subsidiaries have established internal management methods and operating procedures to improve financial and operational crisis management in accordance with the relevant laws and regulations of the Securities and Futures Bureau, including the "Procedure for Loaning of Funds to Third Parties", "Procedure for Making of Endorsements and Guarantees", and "Procedure for Derivatives Transactions". All transactions are handled in accordance with relevant regulations and will continue to comply with procedural regulations in the future.

(3) Future Research and Development Plans and R&D Expenses from Expected Investments

The Company has put much emphasis on the development of talents since its establishment. Setting up a R&D department in 1998 and the R&D technology center in 2006, PTI has continually introduced new processes and technologies of packaging and testing. To adapt to the future semiconductor memory device trend towards being versatile, high-speed, highly reliable and high density and the development of new products of our customers, PTI will proactively develop and introduce new technologies in the future. PTI R&D budget is about NT\$2,425,285 thousand for 2025.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales.

PTI has always pay close attention to any international and domestic policies changes, and PTI will make appropriate modifications to the operating systems when necessary. As of the publication date of this annual report, there is no significant change or impact of law on PTI's operations.

(5) Effects of and Response to Changes in Technology and in Industry Relating to Corporate Finance and Sales:

The semiconductor industry, where PTI belongs to, is under rapid changes in products and technology. To adapt to these rapid changes, PTI needs to upgrade its processes and develop new technologies constantly, upgrade its equipment, and expand its capacities in a timely manner. To reduce the risks of overexpansion at the same time keep up with the product development trend, PTI has established collaborative relationships and co-op with strategic alliances with major customers to develop advanced technology capabilities. In addition, PTI has invested in related industries to form a complete supply chain network and diversify the risks caused by market changes. PTI also strengthen its cost control and cash management skills to maintain competitiveness and eliminate the impacts of changes in technology and in industry relating to corporate finance and sales.

PTI has implemented measures to protect the information security of our networks and computers. There are also established rules and procedures for information security risk management.

1. Different assets may face different risks. Methods for assessing or calculating asset value were adjusted to make them more appropriate to the nature of the unit.
2. The basic information security requirements are data confidentiality, integrity and usability. These ensure the appropriateness and effectiveness of related regulations and processes.
3. Information security insurance is an emerging risk type that involves information security rating organizations, claim assessment organizations, and no-compensation clauses. To mitigate potential losses due to information security incidents, information security insurance policy with up to US\$5 million in coverage was purchased by PTI in 2024.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures:

Since the establishment of the Company, PTI has consistently maintained an ethical business practices, and has actively strengthened its internal and quality management to build up customer trusts. PTI has a good corporate image and there has been no corporate crisis in recent years caused by changes in corporate image.

- (7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans
No plan of merger and acquisition as of the date of printing.
- (8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans
No significant plan of factory expansion as of the date of printing.
- (9) Risks Relating to and Response to Excessive Concentration on Supply Sources and Customer
The supply sources and major customers of the Company have been disclosed in related sections of this report. As the concentration level of the upper stream memory IC markets gets intense, sales of the downstream packaging and testing providers will get more concentrated. PTI has proactively developed new customers, collaborative relationships, and strategic alliances with existing customers to eliminate the highly customer concentrated risks. PTI has also actively reached out to non-memory IC packaging and testing business. The results are noticeable. In terms of supply sources, PTI has been actively seeking qualified alternative suppliers to reduce the risks of excessive concentration.
- (10) Effects, Risks, and Solution for Share Transfers of Shareholders with 10% Or More Shares:
None
- (11) Effects, Risks, and Solution of Changes in Control over the Company: None.
- (12) For litigation or non-litigious matters, clearly state if the Company or the Company's directors, supervisors, president, actual person in charge, shareholders with 10% shareholdings or more, and affiliated companies that have been concluded or pending major litigations, non-litigation or administrative litigation matters, whose outcome may have major impact on shareholders' equity or securities prices:
1. The Company's major litigations, non-litigation or administrative litigation matters:
None.
 2. Major litigations, non-litigation or administrative litigation matters of the Company's directors, supervisors, president, actual person in charge, shareholders with 10% shareholdings or more and affiliated companies: None.
- (13) Other Important Risks and Remedies: None.

7. Other Important Matters: None.

VI. Special Notes

1. Summary of Affiliated Companies:

Please refer to the Chinese version of Market Observation Post System (MOPS). The access path is as follows: Market Observation Post System > Single Company > Electronic Document Download > Related Party Transactions Section

2. Private Placement Securities as of the Date of Annual Report Printing: None.

3. Other Necessary Supplement: None.

4. Any Events in 2024 and as of the Publication Date of this Annual Report that Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: None.