

PlayNitride Inc.**2024****Annual Report**

Annual report inquiry website

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

Corporate Website: <http://www.playnitride.com>

Printed on March 25, 2025

Translation - In case of any discrepancy between Chinese and English versions, the Chinese version shall prevail.

I. Spokesperson and Acting Spokesperson:

Spokesperson: Mr. CHEN, MING-JANG

Acting Spokesman: Ms. CHEN, PEI-HSIN

Title: Chief Operation Officer

Title: Head of Intellectual Property &
Legal Division

Tel: 886-37-586610

Tel: 886-37-586610

Email: spokesperson@playnitride.com

II. Contact Information of Headquarters, Branches, and Plants:

(I) The Company:

Company Name: PlayNitride Inc.

Address: The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay
Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.

Corporate Website: <http://www.playnitride.com>

Tel: 886-37-586610

(II) Branch:

Name: PlayNitride Inc. Taiwan Branch

Address: 13F.-6, No. 268, Liancheng Rd., Zhonghe Dist., New Taipei City

Corporate Website: <http://www.playnitride.com>

Tel: 886-37-586610

(III) Subsidiary:

1. Company Name: PlayNitride Display Co., Ltd.

Address: 8F., No. 13, Kezhong Rd., Zhunan Township, Miaoli County

Corporate Website: <http://www.playnitride.com>

Tel: 886-37-586610

2. Company Name: PLAYNITRIDE AMERICA CORPORATION

Address: 2051 Junction Ave. Ste. 110 San Jose, CA 95131

Tel: 886-37-586610

III. Litigious and Non-Litigious Agent Ad Litem within the Territory of the ROC:

Name: Mr. LI, YUN-LI

Titles: Chairman and Chief Executive Officer

Tel: 886-37-586610

Email: lawsuit@playnitride.com

IV. Contact Information of the Agency Handling Share Transfers:

Name: Agent for Stock Affairs, Yuanta Securities Co., Ltd.

Corporate Website: <http://www.yuanta.com.tw>

Address: B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City.

Tel: 886-2-2586-5859

V. Contact Information of the CPAs for the Most Recent Financial Statements:

Names of the CPAs: Mr. CHENG, AN-CHIH and

Corporate Website:

Ms. HUANG, HAI-NING

<http://home.kpmg/tw>

Name of Accounting Firm: KPMG Taiwan

Tel: 886-2-8101-6666

Address: 68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City

VI. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None

VII. Corporate Website: <http://www.PlayNitride.com>**VIII. List of Directors:**

Title	Name	Nationality or place of registration	Work/Educational experience
Chairman	Li, Yun-li	Republic of China	Ph.D. in Electrical Engineering, Rensselaer Polytechnic Institute, USA Vice President of Genesis Photonics Inc. Assistant Professor in Electrical Engineering, National Taiwan University
Director	SVIC No. 32 New Technology Business Investment L.L.P. Representative: Sohn, Heon Bae	Republic of Korea	Master of Business Administration(SNU MBA) Managing Director of SVIC No.32 New Technology Business Investment L.L.P.
Director	Epistar Corporation Representative: Ou, Chen	Republic of China	PhD NCTU Vice President, EPISTAR Corporation
Director	Konly Venture Corporation Representative: Liao, Wei-Lun	Republic of China	Ph.D., Graduate School of Applied Chemistry, National Chiao Tung University CTO of AUO Corporation
Director	Lite-On Technology Corp. Representative: Su, Yu-Hung	Republic of China	Executive Master of Business Administration Program, National Chengchi University LITE-ON Technology Corporation Special Assistant to President & Associate Vice President at OPS SBU
Independent Director	Huang, Hui-Chu	Republic of China	Master of Computer Science, NCTU Independent Director of Wistron Information Technology and Services Corporation Supervisor of Commerce Development Research Institute Director of The Shanghai Commercial & Savings Bank, LTD.
Independent Director	Gan, Feng-Yuan	Republic of China	Director and General Manager of YuanHan Materials Inc. President of E Ink California, LLC Director of New Field E-Paper Co., Ltd. Director of YuanHan Materials Inc. Director of Linfiny Corporation Director of E Ink Corporation Director of Hydis Technologies Ltd. Director of Plastic Logic HK Ltd.
Independent Director	Wang, Wai	Republic of China	Ph.D. in Electrical Engineering, University of Colorado, USA Director of Crystalvue Medical Corporation Independent Director of Wellet Inc. Director of Avalue Technology Incorporated Director of Koge Micro Tech CO., LTD.

IX. Designated Agent in Taiwan:

Name: Mr.LI, YUN-LI

Titles: Chairman and Chief Executive Officer

Tel: 886-37-586610

Email: lawsuit@playnitride.com

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Chapter 1 Letter to shareholders

Dear shareholders,

In 2024, our company achieved new highs in revenue across all existing product categories and further expanded into equipment sales as a new revenue stream. Compared to 2023, total revenue for 2024 grew by 88%, with Chip on Carrier (COC) revenue increasing by an impressive 158%. We successfully met key operational milestones, including monthly, quarterly, and annual breakeven, achieving a full-year EPS of 0.56.

Throughout 2024, our company continued to demonstrate MicroLED applications across various domains, offering customers new product development possibilities, including:

1. 9.38-inch Adjustable Transparency Transparent MicroLED Display

With the increasing adoption of MicroLED transparent displays, our company introduced the "9.38-inch Adjustable Transparency Transparent MicroLED Display" this year. Utilizing RGB full-color chips, this display delivers high brightness, wide color gamut, superior reliability, and extended lifespan. It achieves a transparency rate of 65% to 70%, an optical brightness exceeding 3000 nits, and an NTSC color gamut of over 115%.

Furthermore, by integrating adjustable transparency liquid crystal glass, we have developed the first transparent MicroLED display with adjustable transparency levels. The transparency range can be adjusted from 1% to 50%—offering complete opacity to obscure objects behind the display in low-transparency mode without affecting display quality, while allowing simultaneous visibility of display content and background objects in high-transparency mode. This innovative technology enables seamless integration of models and products across various environments, enhancing presentations and immersive content experiences. As a result, this product has won the 2024 SID Best MicroLED-Based Technology Award and the 2024 SDIA Award—Advanced Display Grand Prize.

2. 0.18-inch, 5644 PPI, 720×720 Resolution Full-Color MicroLED Microdisplay

With the rapid advancement of AI technology, AR glasses are regarded as an ideal AI interface, making smaller microdisplays a key display component.

In 2024, our company closely collaborated with industry partners to successfully develop a 0.18-inch, 5,644 PPI, 720×720 resolution full-color MicroLED microdisplay. This microdisplay delivers an ultra-high brightness of over 500,000 nits, weighing only 0.4g, making it a perfect fit for high-resolution, high-brightness, and ultra-lightweight optical engine requirements.

In addition to enhancements in color gamut and brightness performance, this technology has received strong recognition from customers and is scheduled for mass production between 2025 and 2026.

3. Pitch 0.33mm PixeLED Matrix Cube Display and MiP Platform

Utilizing Pitch 0.33mm, 4.45-inch MicroLED panels as the basic unit, this display module leverages advanced MicroLED in Package (MiP) semiconductor technology to achieve high brightness, high contrast, and low power consumption, delivering an outstanding visual experience within a compact space.

With a brightness of up to 30,000 nits, this display is ideal for various lighting conditions, including extreme environments, making it particularly suited for:

- Panoramic Head-Up Displays (PHUD) in vehicles
- Projection applications
- Simulator cockpits for training
- Other ultra-high-brightness visual display scenarios

Our MiP platform integrates MicroLED, Micro IC, and Micro lens using advanced semiconductor packaging technologies to develop a technology platform for the MicroLED ecosystem. Beyond display applications, it can also be expanded into optical communication and sensing applications.

Summary of 2024 Business Results

1. Operating Performance:

In 2024, the company's operating revenue amounted to NT\$1,768,442 thousand, representing an increase of approximately 88% compared to the 2023 operating revenue of NT\$943,004 thousand. Gross profit was NT\$668,919 thousand, an increase of approximately 570% from the 2023 gross profit of NT\$99,792 thousand. Operating income was NT\$10,576 thousand, a turnaround from an operating loss of NT\$562,248 thousand in 2023, marking an improvement of approximately 102%. Comprehensive income was NT\$102,381 thousand, an increase of approximately 120% compared to the comprehensive loss of NT\$510,686 thousand in 2023.

2. Budget Execution Status:

The company did not release any public financial forecasts for 2024; therefore, there is no requirement to disclose budget execution status.

3. Financial Analysis:

For the financial overview of 2024, please refer to the financial statements.

4. Research & Development:

Our company continued investing in MicroLED technology development in 2024. However, R&D expenses for 2024 totaled NT\$379,199 thousand, representing a 16% decrease from NT\$452,792 thousand in 2023.

Regarding patent strategy, as of the end of 2024, our company had 924 patent applications, an 8% increase from the previous year. Moving forward, we will continue strengthening our patent portfolio to safeguard our intellectual property rights and competitive edge.

Future Outlook

1. Business Strategy:

With the diversification of MicroLED display applications, our primary operational goal for 2025 is to continuously expand our customer base and increase the variety of our business offerings. In addition to moderately expanding our own MicroLED production capacity, the company will also scale up its technology service business model to meet various customer demands across different MicroLED display applications.

In terms of new product development, we are introducing products such as Tantium™, a new high-voltage, low-current chip, and high-resolution full-color micro-displays to attract new customers and expand our market reach.

2. Projected Sales Volume and Basis:

The projected sales targets for 2025 are based on historical sales performance and the current business outlook of major customers. These forecasts also factor in efforts to acquire new customers and launch new products, which are expected to enhance the competitiveness of our overall production and sales system.

3. Future Development Strategy:

In addition to continuously acquiring new customers and expanding the range of business offerings, we will further strengthen our global market presence to ensure sustainable and stable business growth. At the same time, we aim to enhance localized services for newly developed customers, enabling us to respond swiftly to changing market demands and maintain momentum for growth in the coming years.

4. Impact of External Competition, Environmental Regulations, and the Overall Operating Environment:

The global economy faces high uncertainty due to geopolitical tensions and tariff changes, which significantly affect business growth and stability. Additionally, factors such as inflationary pressure, currency fluctuations, and climate change increase operational risks, making future conditions more challenging and less predictable.

Despite these challenges, PlayNitride remains committed to innovation and upholding our core value of technological leadership. We continue to deepen the development of key technologies, believing that only by constantly pushing the limits of innovation can we solidify our leading position and maintain our competitive edge in this fiercely competitive industry.

Going forward, we will actively promote MicroLED display technology and expand its applications into high-value sectors such as smart wearables, augmented reality (AR), in-vehicle displays, aerospace, and defense. We aim to provide customers with forward-looking and innovative solutions. Simultaneously, we will invest in the development and manufacturing of specialized MicroLED equipment to further extend our market presence.

We are committed not only to transforming innovative technologies into commercial success but also to fulfilling our social responsibilities and ESG (Environmental, Social, and Governance) commitments. We will continue to strengthen our efforts in sustainability to live up to the expectations of shareholders and the public. We sincerely thank our shareholders for their continued trust and support of PlayNitride.

Chairman and Chief Executive Officer: Li, Yun-li

Chapter 2 Company Profile

I. Date of Incorporation:

PlayNitride Inc. (the "Company") was established in the British Cayman Islands on February 25, 2014 and established a Taiwan branch on June 9, 2014, and the Company's registered address is The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1 1208 Cayman Islands. The Company's shares have been listed and traded on the Taiwan Stock Exchange since August 18, 2022.

II. Company History

Time	Key Events
February 2014	PlayNitride Inc. was established in the British Cayman Islands.
June 2014	PlayNitride Inc. Taiwan Branch was established.
February 2016	Taiwan subsidiary PixeLED Display Co., Ltd. (later renamed PlayNitride Display Co., Ltd.) was established.
September 2017	First public demonstration of a full-color operable MicroLED display at SEMICON Taiwan.
May 2018	Awarded the Best Innovative Prototype Product at the SID Display Week.
September 2018	First public demonstration of automotive MicroLED display applications at the SEMICON Taiwan.
June 2019	Awarded the Best Display Technology and Best Booth Award at the SID Display Week.
June 2019	The first MicroLED production line of PlayNitride started production.
May 2020	Dr. Yun-Li Li, CEO of PlayNitride, received the Special Recognition Award from the Society for Information Display (SID) in recognition of his leading and the team's achievements in developing and commercializing MicroLED technology.
August 2020	Awarded Taiwan Gold Panel Award and Taiwan Digital Signage Innovation Product Award.
December 2020	Awarded Hsinchu Science Park 40 Innovative Product Award.
April 2021	Showcased the new 89" 5K ultra-wide curved MicroLED display and 0.39" 1411ppi full color Micro-Display at Taiwan Display Show to highlight our research and development of AR applications.
April 2021	Dr. Yun-Li Li becomes Chairman of MicroLED SIG (Special Interest Group), linking the MicroLED ecosystem.
December 2021	Awarded Hsinchu Science Park 41 Innovative Product Award.

Time	Key Events
April 2022	9.38" MicroLED display with 65% transparency and 0.49" FHD 4536ppi full-color Micro-Display at Touch Taiwan 2022.
April 2022	Received Taiwan Gold Panel Award 2022 for Technical Excellence.
May 2022	Awarded Best Display Technology and Best Mid-Size Booth at the SID Display Week.
August 2022	PlayNitride Inc. (stock code 6854) was listed on the Taiwan Stock Exchange on August 18, 2022, becoming the first company listed on the Taiwan Innovation Board since the official opening of the board.
October 2022	Named to the global Red Herring Top 100 list for 2022.
November 2022	Awarded 2022 SDIA (Smart Display Industry Alliance) Award - Gold prizes of Excellence.
December 2022	Awarded Hsinchu Science Park 42 Innovative Product Award.
May 2023	The 8th Ministry of Economic Affairs National Industrial Innovation Award (2023), Information and Communication Category, General Enterprise Award.
May 2023	Awarded the Best Medium Booth Award, Best MicroLED-based Technology, and Best AR/VR/MR Demo/Product at the U.S. Display Industry Awards.
May 2024	Winner of the 'Best MicroLED Technology Application Award' and the 'Best Medium-Sized Booth Award' at Display Week USA.
August 2024	Awarded the Bronze Prize in the Advanced Technology Category at the 2024 SDIA Pioneering Display Awards.
February 2025	First issuance of Secured Convertible bonds in the R.O.C., in the amount of NT\$800 million.

III.Group structure: Please refer to Chapter 7. Special Disclosure, Organization Chart of Affiliates.

IV.Risk items: Please refer to Chapter 6 Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks.

Chapter 3 Corporate Governance Report

I. Information on the Company's Directors, Supervisors, President, Vice Presidents, Associate Managers, and the Supervisors of All the Company's Divisions and Branch Units

(I) Directors and Supervisors

1. Name, academic/work experience, no. of shares held, and shareholding type of directors and supervisors

February 28, 2025; Unit: shares;%																				
Title	Nationality or place of registration	Name	Gender Age	Commencement date of current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Work/ Educational experience	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Republic of China	LI, YUN-LI	Male 51 to 60 years old	2024/06/20	3 Years	2014/02/25	3,264,111	3.04	3,141,111	2.93	360,000	0.33	20,000 (Note 2)	0.02	Ph.D. in Electrical Engineering, Rensselaer Polytechnic Institute, USA Vice President of Genesis Photonics Inc. Assistant Professor in Electrical Engineering, National Taiwan University	Chief Executive Officer and Chief Technology Officer of PlayNitride Chairman of PlayNitride Display Director of GPower Ltd. Director of Taiwan Flat Panel Display Materials & Devices Association (TMDMA) Vice Chairman of Taiwan Optoelectronic Semiconductor Industry Association (TOSIA) Director of Society for Information Display (SID) Taipei Chapter Exccutive Director&Vice Chairman of the Technical Committee, Taiwan Panel & Solution Association (TPSA) Chairperson of the Taiwan Micro LED SIG, Industrial Development and Technology Committee Supervisor of Taiwan Display Union Association (TDUA)	—	—	—	Note 3

Title	Nationality or place of registration	Name	Gender Age	Commencement date of current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Work/ Educational experience	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director	Republic of Korea	SVIC No. 32 New Technology Business Investment L.L.P.	—	2024/06/20	3 Years	2018/03/16	10,867,604	10.13	10,867,604	10.13	—	—	—	—	—	Director of Flickstree (India) Director of AdHawk Microsystems (Canada) Director of Gnani (India) Director of VueReal Inc. (Canada)	—	—	—	
		Representative: Sohn, Heon Bae	Male 41 to 50 years old				—	—	—	—	—	—	—	—	Master of Business Administration(SNU MBA) Managing Director of SVIC No.32 New Technology Business Investment L.L.P.	Managing Director of SVIC No.32 New Technology Business Investment L.L.P.	—	—	—	
Director	Republic of China	Epistar Corporation	—	2024/06/20	3 Years	2018/03/06	9,137,338	8.52	9,137,338	8.52	—	—	—	—	—	Director of Apexlens Co., Ltd. Director of GaN Force Corp. Director of LiteStar JV Holding (BVI) Co., Ltd. Director of Te Opto Corp.	—	—	—	
		Representative: Ou, Chen	Male 51 to 60 years old		3 Years		—	—	—	—	—	—	—	—	PhD NCTU Vice President, EPISTAR Corporation	Vice President, EPISTAR Corporation	—	—	—	
Director	Republic of China	Konly Venture Corporation	—	2024/06/20	3 Years	2021/02/09	7,534,628	7.02	7,534,628	7.02	—	—	—	—	—	Director of Daxin Materials Corporation 、 Director of Daji Education Development Co., Ltd. 、 Director of Raydium Semiconductor Corporation 、 Director of WishMobile, Inc. 、 Supervisor of Star Shining Energy Co., Ltd. 、 Supervisor of Galaxy Energy Co., Ltd.	—	—	—	
		Representative: Liao, Wei-lun	Male 51 to 60 years old				—	—	—	—	—	—	—	—	Ph.D., Graduate School of Applied Chemistry, National Chiao Tung University CTO of AUO Corporation	Representative of Institutional Director, Daxin Materials Corporation Director of a.u.Vista Inc. Director of AUO Corporation (Xiamen) Director of AUO Corporation (Suzhou) Director of AUO Corporation (Shanghai) Director of Jingzhi Electronics (Xiamen) Co., Ltd. Representative of Institutional Director, Iris Optronics Co., Ltd.	—	—	—	

Title	Nationality or place of registration	Name	Gender Age	Commencement date of current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Work/ Educational experience	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Shares	Shareholding ratio	Title	
Director	Republic of China	Lite-On Technology Corp.	—	2024/06/20	3 Years	2021/12/24	4,234,736	3.95	4,234,736	3.95	—	—	—	—	—	Director of Lite-On Green Technologies, Inc. Director of Philips & Lite-On Digital Solutions Corporation Director of Skyla Corporation Director of LEOTEK Corporation Director of Dragonjet Corporation Director of Silitech Holding Ltd. Director of InSynerger Technology Co., Ltd.	—	—	—	
		Representative: Su, Yu-Hung	Male 51 to 60 years old				—	—	—	—	—	—	—	—	Executive Master of Business Administration Program, National Chengchi University LITE-ON Technology Corporation Special Assistant to President & Associate Vice President at OPS SBU	LITE-ON Technology Corporation Special Assistant to President & Associate Vice President at OPS SBU	—	—	—	
Independent	Republic of	Huang, Hui-Chu	Male 61 to 70 years old	2024/06/20	3 Years	2022/05/26	—	—	—	—	—	—	—	—	Master of Computer Science, NCTU Director of Commerce Development Research Institute Director of Wonderful Food Technology Co., Ltd.	Independent Director of Wistron Information Technology and Services Corporation Supervisor of Commerce Development Research Institute Director of The Shanghai Commercial & Savings Bank, LTD.	—	—	—	

Title	Nationality or place of registration	Name	Gender Age	Commencement date of current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Work/ Educational experience	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Republic of China	Gan, Feng-Yuan	Male 51 to 60 years old	2024/06/20	3 Years	2017/06/20	—	—	—	—	—	—	—	—	Ph.D. in Electrical Engineering, McGill University, Canada President of E Ink Holdings Inc. Chairman and President of Sipix Technology Inc. Assistant Manager of Audio-Video Business Unit, AUO Corporation	Director and Gernal Manager of YuanHan Materials Inc. President of E Ink California, LLC Director of New Field E-Paper Co., Ltd. Director of YuanHan Materials Inc. Director of Linfiny Corporation Director of E Ink Corporation Director of Hydis Technologies Ltd. Director of Plastic Logic HK Ltd.	—	—	—	
Independent Director	Republic of China	Wang, Wai	Male 61 to 70 years old	2024/06/20	3 Years	2012/04/06	—	—	—	—	—	—	—	—	Ph.D. in Electrical Engineering, University of Colorado, USA Founder and President of Crystalvue Corporation President of Raydium Semiconductor Corporation	Dirctor of Crystalvue Medical Corporation Independent Director of Wellell Inc. Director of Avalue Technology Incorporated Director of Koge Micro Tech CO., LTD.	—	—	—	

Note 1: Directors/independent directors still in office as of the date of publication of the annual report.

Note 2:Li, Yun-Li held 100% of shares of GPower Ltd.

Note 3: If the chairman and general manager or person of equivalent position (chief manager) are the same person, spouse or first degree relative, the reasons, rationality, necessity and corresponding measures should be explained:

The main reason for the chairman and CEO of the company is that the company wants to simplify the management structure. All major operational decisions of the company must be discussed by the board of directors, and the board of directors has the right to elect the chairman and appoint and remove the CEO, which can play a check and balance role at the appropriate time; in order to implement the supervisory function, the company will elect an independent director in 2023, making a total of four independent directors, and no more than half of the directors are employees; however, due to his busy personal business, Mr. Liu, I-Cheng, an independent director, resigned from the position of independent director on September 25, 2024. The company will elect one independent director at the 2025 shareholders' meeting.

2. Major Shareholders of Institutional Shareholders

March 25, 2025

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders
SVIC No. 32 New Technology Business Investment L.L.P.	Samsung Electronics (99%) 、 Samsung Venture Investment Corporation (1%)
Epistar Corporation	Ennostar Inc. (100%)
Konly Venture Corporation	AUO Corporation (100%)
Lite-On Technology Corp.	New Labor Retirement Fund (3.82%), Da Rong Investment Co., Ltd. (3.61%), Song Gongyuan (3.35%), Taishin International Commercial Bank Co., Ltd. entrusted with the custody of Cathay Taiwan High Dividend Umbrella Securities Investment Trust Fund Taiwan ESG Perpetual High Dividend ETF Securities Investment Trust Fund Special Account (3.34%), Ming Hsing Investment Co., Ltd. (2.56%), Cathay World Huashang Bank is entrusted with custody of Yuanta Taiwan High Dividend Securities Investment Trust Fund (2.46%), Dasong Investment Co., Ltd. (1.99%), Lite-On Technology Co., Ltd. (treasury stock) (1.69%), Fubon Life Insurance Co., Ltd.'s discretionary Fuhua Investment Trust investment account (1.30%), and Citigroup (Taiwan) is entrusted with custody of Berkeley Capital Securities Co., Ltd. (1.26%)

Source: Annual reports of various companies

3. Major Shareholders of Institutional Shareholders

March 25, 2025

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders
Samsung Electronics	National Pension Service of Korea (8.69%) 、 Samsung Life Insurance Co., Ltd. (8.51%) 、 Samsung C&T Corporation (5.01%) 、 Ra Hee Hong (2.30%) 、 The Vanguard Group, Inc. (1.97%) 、 Jae-Yong Lee (1.63%) 、 Samsung Fire & Marine Insurance Co., Ltd. (1.49%) 、 Norges Bank Investment Management (1.49%) 、 Fidelity Management & Research Co. LLC (1.22%) 、 Bu-Jin Lee (0.93%)
Samsung Venture Investment Corporation	Samsung Electro-Mechanics (17%) 、 Samsung Heavy Industries (17%) 、 Samsung Securities (16.67%) 、 Samsung C&T (16.67%) 、 Samsung Electronics(16.33%) 、 Samsung SDI (16.33%)
Ennostar Inc.	AUO Corporation (12.40%), Longli Investment Co., Ltd. (2.74%), Kangli Investment Co., Ltd. (2.17%), Chase Trustee Advanced Star Advanced Total International Stock Index (1.22%), Chase Trustee Vanguard Group Emerging Markets Fund Investment Special Account (1.21%), Taiwan Life Insurance Co., Ltd. (1.01%), Taili Industrial Co., Ltd. (0.93%), Citi Trustee Porlunin Development National Fund Company Special Account (0.89%), Tseng Wanting (0.72%), United Microelectronics Corporation (0.71%)
AUO Corporation	Qisda Corporation (6.90%), SinoPac Bank entrusted with the AU Optronics Corporation Employee Stock Trust Management Committee Trust Property Account (5.33%), Quanta Computer Co., Ltd. (4.61%), Taiwan Cooperative Bank Co., Ltd. (2.99%), Citibank entrusted with the AU Optronics Corporation Overseas Depository Receipts Account (2.33%), New Workers' Retirement Fund (1.67%), Nanshan Life Insurance Co., Ltd. (1.55%), JPMorgan Chase Bank Taipei Branch entrusted with the Vanguard Emerging Markets Stock Index Fund investment account managed by Vanguard Group (0.96%), HSBC Taipei Branch entrusted with the Goldman Sachs investment account (0.96%), HSBC Taipei Branch entrusted with the Merrill Lynch International investment account (0.92%)
Darong Investment Co., Ltd.	Sung, Ming-Feng (43.66%), Guangxing Investment Co., Ltd. (56.34%)

Source: Annual reports of various companies

4. Directors' Professional Qualifications and Independence

<div>Criteria</div> <div>Name</div>	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as independent director
Li, Yun-Li	<p>Has a Ph.D. in Electrical Engineering, Rensselaer Polytechnic Institute, USA; has been Vice President of Genesis Photonics Inc. and Assistant Professor in the Department of Electrical Engineering, National Taiwan University. Currently, serves as Chairman, CEO, and CTO of the Company. Director of Taiwan Flat Panel Display Materials & Devices Association (TDMDA), Taiwan Optoelectronic Semiconductor Industry Association (TOSIA), Society for Information Display (SID) Taipei Chapter, and Vice Chairman of the Technical Committee, Taiwan Panel & Solution Association (TPSA)</p> <p>Does not fall under any conditions defined in Article 30 of the Company Act.</p>	<p>None of the Company's directors (excluding independent directors) is an employee, manager, director, or supervisor of the Company or its affiliates, or a spouse, relative within two degrees of kinship, or blood relative within three degrees of kinship of the aforementioned, except for the Chairman of the Board of Directors, who is an employee, and is not related to any other director as a spouse or relative within two degrees of kinship.</p>	—
<p>SVIC No. 32 New Technology Business Investment L.L.P. Representative: Sohn, Heon Bae</p>	<p>Has Master's Degree in of Business Administration(SNU MBA), working as Managing Director of SVIC No.32 New Technology Business Investment L.L.P.</p> <p>Does not fall under any conditions defined in Article 30 of the Company Act.</p>		—
<p>Epistar Corporation Representative: Ou, Chen</p>	<p>Has PhD in NCTU; working as Vice President, EPISTAR Corporation.</p> <p>Does not fall under any conditions defined in Article 30 of the Company Act.</p>		—
<p>Kongly Venture Corporation Representative: Liao, Wei-Lun</p>	<p>Has Ph.D. in Applied Chemistry from National Chiao Tung University; worked as Chief Technology Officer of AUO Corporation; and currently serves as the representative of the Company's corporate director.</p> <p>Does not fall under any conditions defined in Article 30 of the Company Act.</p>		—
<p>Lite-On Technology Corp. Representative: Su, Yu-Hung</p>	<p>Has Executive Master's Degree in Business Administration, National Chengchi University, working as Special Assistant to President & Associate Vice President at OPS SBU.</p> <p>Does not fall under any conditions defined in Article 30 of the Company Act.</p>		—
Huang, Hui-Chu	<p>Has Master's Degree in Information Engineering from National Chiao Tung University. Her main experience is as a director of the Business Development Research Institute and Yushi Co., Ltd. She is currently an independent director of the company, the convener of the Audit Committee and the Remuneration Committee, as well as an independent director of Vistron Corporation, a director of Shanghai Commercial and Savings Bank Co., Ltd., a supervisor of the Business Development Research Institute, and a second-generation university teacher of the National Small and Medium Enterprises Association.</p> <p>Does not fall under any conditions defined in Article 30 of the Company Act.</p>	<p>None of the three independent directors of the Company is an employee, manager, director, or supervisor of the Company or its affiliates, or a spouse, a relative within the second degree of kinship, or a relative within the third degree of kinship of the aforementioned, or a natural person shareholder who holds more than 1% of the total number of issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children, or others, or a natural person shareholder who directly holds 5% or more of the total number of issued shares of the Company; a director, supervisor, or employee of a corporate shareholder who holds more than 5% of the total issued shares of the Company, the top five shares, or a person designated to act as a director or supervisor of the Company in accordance with Article 27, Paragraphs 1 and 2 of the Company Act, or a director, supervisor, or employee of another company that is controlled by the</p>	1
Gan, Feng-Yuan	<p>Has Ph.D. in Electrical Engineering, McGill University, Canada; currently serves as the President of E Ink Holdings Inc.; previously served as Chairman and President of Sipix Technology Inc. and Assistant Manager of Audio-Video Business Unit, AUO Corporation. Currently serves as an independent director, a member of the Audit Committee and the Remuneration Committee of the Company.</p> <p>Does not fall under any conditions defined in Article 30 of the Company Act.</p>		—

<div>Criteria</div> <div>Name</div>	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as independent director
Wang, Wai	<p>Has Ph.D. in Electrical Engineering, University of Colorado, USA, served as the Chairman and CEO of Crystalvue Medical Corporation, and President of Raydium Semiconductor Corporation. Currently serves as an independent director, a member of the Audit Committee and the Remuneration Committee of the Company; and serves as an Independent Director of Wellell Inc.</p> <p>Does not fall under any conditions defined in Article 30 of the Company Act.</p>	<p>same person as the Company's directorship or more than half of the voting shares, or a director, supervisor, or employee of another company or organization that is the same person or spouse of the Company's chairman, president, or equivalent; a director, supervisor or employee of another company or organization, or a director, supervisor, manager or shareholder holding more than 5% of the shares of a particular company or organization with which the Company has financial or business dealings, or a professional who provides business, legal, financial, accounting or other related services for the Company or its affiliates, or a sole proprietor, a partner, a business owner of a company or organization whose accumulated compensation for the last two years does not exceed NT\$500,000; or a director, supervisor, manager, or spouse of a company, partnership, or organization, and who is not related to another director by kinship or affinity.</p>	1

5. Diversification and Independence of Board of Directors:

(1) Diversity of board members

The Company has established Corporate Governance Best Practice Principles, which specify the policy on diversity of board members. In accordance with the Company's "Principle of Corporate Governance", the composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

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

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- (A) The ability to make judgments about operations.
- (B) Accounting and financial analysis ability.
- (C) Business management ability.
- (D) Crisis management ability.
- (D) Knowledge of the industry.
- (E) An international market perspective.
- (F) Leadership
- (G) Decision-making ability.

Currently, the Board of Directors consists of seven male and one female members, with ages ranging from 41 to 70 years old. Seven members are from Taiwan and one is from South Korea. The directors possess extensive industry experience and the necessary knowledge, skills, and expertise in business operations, finance, and management.

Among the board members:

Employee directors account for 12.5% (1 member),
Female directors account for 12.5% (1 member), and
Independent directors account for 37.5% (3 members).

All independent directors have served for no more than three terms.

Reason for not reaching one-third female board representation and planned measures:

The company is committed to gender equality in the composition of its Board of Directors. In the comprehensive board re-election held in 2024, one female director was added, raising the female representation to 12.5%. The company is planning to further increase the number of female board members, aiming to achieve a female representation of over one-third.

To support this goal, the company plans to hold a by-election for one independent director seat at the 2025 Annual General Meeting and will prioritize female candidates to enhance female representation on the board.

Name	Title	Gender	Nationality	Age	Areas of expertise and skills			
					Business management	Lead decision-making	Industry knowledge	Financial accounting
Li, Yun-Li	Chairman	Male	Republic of China	51-60	V	V	V	V
Sohn, Heon Bae	Director	Male	Republic of Korea	41-50	V	V	V	V

Ou, Chen	Director	Male	Republic of China	51-60	V	V	V	
Liao, Wei-Lun	Director	Male	Republic of China	51-60	V	V	V	
Su, Yu-Hung	Director	Male	Republic of China	41-50	V	V	V	V
Huang, Hui-Chu	Independent Director	Female	Republic of China	61-70	V	V	V	V
Gan, Feng-Yuan	Independent Director	Male	Republic of China	51-60	V	V	V	V
Wang, Wai	Independent Director	Male	Republic of China	61-70	V	V	V	V

(2) Independence of the Board of Directors

The Company has a total of three independent directors, all of whom meet the independence criteria set forth in Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” as well as the concurrent position restrictions specified in Article 4. Furthermore, in accordance with Article 26-3, Paragraph 3 of the Securities and Exchange Act, none of the directors and independent directors have spousal or second-degree kinship relationships. The composition of the Company’s Board of Directors complies with the independence requirements.

(II) Information on the Company's President, Vice President, Assistant Managers, and the Supervisors of all the Company's divisions and branch units

February 28, 2025; Unit: shares; %

Title	Nationality	Name	Gender	Date of appointment to current term	No. of shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in any other company	Managerial officers with whom the person has a relationship of spouse or relative within the second degree			Note
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Chief Executive Officer	Republic of China	Li, Yun-Li	Male	2014/02/25	3,141,111	2.93	360,000	0.33	20,000 (Note 2)	0.02	Ph.D. in Electrical Engineering, Rensselaer Polytechnic Institute, USA Vice President of Genesis Photonics Inc. Assistant Professor in Electrical Engineering, National Taiwan University	Chief Executive Officer and Chief Technology Officer of PlayNitride Chairman of PlayNitride Display Director of GPower Ltd. Director of Taiwan Flat Panel Display Materials & Devices Association (TDMDA) Vice Chairman of Taiwan Optoelectronic Semiconductor Industry Association (TOSIA) Director of Society for Information Display (SID) Taipei Chapter Executive Director & Vice Chairman of the Technical Committee, Taiwan Panel & Solution Association (TPSA) Chairperson of the Taiwan Micro LED SIG, Industrial Development and Technology Committee Supervisor of Taiwan Display Union Association (TDUA)	—	—	—	Note 2
Chief Operation Officer	Republic of China	Chen, Ming-Jang	Male	2014/02/25	977,494	0.91	—	—	—	—	Master in Material Engineering, National Taiwan University of Science and Technology Assistant Manager of Genesis Photonics Inc. Engineer of Epistar Corporation	Directors of PlayNitride Display Co., Ltd.	—	—	—	—
Vice President	Republic of China	Wang, Jiun-Shiung	Male	2018/06/25	193,526	0.18	—	—	—	—	Bachelor in Industrial and Systems Engineering, Chung Yuan Christian University Responsible person of Mike & Adam President of TSLC Corporation Vice President of VisEra Technologies Co., Ltd. Vice President of HANNSpree Associate Director of Taiwan Semiconductor Manufacturing Co., Ltd.	None	—	—	—	—
Chief Accounting Officer and Chief Corporate Governance Officer	Republic of China	Chou, Ting-Hui	Female	2022/01/21	56,324	0.05	—	—	—	—	Master in Management Science Program, National Chiao Tung University Audit Manager of Taiwan-Asia Semiconductor Corporation Financial Manager of Viking Tech	None	—	—	—	—
Associate and President of PlayNitride Display	Republic of China	Lin, Tzu-Yang	Male	2023/08/18	405,858	0.38	—	—	—	—	Master of Electrical Engineering, Kaohsiung University Manager of Genesis Photonics Inc.	President of PlayNitride Display Co., Ltd.	—	—	—	Note 3
Director and Vice President of PlayNitride Display	Republic of China	Lin, Ching-liang	Male	2023/10/31	328,084	0.31	—	—	—	—	Ph.D., Department of Chemical Engineering and Materials Engineering, Central University Assistant Technical Manager of Genesis Photonics Inc.	None	—	—	—	Note 4
Vice President of PlayNitride Display	Republic of China	Chuang, Cheng-doul	Male	2023/10/31	33,000	0.03	—	—	—	—	Master's Degree in Executive Management of NYCU Assistant Managers of Sales, FocalTech Electronics Deputy Director of the Display Center, Industrial Technology Research Institute Director of Product Integration, Innolux Corporation	None	—	—	—	Note 5

Note 1: As of the date of publication of the annual report, the individuals remain in office.

Note2: Li, Yun-Li held 100% shares of GPower Ltd.

Note 3: If the chairman and general manager or person of equivalent position (chief manager) are the same person, spouse or first degree relative, the reasons, rationality, necessity and corresponding measures should be explained:

The main reason for the chairman and CEO of the company is that the company wants to simplify the management structure. All major operational decisions of the company must be discussed by the board of directors, and the board of directors has the right to elect the chairman and appoint and remove the CEO, which can play a check and balance role at the appropriate time; in order to implement the supervisory function, the company will elect an independent director in 2023, making a total of four independent directors, and no more than half of the directors are employees; however, due to his busy personal business, Mr. Liu, I-Cheng, an independent director, resigned from the position of independent director on September 25, 2024. The company will elect one independent director at the 2025 shareholders' meeting.

II. Remuneration paid during the most recent fiscal year (2024) to directors, supervisors, the President, and Vice President

(I) Remuneration of directors and independent directors

December 31, 2024, unit: NT\$ thousands; %

Title	Name	Remuneration of directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration received by directors for concurrent service as an employee								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation from Ventures Other than Subsidiaries or from the Parent Company (Note 5)
		Base compensation (A) (Note 1)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 2)		Expenses and perquisites (D)(Note 3)				Salary, rewards, and special disbursements (E) (Note 4)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Amount Percentage	Amount Percentage	Amount in cash	Amount in stock			
Chairman	Li, Yun-Li	—	—	—	—	—	—	36	36	36 0.06	36 0.06	5,452	5,452	—	—	—	—	—	—	5,488 9.13	5,488 9.13	None
Director	SVIC No. 32 New Technology Business Investment L.L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None
	Representative: Sohn, Heon Bae	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None
Director	Epistar Corporation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None
	Representative: Hung, Li-Chen (Note 6)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None
	Representative: Ou, Chen (Note 6)	—	—	—	—	—	—	30	30	30 0.05	30 0.05									30 0.05	30 0.05	None
Director	Kongly Venture Corporation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None
	Representative: Liao, Wei-Lun	—	—	—	—	—	—	30	30	30 0.05	30 0.05	—	—	—	—	—	—	—	—	30 0.05	30 0.05	None
Director	Lite-On Technology Corp.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None
	Representative: Liao, Shou-Yen (Note 7)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None
	Representative: Su, Yu-Hung (Note 7)	—	—	—	—	—	—	36	36	36 0.06	36 0.06	—	—	—	—	—	—	—	—	36 0.06	36 0.06	None
Independent Director	Liu, I-Cheng (Note 8)	707	707	—	—	—	—	24	24	731 1.22	731 1.22	—	—	—	—	—	—	—	—	731 1.22	731 1.22	None

Title	Name	Remuneration of directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration received by directors for concurrent service as an employee								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation from Ventures Other than Subsidiaries or from the Parent Company (Note 5)
		Base compensation (A) (Note 1)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 2)		Expenses and perquisites (D)(Note 3)				Salary, rewards, and special disbursements (E) (Note 4)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities			
														Amount in cash	Amount in stock	Amount in cash	Amount in stock					
Independent Director	Gan, Feng-Yuan	960	960	—	—	—	—	36	36	996 1.66	996 1.66	—	—	—	—	—	—	—	—	996 1.66	996 1.66	None
Independent Director	Wang, Wai	960	960	—	—	—	—	30	30	990 1.65	990 1.65	—	—	—	—	—	—	—	—	990 1.65	990 1.65	None
Independent Director	Tao, Yun-Chin (Note 9)	451	451	—	—	—	—	12	12	463 0.77	463 0.77	—	—	—	—	—	—	—	—	463 0.77	463 0.77	None
Independent Director	Huang, Hui-Chu (Note 10)	509	509	—	—	—	—	24	24	533 0.89	533 0.89	—	—	—	—	—	—	—	—	533 0.89	533 0.89	None
1.Please specify the remuneration policies, standards, and packages, the procedure for determining remuneration for independent directors, and its linkage to operating performance and future risk exposure: According to the Company “Rules Governing Remuneration Rules for Directors and Managers Officers”, the monthly fixed compensation for independent directors and the transportation allowance for attending the Board of Directors, but do not receive emolument. The aforesaid remuneration allocated to the independent directors, shall be deliberated and approved by the Remuneration Committee, and submitted to the Board of Directors for approval. 2.Except as disclosed in the preceding table, the remuneration received by the directors of the Company in recent years for the services provided to all companies in the financial statements (e.g. as non-employee consultant in parent / all companies in the financial statements / investees): None																						

Note 1. This refers to director base compensation in 2024 (including director salary, duty allowances, severance pay, various rewards and incentives, etc.).

Note 2. There was no profit-sharing compensation for directors approved by the Board of Directors for distribution in 2024.

Note 3. This refers to director expenses and perquisites in 2024 (including travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicles, etc.).

Note 4. This includes any remuneration received by a director for concurrent service as an employee in 2024 (including concurrent service as President, Vice President, other managerial officer, or employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicles, etc.

- Note 5. 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 Range of Remuneration 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.
- Note 6. Re-assignment of the Representative of the Company's Legal Person Director in 2024/1/19. Reassigned from Hung, Li-Chen to Ou Chen.
- Note 7. Re-assignment of the Representative of the Company's Legal Person Director in 2024/2/20. Reassigned from Liao, Shou-Yen to Su, Yu-Hung.
- Note 8. Mr Liu, I-Cheng, Independent Director, resigned on September 25, 2024.
- Note 9. Mr. Tao, Yun-Chin ,Independent Director, completed his term on June 20, 2024.
- Note 10. Ms. Huang, Hui-Chu, Independent Director, was newly elected at the Shareholders’ Meeting on June 20, 2024.

Range of Remuneration

Paid to each of the Company's directors	Name of Director(s)			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All consolidated entities	The Company	All consolidated entities
Less than NT\$1,000,000	Li, Yun-Li 、 Sohn, Heon Bae 、 Hung, Li-Chen, 、 Ou, Chen 、 Liao, Wei-Lun 、 Liao, Shou-Yen 、 Su, Yu-Hung 、 Liu, I-Cheng 、 Gan, Feng-Yuan 、 Wang, Wai 、 Tao, Yun-Chin 、 Huang, Hui-Chu	Li, Yun-Li 、 Sohn, Heon Bae 、 Hung, Li-Chen, 、 Ou, Chen 、 Liao, Wei-Lun 、 Liao, Shou-Yen 、 Su, Yu-Hung 、 Liu, I-Cheng 、 Gan, Feng-Yuan 、 Wang, Wai 、 Tao, Yun-Chin 、 Huang, Hui-Chu	Sohn, Heon Bae 、 Hung, Li-Chen, 、 Ou, Chen 、 Liao, Wei-Lun 、 Liao, Shou-Yen 、 Su, Yu-Hung 、 Liu, I-Cheng 、 Gan, Feng-Yuan 、 Wang, Wai 、 Tao, Yun-Chin 、 Huang, Hui-Chu	Sohn, Heon Bae 、 Hung, Li-Chen, 、 Ou, Chen 、 Liao, Wei-Lun 、 Liao, Shou-Yen 、 Su, Yu-Hung 、 Liu, I-Cheng 、 Gan, Feng-Yuan 、 Wang, Wai 、 Tao, Yun-Chin 、 Huang, Hui-Chu
NT\$1,000,000 (included)–NT\$2,000,000 (excluded)	—	—	—	—
NT\$2,000,000–NT\$3,500,000 (excluded)	—	—	—	—
NT\$3,500,000 (included)–NT\$5,000,000 (excluded)	—	—	—	—
NT\$5,000,000 (included)–NT\$10,000,000 (excluded)	—	—	Li, Yun-Li	Li, Yun-Li
NT\$10,000,000 (included)–NT\$15,000,000 (excluded)	—	—	—	—
NT\$15,000,000 (included)–NT\$30,000,000 (excluded)	—	—	—	—
NT\$30,000,000 (included)–NT\$50,000,000 (excluded)	—	—	—	—
NT\$50,000,000 (included)–NT\$100,000,000 (excluded)	—	—	—	—
More than NT\$100,000,000 (included)	—	—	—	—
Total	12	12	12	12

(II) Remuneration of supervisors: The Company has changed its Audit Committee, so there is no remuneration of supervisors.

(III) Remuneration paid to the President and Vice President during the most recent fiscal year

December 31, 2024, unit:NT\$ thousands; %

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)				Compensation from Ventures Other than Subsidiaries or from the Parent Company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company		All consolidated entities				
						Amount in cash	Amount in stock	Amount in cash	Amount in stock	Amount	Percentage	Amount	Percentage			
Chief Executive Officer and Chief Technology Officer	Li, Yun-Li	15,712	18,193	482	590	10,748	13,607	-	-	-	-	26,942	44.84	32,390	53.91	None
Chief Operation Officer	Chen, Ming-Jang															
Chief Strategy Officer and Chief Sustainability Officer	Chen, Jong-Yih (Note 1)															
Vice President	Wang, Jiun-Shiung															
Associate and President of PlayNitride Display	Lai, Yen-Lin (Note 2)															
Associate and President of PlayNitride Display	Lin, Tzu-Yang															
Director and Vice President of PlayNitride Display	Lin, Ching-liang															
Vice President of PlayNitride Display	Chuang, Cheng-doul															

Note 1 :Mr Chen, Jong-Yih resigned on July 31, 2024.

Note 2 : Mr. Lai, Yen-Lin resigned on November 15, 2024.

Range of Remuneration

Paid to each of the Company's President and Vice President	Names of President and Vice President	
	The Company	All consolidated entities
Less than NT\$1,000,000	—	—
NT\$1,000,000 (included)–NT\$2,000,000 (excluded)	Chen,Jong-Yih	Chen,Jong-Yih
NT\$2,000,000–NT\$3,500,000 (excluded)	Lai, Yen-Lin	Lai, Yen-Lin
NT\$3,500,000 (included)–NT\$5,000,000 (excluded)	Chen, Ming-Jang 、 Lin, Tzu-Yang 、 Wang, Jiun-Shiung 、 Lin, Ching-liang	Chen, Ming-Jang 、 Lin, Tzu-Yang 、 Wang, Jiun-Shiung 、 Lin, Ching-liang
NT\$5,000,000 (included)–NT\$10,000,000 (excluded)	Li, Yun-Li	Li, Yun-Li 、 Chuang, Cheng-doul
NT\$10,000,000 (included)–NT\$15,000,000 (excluded)	—	—
NT\$15,000,000 (included)–NT\$30,000,000 (excluded)	—	—
NT\$30,000,000 (included)–NT\$50,000,000 (excluded)	—	—
NT\$50,000,000 (included)–NT\$100,000,000 (excluded)	—	—
More than NT\$100,000,000 (included)	—	—
Total	7	8

(IV) Managerial officers with the top five highest remuneration amounts in a TWSE/TPEX-listed company

unit:NT\$ thousands; %

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)				Compensation from Ventures Other than Subsidiaries or from the Parent Company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company		All consolidated entities				
						Amount in cash	Amount in stock	Amount in cash	Amount in stock	Amount	Percentage	Amount	Percentage			
Chief Executive Officer	Li, Yun-Li	3,526	3,526	-	-	1,925	1,925	-	-	-	-	5,451	9.07	5,451	9.07	None
Vice President of PlayNitride Display	Chuang, Cheng-Doul	-	2,481	-	108	-	2,859	-	-	-	-	-	-	5,448	9.07	None
Vice President	Wang, Jiun-Shiung	2,143	2,143	108	108	1,911	1,911	-	-	-	-	4,162	6.93	4,162	6.93	None
Chief Operation Officer	Chen, Ming-Jang	2,556	2,556	-	-	1,600	1,600	-	-	-	-	4,156	6.92	4,156	6.92	None
Associate and Vice President of PlayNitride Display	Lin, Tzu-Yang	2,314	2,314	108	108	1,730	1,730	-	-	-	-	4,152	6.91	4,152	6.91	None

(III) Remuneration to Managerial Officers and Their Names and Distribution Status
during the Most Recent Year

Unit: NT\$ thousands; %

Title		Name	Amount in stock	Amount in cash	Total	Sum to net income ratio
Manager	Chief Executive Officer	Li, Yun-Li	—	—	—	—
	Chief Operation Officer	Chen, Ming-Jang				
	Chief Strategy Officer and Chief Sustainability Officer	Chen, Jong-Yih (Note 1)				
	Vice President	Wang, Jiun-Shiung				
	Chief Accounting Officer and Chief Corporate Governance Officer	Mrs. Chou, Ting-Hui				
	Associate and President of PlayNitride Display	Lai, Yen-Lin (Note 2)				
	Associate and President of PlayNitride Display	Lin, Tzu-Yang				
	Director and Vice President of PlayNitride Display	Lin, Ching-liang				
	Vice President of PlayNitride Display	Chuang, Cheng-doul				

Note 1 :Mr Chen, Jong-Yih resigned on July 31, 2024.

Note 2 : Mr. Lai, Yen-Lin resigned on November 15, 2024.

(IV) The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, president, and vice presidents of the Company, to the net income and explanation of the policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with future risks and business performance

1. Analysis of the ratio of the total remuneration paid to the directors, President, and Vice Presidents to the net income after tax in the past two fiscal years

Item Title	2023 total remuneration to net income ratio (%)		2024 total remuneration to net income ratio (%)	
	The Company	All consolidated entities	The Company	All consolidated entities
Director	(0.70)	(0.70)	6.40	6.40
President and Vice President	(2.63)	(6.44)	44.84	53.91

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with future risks and business performance

- A. Director

The remuneration of directors is based on the regulations for the directors' and managerial officers' salary and compensation approved by the Remuneration Committee and the Board of Directors, which includes carriage fees, executive fees, and annual remuneration based on the ratio of earnings. Earnings ratios are set by reference to general industry standards and are listed in the Company's Articles of Incorporation as approved by the shareholders' meeting. The Company's remuneration to directors is highly correlated with operating performance, and the range of its earnings ratio is reasonable and does not yet give rise to moral hazard arising from the directors' pursuit of short-term performance.

- B. President and Vice President

The remuneration of the President and Vice President of the Company is based on the regulations for the directors' and managerial officers' salary and compensation approved by the Remuneration Committee and the Board of Directors, which includes salaries, bonuses, employee compensation, and other remuneration and allowances approved by the Board of Directors. In addition to considering the salary level to be competitive in the industry to attract outstanding talents to join the company, we also consider the incentive effect and agency cost, and link part of the compensation to the Company's operating performance to maximize the benefits of professional management.

The Company has established the "Regulations for Compensation of Directors and Managers." All forms of remuneration for managers must be reviewed and approved by the Remuneration Committee based on the manager's level of participation in company operations, the value of their contributions, and with reference to industry compensation standards. Such remuneration must also fall within the scope defined in the regulations and be submitted to the Board of Directors for final approval.

To strengthen the alignment of interests between the Company's managers and its shareholders, and to reinforce the Company's commitment to sustainable operations, the "Regulations for Compensation of Directors and Managers" were amended in 2024. The revised policy stipulates that managers (specifically the CEO) must hold company stock equivalent to ten times their base annual salary during their tenure. This shareholding requirement must be fulfilled within five years of assuming the managerial

position, thereby establishing a system for long-term stock ownership by company executives.

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

(I) Board of Directors

The Board of Directors of the Company held seven meetings in the most recent year and 2025 as of the date of the publication of this annual report, and the attendance of the directors and independent directors was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person (by proxy) attendance rate (%)	Note
Chairman	Li, Yun-Li	7	0	100.00	Reappointed on 2024/06/20
Institutional Director	SVIC No. 32 New Technology Business Investment L.L.P. Representative: Sohn, Heon Bae	6	1	85.71	Reappointed on 2024/06/20
Institutional Director	Epistar Corporation Representative: Ou, Chen	6	1	85.71	Reappointed on 2024/06/20
Institutional Director	Konly Venture Corporation Representative: Liao, Wei-Lun	6	1	85.71	Reappointed on 2024/06/20
Institutional Director	Lite-On Technology Corp. Representative: Su, Yu-Hung	7	0	100.00	Reappointed on 2024/06/20
Independent Director	Liu, I-Cheng	4	0	100.00	Reappointed on 2024/06/20; Resigned on 2024/09/25
Independent Director	Gan, Feng-Yuan	7	0	100.00	Reappointed on 2024/06/20
Independent Director	Wang, Wai	6	1	85.71	Reappointed on 2024/06/20
Independent Director	Tao, Yun-Chin	2	0	100.00	Completed his term on 2024/06/20
Independent Director	Huang, Hui-Chu	5	0	100.00	Elected on 2024/06/20

Other information required to be disclosed:

- With regard to the operations of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions, and the Company's response shall be specified:
 - Matters referred to in Article 14-3 of the Securities and Exchange Act:
Our company has established an Audit Committee, so the provisions of Article 14-3 of the Securities and Exchange Act do not apply.
 - In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any Board resolution: None.
- Regarding recusals of directors due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified:

Date/Session of the Board Meeting	Name	Content of the Motion	Reasons for Recusal due to Conflict of Interest	Results of Voting
2024/11/05 3 rd Meeting of the 5 th Board	Huang, Hui-Chu	To appoint an independent director as the internal audit report reviewer.	Recused from participating in discussion and voting in accordance with the law due to conflicts of interest	Independet director Huang, Hui-Chu, was recused from the discussion and voting in

				accordance with the law.
2024/11/05 3 rd Meeting of the 5th Board	Li, Yun-Li	To approve the content and range of the evaluation of individual remuneration of Directors, Independent Directors, and Officers.	Recused from participating in discussion and voting in accordance with the law due to conflicts of interest	Chairman Mr. Li, Yun-Li, was recused from the discussion and voting in accordance with the law, the proposal was approved by the rest of attending directors as proposed without objection.
	Huang, Hui-Chu Gan, Feng-Yuan Wang, Wai	To approve the content and range of the evaluation of individual remuneration of Directors, Independent Directors, and Officers.	Recused from participating in discussion and voting in accordance with the law due to conflicts of interest	Independent Director Huang, Hui-Chu 、 Gan, Feng-Yuan 、 Wang, Wai were recused from the discussion and voting in accordance with the law, the proposal was approved by the rest of attending directors as proposed without objection.

3. Information on the evaluation cycle and period, scope, method, and content of the evaluation of the Company's Board of Directors' self- (or peer) evaluation: In accordance with the Company's Regulations Governing the Evaluation of the Performance of the Board of Directors, the evaluation of the performance of the Board of Directors, the members of the Board of Directors, the Audit Committee, and the Remuneration Committee was completed and the results of each evaluation were excellent, and will report to the Board of Directors on February 26, 2025. Implementation of evaluations on the Board of Directors for the current fiscal year:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Evaluation Content	Evaluation Results
The evaluation is performed once per year.	January 01, 2024 to December 31, 2024	The Board as a whole, the individual directors, and the functional committees (including Audit Committee, Remuneration Committee)	The individual directors, and the functional committees (including Audit Committee, Remuneration Committee)	The performance evaluation of the Board of Directors includes five major areas: participation in the Company's operations, improvement of the quality of Board decisions, Board composition and structure, selection and continuing education of directors, and internal control. The performance of individual Board members is evaluated in six areas: mastery of corporate goals and	<ol style="list-style-type: none"> 1. The Board of Directors' performance self-assessment confirms sound operations in compliance with corporate governance standards. 2. The Audit Committee's performance self-assessment confirms sound operations in compliance with corporate governance standards.

				tasks, awareness of directors' responsibilities, participation in corporate operations, internal relations and communication, professional and continuing education of directors, and internal control. The performance evaluation of the functional committee includes five major aspects: participation in the Company's operation, awareness of the functional committee's responsibilities, improvement of the quality of the functional committee's decision making, composition and selection of functional committee members, and internal control.	3. The Remuneration Committee's performance self-assessment confirms sound operations in compliance with corporate governance standards..
<p>4. Measures taken to strengthen the function of the Board (including establishing the Audit Committee and enhancing information transparency) and results thereof:</p> <p>(1) The Company has made a separate announcement on December 24, 2021, stating that the shareholders will hold a general election of directors (including independent directors) and establish an Audit Committee and appoint all independent directors as members to exercise their duties and responsibilities under the Securities and Exchange Act, the Company Act, and other laws and regulations.</p> <p>(2) On December 24, 2021, the Company established a Remuneration Committee to evaluate the compensation policies and systems for the Company's directors and managers, and has strengthened the Board of Directors to carry out its duties.</p> <p>(3) The Board of Directors of the Company is responsible for directing the Company's strategy; supervising the management, operations, and arrangements of the corporate governance system; exercising its authority in accordance with the provisions of the Act and the Articles of Incorporation or resolutions of the shareholders' meeting; and being accountable to the Company and its shareholders.</p> <p>(4) The Company established a Corporate Governance Supervisor on March 24, 2023, to assist directors in accessing relevant information and providing other necessary assistance for business execution.</p> <p>(5) An additional independent director was elected during the Shareholders' Annual Meeting on June 26, 2023, bringing the total number of independent directors to four, enhancing the supervision of the board of directors. Independent Director Mr. Liu tendered his resignation on September 25, 2024, due to personal business matters. The Company will hold a by-election at the 2025 Annual Shareholders' Meeting to elect a replacement.</p>					

(II) Audit Committee Operations:

In the latest year and as of the date of the Annual Report, the Audit Committee has held a total of 6 meetings, and the independent directors have attended as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person (by proxy) attendance rate (%)	Note
Independent Director	Liu, I-Cheng	3	0	100.00	Resigned on 2024/09/25
Independent Director	Gan, Feng-Yuan	6	0	100.00	—
Independent Director	Wang, Wai	5	0	83.33	—
Independent Director	Tao, Yun-Chin	2	0	100.00	Completed his term on 2024/06/20
Independent Director	Huang, Hui-Chu	4	0	100.00	Convener Elected on 2024/06/20

Other information required to be disclosed:

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

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

Audit Committee Session/Date	Content of motion	Resolution results of the Audit Committee	the Company's Treatment of the Audit Committee's Opinions
2024/03/08 12 th Meeting of the 1 th Audit Committee	To approve the 2023 annual financial statements.	Adopted with the consent of all the members present in the Audit Committee	Adopted with the consent of all the members present in board of director
	To approve the 2023 loss offset proposal.		
	To approve the report on loss incurred by the Company reaching one half of its paid-in capital.		
	To approve the Company's internal audit report on internal control self-assessment and Internal Control System Statement for 2023.		
	To approve the proposed revisions to the Sound Business Plan and the forecast income statement.		
	To approve the change of CPAs to accommodate the internal job rotation of the accountant firm.		
	To approve the evaluation on the independence and suitability of the auditing CPAs.		
	To approve the engagement and compensation of the auditing CPAs for the year of 2024.		
2024/05/09 13 th Meeting of the 1 th Audit Committee	To approve the 2024 Q1 Consolidated Financial Statements along with the draft of the auditor's review report.	Adopted with the consent of all the members present in the Audit Committee	Adopted with the consent of all the members present in board of director
	To issue the first round of employee stock warrants for 2024.		

	2024/8/29 1 st Meeting of the 2th Audit Committee	Appointment of the Convener for the Second Term of the Company's Audit Committee	Adopted with the consent of all the members present in the Audit Committee	Adopted with the consent of all the members present in board of director
		To approve the Consolidate Financial Statements for the second quarter ended June 30, 2024 along with the draft of audit report issued by the independent auditors.		
		To approve the Company's proposal to provide an endorsement/guarantee for its subsidiary, PlayNitride Display Co., Ltd., in applying for a credit facility with Citibank Taiwan.		
	2024/11/05 2 nd Meeting of the 2th Audit Committee	Proposal by the Audit Committee: To approve the Consolidated Financial Statements for the third quarter ended September 30, 2024 along with the draft of audit report issued by the certified public accountants ("CPA").	Adopted with the consent of all the members present in the Audit Committee	Adopted with the consent of all the members present in board of director
		To approve the non-assurance services proposed to be provided in 2025 by KPMG Taiwan.		
		To approve the Audit Plan for 2025.		
		To amend the "General Provisions of the Internal Control System" and "Internal Audit on Sustainability Management Operations".		
		To amend the "Sales and Collection Cycle", "Purchase and Payment Cycle" and the "Payroll and Personnel Cycle".		
		To amend the Level of Authority Table of the Company.		
	2024/12/06 3 rd Meeting of the 2th Audit Committee	To approve the Annual Budget for 2025.	Adopted with the consent of all the members present in the Audit Committee	Adopted with the consent of all the members present in board of director
		To approve the proposal to establish and incorporate a subsidiary in the People's Republic of China.		
		To increase capital by issuing ordinary shares for cash consideration, and to conduct the first issuance of the Secured Convertible Bond in the R.O.C.		
		To amend the Sound Business Plan and the Projected Income Statement.		
	2025/02/26 4 th Meeting of the 2th Audit Committee	To approve the 2024 annual financial statements.	Adopted with the consent of all the members present in the Audit Committee	Adopted with the consent of all the members present in board of director
		To approve the 2024 loss offset table proposal.		
		The Company's losses have reached half of its paid-in capital, and the matter should be submitted to the shareholders' meeting for reporting in accordance with the law.		
		To approve the Company's internal audit report on internal		

	control self-assessment and Internal Control System Statement for 2024.		
	To approve the adoption of the "Sustainability Report Preparation and Verification Procedures"		
	To approve the change of functional currency to New Taiwan Dollar ("NTD")		

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

2. Regarding recusals of independent directors due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.

3. Communications between the independent directors, the Company's chief internal auditor, and CPAs (shall include the material items, methods and results of audits of corporate finance or operations, etc.):

(1) Since the Audit Committee of the Company is composed of all independent directors, the head of internal audit of the Company reports the results of the Company's internal control audits to the Audit Committee through regular audit reports, and the Audit Committee communicates with the auditors from time to time to understand the operating conditions of the Company.

(2) The Company's certified public accountants regularly report the risk assessment of the financial statements and the communication of key auditing matters at the Audit Committee meetings, and report to the Audit Committee members immediately if there are special circumstances. The Company's Audit Committee has good communication with the certified public accountants.

■ The summary of the communication between independent directors and internal auditing officers in 2024 and as of the date of the Annual Report

Date	Focus of communication	Recommendations and results
2024/03/08 Audit Committee	Chief internal auditor made the Internal Audit Business Report. Issued a declaration on the internal control system.	No opinion
2024/05/09 Audit Committee	Chief internal auditor made the Internal Audit Business Report.	No opinion
2024/08/29 Audit Committee	Chief internal auditor made the Internal Audit Business Report.	No opinion
2024/11/05 Audit Committee	Chief internal auditor made the Internal Audit Business Report. Annual audit planning	No opinion
2025/02/26 Audit Committee	Chief internal auditor made the Internal Audit Business Report. Issued a declaration on the internal control system.	No opinion

■ The summary of the communication between independent directors and CPAs in 2024 and as of the date of the Annual Report

Date	Focus of communication	Recommendations and results
2024/03/05	CPAs explained the audit of 2023 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion
2024/05/02	CPAs explained the audit of Q1 2024 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion
2024/08/19	CPAs explained the audit of Q2 2024 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion

2024/10/29	CPAs explained the audit of Q3 2024 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion
2025/02/18	CPAs explained the audit of 2024 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion

4. Annual work highlights and operation status:

The Audit Committee held a total of six meetings during 2024 and as the date of the Annual Report. The main items reviewed include:

(1) Fair presentation of the company's financial statements:

--Review of the 2023 annual financial statements, the first to third quarter financial statements for 2024, and the 2024 annual financial statements.

(2) Competence, independence, and performance of the certifying accountants and certification service cases:

--Review of the competence, independence, and performance of the certifying accountants for 2024.

--Review of the non-assurance services expected to be provided by the certifying accountants in 2025.

(3) Effective implementation of the company's internal control:

--Review of internal audit reports, the 2023 internal control statement, the 2025 audit plan, and the 2024 internal control statement.

(4) Review of the 2025 budget proposal.

(5) Review and amendment of various rules and regulations:

--Reviewed and approved the amendments to internal regulations, including the Internal Control System, Internal Audit Implementation Guidelines, Sustainable Information Management Procedures, Sales and Collection Cycle Procedures, Procurement and Payment Cycle Procedures, Payroll Cycle Procedures, Delegation of Authority Table, and the Procedures for the Preparation and Verification of the Sustainability Report.

(6) Approved the change of the functional currency to New Taiwan Dollar (NTD).

5. Professional Qualifications and Experience of Audit Committee Members: The Audit Committee of the Company is composed of all independent directors, whose professional qualifications and experience are described in the Disclosure of Professional Qualifications of Directors and Independence of Independent Directors on Charter 3 、Corporate Governance Report to the Annual Report.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Does the Company establish and disclose its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and has disclosed them on the Company's website..	No material discrepancies
2. Shareholding structure & shareholders' rights				
(1) Does the Company establish internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations, and implement based on the procedures?	✓		(1) In addition to the protection of shareholders' rights and interests stipulated in the Company's Articles of Incorporation and internal rules, the Company has set up a dedicated unit to handle matters related to the Company's relations with investors in order to properly handle shareholders' proposals, doubts, and disputes. At the same time, the Company has a spokesperson, a proxy spokesperson, and an appointed professional stock agent to handle issues related to shareholders' suggestions, doubts, and disputes.	No material discrepancies
(2) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		(2) The Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders by maintaining good relationship with the investors and through the insiders declaration system.	No material discrepancies

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(3) Has the Company established, and does it execute, a risk management and firewall system within its affiliated companies?	✓		(3) The Company has established the Regulations for Supervising Subsidiaries to implement the risk control and firewall mechanism for its subsidiaries and has established the Management of Related Party Transactions and established and regularly updated the list of related parties in accordance with the regulations of the Regulations. Transactions with affiliated companies are also governed by the provisions of the Regulations and follow general business practices.	No material discrepancies
(4) Has the Company established internal rules against insider trading negotiable securities with undisclosed information?	✓		(4) The Company has established the Procedures Governing the Prevention of Insider Trading to regulate the internal secrecy of material information and prohibited trading procedures to prevent insider trading, and to educate and inform insiders about relevant laws and regulations.	No material discrepancies

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Have a diversity policy and specific management objectives been adopted for the Board and have they been fully implemented?</p> <p>(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Has the Company established standards to measure the performance of the Board, and does the Company implement such annually, and report the results of evaluations to the Board, and use them as a reference for individual directors' remuneration and nomination and renewal?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The company established the "Corporate Governance Practice Guidelines" on February 11, 2022, which were approved by the Board of Directors during their third meeting of the fourth term. These guidelines emphasize the importance of diversity among board members, set management objectives, and generally require board members to possess the necessary knowledge, skills, and qualities to perform their duties effectively. The guidelines are to be implemented accordingly.</p> <p>(2) The Company has established the Remuneration Committee, Audit Committee, and Sustainability Development Committee in accordance with the Company's management plan and will establish other functional committees in the future in accordance with the Company's needs.</p> <p>(3) In order to implement corporate governance and enhance the functionality of the Company's Board of Directors, and to establish performance targets to strengthen the efficiency of the Board of Directors' operations, the Company has established the Rules for Performance Evaluations of the Board of Directors. The evaluation results for the year 2023 were reported to the Board of Directors on March 8, 2024. The evaluation results are disclosed in this annual report regarding the company's corporate governance operations.</p>	<p>No material discrepancies</p> <p>No material discrepancies</p> <p>No material discrepancies</p>

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(4) Does the Company regularly evaluate the independence of the CPAs?	✓		(4) The company conducts an annual assessment of the suitability and independence of the certifying accountants. This assessment is based on the independence statement and audit quality indicators provided by the accountants. In accordance with the Corporate Governance Practice Guidelines, the Audit Committee and the Board of Directors reviewed and approved the independence of the certifying accountants on November 23, 2023, and March 8, 2024.	No material discrepancies
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the Board of Directors and shareholders' meetings, registering the Company, making changes to Company registration, and taking minutes of Board meetings and shareholders' meetings)?	✓		On Mar. 24, 2023, the Company has appointed the Accounting Supervisor, Mrs. Chou, Ting-Hui, as the Corporate Governance Officer to be responsible for the corporate governance related matters. Scope of Responsibilities and 2024 Implementation of the Corporate Governance Officer: <ul style="list-style-type: none"> - The Corporate Governance Officer is primarily responsible for planning and supervising matters related to corporate governance and providing support to the Board of Directors. The scope of duties includes: - Handling matters related to meetings of the Board of Directors, functional committees, and shareholders' meetings in accordance with applicable laws. - Preparing minutes for meetings of the Board of Directors, functional committees, and shareholders' meetings. - Assisting directors with onboarding and continuing education. - Providing directors with the necessary information to perform their duties. - Assisting directors in complying with relevant laws and regulations. 	No material discrepancies

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<ul style="list-style-type: none"> - Reporting to the Board of Directors on the review results regarding whether independent directors meet the legal qualifications at the time of nomination, election, and during their tenure. - Handling matters related to changes in board membership. - Other duties as stipulated in the Company's Articles of Incorporation. <p>Operational Status in 2024:</p> <ul style="list-style-type: none"> - Prepared agendas and meeting materials for the Board of Directors and functional committees, and issued meeting notices seven days prior to each meeting. In 2024, up to the date of publication of the annual report, the Board held 7 meetings, the Audit Committee held 6 meetings, and the Remuneration Committee held 3 meetings. - Held the 2024 Annual General Shareholders' Meeting and disclosed related information within the statutory deadlines. - Completed the renewal of directors' liability insurance. - Arranged director training courses; each director completed at least 6 hours of training in 2024. - The Corporate Governance Officer completed 12 hours of continuing education in 2024. 	
5. Has the Company established communication channels and built a dedicated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		<p>(1) The Company has a spokesperson and an acting spokesperson to serve as a channel for external opinions and follows the internal control system to handle related responses.</p> <p>(2) The company has established a dedicated section for stakeholders on its corporate website, detailing information about stakeholder contact points.</p>	No material discrepancies

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
6. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		This Company has entrusted Agent for Stock Affairs, Yuanta Securities Co., Ltd. to handle shareholders' meeting affairs.	No material discrepancies
7. Information Disclosure				
(1) Does the Company have a corporate website to disclose both the Company's financial operations and corporate governance status?	✓		(1) The Company has disclosed financial, business, and corporate governance information on its official website. Website: http://www.playnitride.com	No material discrepancies
(2) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to handle information collection and disclosure, creating a spokesperson system, or webcasting investor conferences)?	✓		(2) The Company has set up an information disclosure area on the Company's website as listed on the left.	No material discrepancies
(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report the financial statements of the first three quarters, as well as monthly operation results, before the prescribed time limit?		✓	(3) The Company's financial reports are reviewed by the Audit Committee and approved by the Board of Directors. The 2024 annual financial report was approved by both the Audit Committee and the Board on February 26, 2025, and was publicly disclosed and filed on the same day. The financial reports for the first, second, and third quarters of 2024, as well as the monthly operating results, were also disclosed and filed within the required deadlines.	No material discrepancies
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer	✓		(1) Employee rights and benefits: The Company protects the legal rights and benefits of employees in accordance with the Labor Standards Act and personnel regulations, and holds regular labor-management meetings to coordinate labor-management relations.	No material discrepancies

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
policies, and purchase of liability insurance for directors and supervisors)?			<p>(2) Employee care: Our company upholds the concept of a friendly workplace environment to recruit and retain talent and create a good working environment. In addition to the Employee Welfare Committee, we provide employee benefits according to the law, and also provide employee pensions according to the law, add employee group accident insurance, and arrange employee health checkups to seek the greatest welfare for our employees.</p> <p>(3) Investor relations: The Company has set up a corporate website and a spokesperson system as well as an investor relations officer, and has established a smooth communication channel to ensure the rights and interests of investors.</p> <p>(4) Supplier relations: We have good supply chain relationship with our suppliers, optimizing overall production cost.</p> <p>(5) Rights of stakeholders: The Company maintains good communication channels with its employees, customers, and suppliers, and respects and protects their legal rights. Stakeholders may provide their opinions and communicate with the Company at any time, and the Company values such opinions as a reference for future work.</p> <p>(6) Directors' and supervisors' further education: The Company has established an Audit Committee to replace supervisors' function. All directors of the Company have professional backgrounds and have attended further education courses as required by law, obtaining supporting documents.</p> <p>(7) Implementation of Risk Management Policies and Risk Measurement Standards: The Company has</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>established internal control systems, internal audit procedures, and various internal regulations in accordance with applicable laws and executes them accordingly.</p> <p>(8) Implementation of customer policies: The Company maintains stable and strong relationships with its customers to generate corporate profits.</p> <p>(9) The Company purchases liability insurance for its directors and evaluates the coverage amount annually, reporting the results to the Board of Directors. The insurance for 2025 has been secured, and details of the coverage can be found in the "Directors' Liability Insurance" section on the Market Observation Post System (MOPS).</p>	
<p>9. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved:</p> <p>The Company participates in the corporate governance evaluation conducted by the Taiwan Stock Exchange Corporation's Corporate Governance Center. We are revamping the Company's website to enhance the disclosure of corporate information. Additionally, we will continue to assess and consider potential improvements for areas that have not yet achieved full scores.</p>				

(IV) Composition and Operation Status of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Capacity	Criteria Name	Professional qualifications and experience	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as a Remuneration Committee Member
Independent Director (Convener)	Huang, Hui-Chu	Please refer to the Director's Professional Qualifications and Independent Director Independence Information disclosed in the Company Governance Report of this annual report.	None of the three independent directors of the Company is an employee, manager, director, or supervisor of the Company or its affiliates, or a spouse, a relative within the second degree of kinship, or a relative within the third degree of kinship of the aforementioned, or a natural person shareholder who holds more than 1% of the total number of issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children, or others, or a natural person shareholder who directly holds 5% or more of the total number of issued shares of the Company; a director, supervisor, or employee of a corporate shareholder who holds more than 5% of the total issued shares of the Company, the top five shares, or a person designated to act as a director or supervisor of the Company in accordance with Article 27, Paragraphs 1 and 2 of the Company Act, or a director, supervisor, or employee of another company that is controlled by the same person as the Company's directorship or more than half of the voting shares, or a director, supervisor, or employee of another company or organization that is the same person or spouse of the Company's chairman, president, or equivalent; a director, supervisor or employee of another company or organization, or a director, supervisor, manager or shareholder holding more than 5% of the shares of a particular company or organization with which the Company has financial or business dealings, or a professional who provides business, legal, financial, accounting or other related services for the Company or its affiliates, or a sole proprietor, a partner, a business owner of a company or organization whose accumulated compensation for the last two years does not exceed NT\$500,000; or a director, supervisor, manager, or spouse of a company, partnership, or organization, and who is not related to another director by kinship or affinity.	1
Independent Director	Gan, Feng-Yuan			—
Independent Director	Wang, Wai			1

2. Operation Status of the Remuneration Committee

- (1) The Company's Remuneration Committee is comprised of 3 members.
- (2) Current term: August 29, 2024 to June 19, 2027; during the most recent year and 2025 as of the date of publication of the public statement, the Remuneration Committee met three times(A), and the qualifications and attendance of the members are as follows:

Title	Name	Attendance in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) [B/A]	Note
Independent Director	Liu, I-Cheng	1	—	100.00	Resigned on 2024/09/25
Independent Director	Gan, Feng-Yuan	3	—	100.00	—
Independent Director	Wang, Wai	3	—	100.00	—
Independent Director	Huang, Hui-Chu	2	—	100.00	Convener

Other information required to be disclosed:

1. If the Board of Directors refuses to adopt or amend a recommendation from the Remuneration Committee, the date of the meeting, session, contents of the motions, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., the circumstances and cause for the difference if the remuneration passed by the Board of Directors exceeds the recommended amount by the Remuneration Committee) shall be specified: None.
2. With respect to any matter for resolution by the Remuneration Committee, if there is any dissenting or qualified opinion from 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:

Meeting Dates (Sessions)	Content of the Motion	Result of Resolution	Measures Taken by the Company Based on the Opinions of the Remuneration Committee
2024/05/09 13 th Meeting of the 1 st Remuneration Committee	To amend the Company's "Rules Governing Remuneration Rules for Directors and Managers Officers"	Passed as proposed	The proposal was submitted for the resolution by the Board of Directors and was approved as proposed.
2024/11/05 1 st Meeting of the 2 th Remuneration Committee	To amend the Company's "Rules Governing Remuneration for Directors and Managerial Officers" to specify the weight of sustainability indicators in managers' performance evaluations, and to establish a policy on CEO shareholding requirements.	Passed as proposed	The proposal was submitted for the resolution by the Board of Directors and was approved as proposed.
2025/02/26 2 nd Meeting of the 2 th Remuneration Committee	To approve the adoption of the "2024 Employee Stock Subscription Plan for Cash Consideration"	Passed as proposed	The proposal was submitted for the resolution by the Board of Directors and was approved as proposed.
	To approve the subscription of newly issued shares by managerial employees in the 2024 Share Issuance		

(IV-1) Information on the membership and operation of the Nomination Committee:

The Company has not established a Nomination Committee.

(V) The state of the Company's promotion of sustainability development, any deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainability development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainability development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the Board?	✓		<p>In September 2021, the Company's Board of Directors established the Sustainability Development Committee as the highest-level decision-making center for sustainability development within the Company, chaired by the Chairman and Chief Executive Officer. The Chief Sustainability Officer is responsible for actual implementation and works with a number of directors in different functional areas to review the Company's core operational capabilities and to formulate medium- and long-term sustainability plans.</p> <p>The "Sustainable Development Committee" consists of five task force groups that report to the Chief Sustainability Officer (CSO) on the progress of their respective annual implementation plans and established objectives. These groups also share insights on the latest domestic and international policies or trends to strengthen consensus among executives and enhance knowledge on sustainability. This ensures the comprehensive integration of sustainability strategies into the company's daily operations.</p> <p>The CSO reports quarterly to the Board of Directors on the status of sustainable development operations. In 2024, the committee is scheduled to convene four meetings, in March, May, August, and November, during which the progress and outcomes of the annual implementation plans will be presented.</p> <p>The Board of Directors receives regular reports from the management team, and the management must propose corporate strategies to the Board of Directors. The Board of Directors must evaluate the likelihood of success of these strategies and must frequently review the progress of the strategies and urge the management team to make adjustments when necessary.</p>	No material discrepancies
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality and establish relevant risk management policies or	✓		<p>This disclosure covers the Company's sustainability performance for the period from January 2021 to December 2024. The risk assessment boundary is based on the Company and includes its subsidiary, PlayNitride Display Technology Co.</p> <p>The risk assessment criteria, process, results, and risk management policies or strategies for relevant environmental, social, and corporate governance-related</p>	No material discrepancies

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation									
	Yes	No	Summary description										
strategies?			<div>material issues are described below:</div> <table><tr><th>Major issues</th><th>Risk evaluation items</th><th>Description</th></tr><tr><td>Environment</td><td>Environmental impact and management</td><td>1.Through the implementation of process safety management and an institutionalized management cycle, we effectively reduce pollution emissions and environmental impact. 2.In order to comply with environmental regulations, our Company has obtained ISO 14001 Environmental Management certification. 3.In May 2024, the company will conduct a greenhouse gas (GHG) inventory and verification in accordance with the ISO 14064-1 standard. This initiative aims to evaluate the company’ s GHG emissions during operations and assess potential impacts and challenges related to these emissions.</td></tr><tr><td>Society</td><td>Occupational safety and health</td><td>1.All plants have completed ISO 45001 Occupational Health and Safety Management System certification.</td></tr></table>	Major issues	Risk evaluation items	Description	Environment	Environmental impact and management	1.Through the implementation of process safety management and an institutionalized management cycle, we effectively reduce pollution emissions and environmental impact. 2.In order to comply with environmental regulations, our Company has obtained ISO 14001 Environmental Management certification. 3.In May 2024, the company will conduct a greenhouse gas (GHG) inventory and verification in accordance with the ISO 14064-1 standard. This initiative aims to evaluate the company’ s GHG emissions during operations and assess potential impacts and challenges related to these emissions.	Society	Occupational safety and health	1.All plants have completed ISO 45001 Occupational Health and Safety Management System certification.	
Major issues	Risk evaluation items	Description											
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Society	Occupational safety and health	1.All plants have completed ISO 45001 Occupational Health and Safety Management System certification.											

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary description	
				2.Regular fire safety and emergency evacuation drills, as well as hazard identification and risk assessments, are conducted annually. These activities aim to enhance employees' emergency response capabilities and foster self-management of safety practices.
			Corporate governance	1.Through the establishment of a governance organization and the implementation of internal control mechanisms, the Company ensures that all employees and operations comply with the relevant laws and regulations. 2.The products developed by the Company apply for protection under patent law to protect the rights of the Company.
			Strengthening directors' functions	1.The Company plans relevant courses for the continued professional development of directors and provides the directors with the latest regulations, developments, and policies. 2.The Company carries directors' liability insurance

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation				
	Yes	No	Summary description					
			<table><tr><td></td><td>to protect them from the risk of legal liability arising from litigation or claims.</td></tr><tr><td>Communication with stakeholders</td><td>1.In order to avoid misunderstanding caused by the difference in position between stakeholders and the Company, which may lead to operational or litigation risks, the Company analyzes the issues of interest to stakeholders and their concerns annually starting from 2021. 2.Various communication channels have been established to actively communicate and reduce confrontation. Investor mailbox was established; and the spokesperson or investor relations department shall handle and respond to the messages.</td></tr></table>		to protect them from the risk of legal liability arising from litigation or claims.	Communication with stakeholders	1.In order to avoid misunderstanding caused by the difference in position between stakeholders and the Company, which may lead to operational or litigation risks, the Company analyzes the issues of interest to stakeholders and their concerns annually starting from 2021. 2.Various communication channels have been established to actively communicate and reduce confrontation. Investor mailbox was established; and the spokesperson or investor relations department shall handle and respond to the messages.	
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3. Environmental issues (1) Has the Company established environmental management systems based on the characteristics of its industry?	✓		(1) The Company and its subsidiaries have established an environmental management system in accordance with ISO 14001 and have continuously passed third-party certification and conduct annual system certification in accordance with ISO 14001.	No material discrepancies				

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary description	
(2) Does the Company endeavor to improve energy use efficiency and use renewable materials which have low impact on the environment?	✓		<p>(2) We are actively promoting various energy reduction measures, using equipment with high energy efficiency and energy-saving design to reduce corporate and product energy consumption, and expanding the use of renewable energy to optimize energy efficiency.</p> <ul style="list-style-type: none"> a. Review the types of energy use, regions, and measurement methods in 2021, and improve the measurement methods in 2022 to ensure the reliability of the data in line with the increase in production capacity. b. Improve monitoring of office air conditioning and lighting energy use, and develop energy-saving plans based on monitoring data. c. Review the efficiency of existing machinery and equipment, evaluate the use of high-efficiency equipment, and reduce energy consumption. d. The cleaning tank for multi-tank processing was evaluated to enhance utilization efficiency and save water resources. 	No material discrepancies
(3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		<p>(3) The Company has established, implemented and maintained its climate change strategy and objectives, managed climate change risks and opportunities, and reviewed the implementation status and discussed future plans with the Sustainability Committee as the top organization for climate change management.</p>	No material discrepancies

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary description	
<p>(4) Does the Company take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and formulate policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?</p> <p>4. Social issues</p> <p>(1) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓	✓	<p>(4) The company has completed a greenhouse gas inventory in May 2022 and has implemented ISO 14064 to conduct relevant data inventory and statistical analysis for the purpose of formulating management policies and promoting the operation of the management system.</p> <p>The Company is committed to environmental protection and passed the ISO 14001 Environmental Management System certification in 2020, and has set KPIs for waste and solvent reduction, which are reviewed annually by the Sustainability Development Committee. In order to achieve sustainable resource reuse, we focus on process improvement, reduction of raw material usage, and recycling of waste resources before finally adopting incineration and other disposal measures.</p> <p>(1) We recognize and voluntarily follow internationally recognized human rights standards such as the Universal Declaration of Human Rights, the UN Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the United Nations International Labour Organization, To ensure workplace equality and protect against harassment, the company has established clear guidelines within its "Workplace Regulations" and "Measures for the Prevention, Complaint, Investigation, and Handling of Sexual Assault and Harassment." These policies outline complaint procedures and channels, ensuring a harassment-free work environment and promoting gender equality. A human rights policy has been implemented and is integrated into the onboarding training program for new employees. Awareness is further reinforced through physical bulletin boards and system-wide announcements, ensuring all employees understand their rights and the complaint mechanisms available to them. The PlayNitride's practical human rights protection policies are outlined as follows:</p>	<p>The Company will handle such issues according to the Company needs or provisions in laws and regulations in the future.</p> <p>No material discrepancies</p>

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary description	
(2) Does the Company formulate and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and appropriate employee compensation based on operating performance or results?	✓		<p>a. Provide a safe, healthy, and harassment-free work environment.</p> <p>b. Eliminate unlawful discrimination and ensure equal opportunities in the workplace.</p> <p>c. Prohibit the employment of child labor.</p> <p>d. Forbid all forms of forced labor.</p> <p>e. Foster an environment that encourages open communication and adopt an open management approach.</p> <p>f. Support and assist employees in maintaining physical and mental well-being, as well as achieving work-life balance.</p> <p>g. Regularly review and evaluate relevant policies and practices.</p> <p>(2) A summary of the Company's employee benefit measures and their implementation is as follows:</p> <p>a. <u>Employee Compensation</u> The Company's salary is based on the principle of external-internal balance, and reasonable salaries are set according to internal regulations. The annual bonus system distributes bonuses to all employees after considering the Company's annual operations and taking into account employees' seniority and annual performance, in order to motivate all employees to work together for the Company's goals.</p> <p>b. <u>Employee Welfare</u> The Company has established an Employee Welfare Committee, which plans and provides quality benefits such as birthday coupons and Labor Day coupons, encourages employees to establish and participate in clubs, and provides corresponding subsidies.</p> <p>c. <u>Diversity and Equality in the Workplace</u> The ratio of male to female employees is approximately even, with 55% male employees and 45% female employees in 2024, and the percentage of female senior executives (above the departmental level) also reaches 10.5%. We also implement equal compensation conditions and promotion opportunities, along with equal pay for equal work, for all genders.</p>	No material discrepancies

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary description	
(3) Does the Company provide a healthy and safe work environment, and does it organize health and safety training for its employees on a regular basis?	✓		<p>d. <u>Operating Performance is Reflected in Employee Compensation</u></p> <p>The Company adjusts salaries annually in accordance with market salary levels, economic trends, and individual performance, with an average salary increase of 9% in 2024 to maintain overall salary competitiveness; in addition, performance bonuses are awarded to employees with outstanding performance.</p> <p>(3) In order to promote the safety and health management of operation-related activities, products, service processes, and related stakeholders, the Company establishes, implements, and maintains the procedures and standards of the management system in accordance with the requirements of the ISO 45001 international standard, effectively managing any negative impact on safety and health or non-compliance and carrying out continuous improvement of safety and health performance.</p> <p>In accordance with the management system and regulatory requirements, the Company implements occupational safety and health education and training for each new employee, and regularly conducts refresher training, emergency response education and training, and related measures for all employees to deepen their understanding of safety concepts, which are also included in the annual education and training plan for ongoing implementation. The number of occupational safety and health education training sessions implemented in 2024 was 1109, for 902 person-hours.</p>	No material discrepancies

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary description	
(4) Has the Company established effective career development and training plans for its employees?	✓		<p>The Company takes disaster prevention as the core concept behind its use of appropriate management tools, mature techniques, and available resources to propose effective countermeasures for occupational safety and health problems in plants. It also continues to refine and promote occupational safety culture, strengthen the protective management of operators, and invest resources into strengthening occupational injury and disease prevention in order to create a zero-hazard environment. The number of incapacitating injuries in 2024 was 0; 2 near-miss incidents were reported, and subsequent actions were taken to improve operational procedures and educate personnel to prevent recurrence.</p> <p>The Company has a work safety inspection plan. The Department of Work Safety conducts weekly factory inspections and asks each department to respond with improvement measures and completion dates for the items that need to be improved. The Department of Work Safety conducts review and acceptance, and reviews any deficiencies at quarterly Occupational Safety and Health Committee meetings.</p> <p>(4) Talent is the key driver behind PlayNitride's continuous innovation and ability to maintain its leadership in the industry. The company aspires to cultivate employees with innovative thinking and action-oriented mindsets, adhering to the principle of "nurturing talent and caring for employees." To this end, PlayNitride has established five academies—General Education Academy, Process Academy, Quality Academy, Leadership Academy, and Future Academy. These academies are aligned with specific competencies, creating an excellent training mechanism led by in-house instructors who conduct regular courses. By offering diverse and open learning opportunities, PlayNitride adds value to its talent pool through training and development. Additionally, foundational courses are gradually being converted into online modules, preserving corporate knowledge and experience for future generations.</p> <p>PlayNitride provides a variety of educational and training programs to enhance employees' professional capabilities in the workplace. The company offers comprehensive training programs, including on-the-job training (OJT), and encourages employees to participate in external corporate training programs. From the moment they join, employees across various roles and levels are supported with sufficient resources and systematic training plans tailored to each stage of their development.</p>	No material discrepancies

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary description	
(5) Does the Company comply with the relevant laws and international standards with regards to customer health and safety, client privacy, and marketing and labeling of products and services, and implement consumer/client protection and grievance policies?	✓		<p>The company's training programs include onboarding education for new employees, MicroLED general courses, professional courses, and management training for supervisors. These programs are further categorized into specialized areas such as engineering, quality, and leadership. In addition to hiring external expert lecturers for specific projects, the company actively develops internal instructors to ensure the inheritance of critical technologies.</p> <p>PlayNitride is committed to cultivating talent across diverse fields, fostering professional capabilities in interdisciplinary research and development, production, manufacturing, quality, and management. This approach ensures readiness for the future wave of intelligent innovation and the integration of a cross-disciplinary talent pool.</p> <p>(5) We have set up a management mechanism for raw materials and logistics to control the value chain of our products and continuously track product safety information to fulfill our commitment to product safety.</p> <p>The Company has a customer data protection management system and policy to manage and protect the privacy of our customers. Through internal auditing, external verification and training, we keep a tight grip on our clients' confidential information.</p> <p>With regard to customer service, our dedicated product managers proactively check and confirm the implementation of customer service policies; accept customer complaints; assist sales colleagues in handling customer cases, and securely protect customer rights.</p>	No material discrepancies
(6) Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on issues, such as environmental protection, occupational safety and health, or labor rights? If so, describe the results.	✓		<p>(6) The company has developed the PlayNitride Supplier Code of Conduct by referencing the Responsible Business Alliance (RBA) Code of Conduct. Suppliers are required to comply with standards related to labor, health and safety, environment, business ethics, and management systems. We aim to collaborate with suppliers in operational and sustainability aspects to build a more resilient MicroLED industry supply chain.</p> <p>In 2024, supply chain management was further strengthened by requiring all key suppliers to sign the "Supplier Code of Conduct Commitment" and the "Integrity Management Policy." Through phased implementation, regular monitoring, and review mechanisms, 100% of key suppliers completed the signing process by the end of 2024, establishing consistent standards of</p>	No material discrepancies

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary description	
			responsibility and compliance, thereby enhancing supply chain transparency and compliance. For the first time in 2024, an ESG self-assessment mechanism was introduced. ESG self-assessment questionnaires covering environmental protection, social responsibility, and corporate governance were distributed to key suppliers. The response rate was 100%, with an average score of 96 points, demonstrating a high level of supplier cooperation. Moving forward, the company will conduct ESG self-assessments on a biennial basis to continuously deepen sustainable supply chain management and jointly promote the long-term development of the industry with its suppliers.	
5. Does the Company refer to internationally accepted standards or guidelines for the preparation of reports and prepare reports that disclose non-financial information of the Company, such as Sustainability Reports? Are the reports certified or assured by a third-party verification unit?	✓		In 2024, the Company has prepared the Sustainability Report in accordance with the GRI Standards issued by the Global Sustainability Reporting Association, which was published on its official website in September.	No material discrepancies
6. If the Company has its own code of sustainability development in accordance with the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the code: The Company has established a code in accordance with the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and continues to follow the provisions of that code. There are no major discrepancies.				
7. Other important information to facilitate better understanding of the Company's promotion of sustainability development:				
<p>(1) Employee Care: Organized two health promotion seminars, focusing on efficient sleep and ultra-slow running, as well as two sports activities focused on accumulated mileage on stationary cycling and daily ultra-slow running.</p> <p>(2) Public service participation: In 2024, the company organized a flea market charity sale, with proceeds donated to the Miaoli Family Support Center in Zhunan Township, Miaoli County. In February, the company sponsored the "PIDA 2024 Siyuan STEM Creative Competition," a science contest for high school and vocational students focusing on caring for the Earth's ecology. In May, an enthusiastic employee blood donation campaign was launched at the plant. In September, employees were called upon to participate in the "2024 Tribute to the Sea — Joint Autumn Beach Cleanup Event" involving four counties and cities in the Taoyuan, Hsinchu, Zhubei, and Miaoli regions. In November, a stage play event themed on gender equality and diversity and inclusion was held.</p>				

Items	State of Implementation			Any deviation from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation
	Yes	No	Summary description	
(3) Human rights protection: The Company has set out the methods and channels for complaints of sexual harassment in the workplace in the Code of Conduct and Regulations for Sexual Assault and Sexual Harassment Prevention and Control Measures, Complaint, Investigation, and Handling to ensure that employees of all genders have equal rights and are free from harassment in the workplace.				

(V-1) Climate-Related Disclosure

Item	Implementation										
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>PlayNitride began monitoring issues related to climate change in 2023. In 2023 Q3, we began promoting governance on climate change risks and opportunities by establishing the Climate Risk Management Working Group responsible for coordinating the identification and assessment of climate change risk and opportunities. As of 2024, climate-related issues will be reported to the Board of Directors after Q3. Integration of the climate change risk management process and corporate risk management mechanism is planned for the future.</p> <table> <tr> <th>Unit</th><th>Role and Responsibility</th></tr> <tr> <td>Board of Directors</td><td>The top climate change governance body responsible for supervising the effectiveness of climate change risk and opportunity management.</td></tr> <tr> <td>Sustainability Committee</td><td>The Committee is composed of the heads of each department and is responsible for discussion and decision-making issues relating to sustainability and climate.</td></tr> <tr> <td>Climate Governance Team</td><td>The Team is responsible for the promotion of climate change risk and opportunity management activities. It also convenes related units for assessing and managing risks and opportunities.</td></tr> <tr> <td>Related Units</td><td>Related units are responsible for cooperating with climate risk and opportunity assessments, as well as the planning and implementation of response plans.</td></tr> </table>	Unit	Role and Responsibility	Board of Directors	The top climate change governance body responsible for supervising the effectiveness of climate change risk and opportunity management.	Sustainability Committee	The Committee is composed of the heads of each department and is responsible for discussion and decision-making issues relating to sustainability and climate.	Climate Governance Team	The Team is responsible for the promotion of climate change risk and opportunity management activities. It also convenes related units for assessing and managing risks and opportunities.	Related Units	Related units are responsible for cooperating with climate risk and opportunity assessments, as well as the planning and implementation of response plans.
Unit	Role and Responsibility										
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Climate Governance Team	The Team is responsible for the promotion of climate change risk and opportunity management activities. It also convenes related units for assessing and managing risks and opportunities.										
Related Units	Related units are responsible for cooperating with climate risk and opportunity assessments, as well as the planning and implementation of response plans.										

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short-, medium-, and long-term).

Climate risk awareness training was conducted by PlayNitride in 2023. Climate risk and opportunity assessment was then carried out by nine related units. A total of 18 risk factors with potential short-, medium-, and long-term impacts as well as 15 potential opportunities were identified as a result. After internal and external discussions, four significant risks and four types of potential opportunities were identified and confirmed by the Climate Risk Management Team. No changes were identified following the 2024 review.

	Significant Risk	Interval	Impact Dimension	Potential financial impact	Description
Physical Risk	Short-term Physical: Flooding	Short-term (1 ~ 3 years)	Direct operations	Decrease in income due to reduction in production capacity	Production operations at plant sites may be impacted by flooding due to disruption of incoming material deliveries, failure of the sewage treatment tank, and so on.
Physical Risk	Short-term Physical: Typhoon	Short-term (1 ~ 3 years)	Direct operations	Increase of indirect costs	Plant may be damaged by typhoon.
Physical Risk	Short-term Physical: Drought	Medium-term (3 ~ 5 years)	Direct operations, upstream suppliers	Decrease in income due to reduction in production capacity	Severe water shortages may impact the production activities of upstream suppliers. This may impact the supply of key raw materials to PlayNitride and affect production.
Transformation risk	Market: Increase in raw material costs	Medium-term (3 ~ 5 years)	Direct operations, upstream suppliers	Increase in direct costs, increase in indirect costs	The transportation of raw materials and the cost of production for suppliers of raw materials may be affected by climate change, leading to higher costs for key raw materials (chips, substrate etc.) at PlayNitride.

Transformation opportunity	Potential financial impact	Description
Market: Leverage public sector incentive regulations	Decrease of indirect costs	Short-term: Assessment and planning of equipment upgrade schedules that take advantage of policy incentives
Energy source: Use of clean energy	Increase in income due to increased demand for products and services	Medium- and long-term: Reducing product carbon footprint through planned purchase of green electricity in the future may lead to increased demand
Resilience: Strengthening of internal management mechanisms	Decrease of indirect costs	Short-term: Refinement of risk management mechanism, establishment of emerging risk management process, introduction of business continuity planning and energy systems, as well as the assessment and planning of related implementation schedules

Item	Implementation		
	Resource efficiency: Reduction of water usage and consumption, adoption of more efficient transportation methods, and using more efficient production and distribution processes	Decrease of direct and indirect costs	Short-term: Continued assessment of feasibility Medium- and long-term: Invest in the establishment of related systems and equipment
3. Describe the financial impact of extreme weather events and transformative actions.	Item	Description	Financial impact
	Extreme weather events	Based on the outcomes of risk identification, extreme weather events that represent a risk to PlayNitride include flooding, drought, and typhoons. These may result in damage to factory buildings, and disruptions to transportation and production in the supply chain.	Increase in indirect costs: Plant repairs, plant disaster preparations etc. Increase in direct costs: Higher raw material costs. Decrease in income due to reduction in production capacity: Decrease in production output due to impact on transportation of essential raw materials and failure of production equipment.
	Transformative actions	Initiatives that PlayNitride may promote in response to climate change based on the outcomes of opportunity assessment: Leverage public sector incentive regulations, use of clean energy, strengthening of internal management mechanisms, improving resource efficiency etc.	Decrease of indirect costs: Improve resource efficiency, reduce management costs. Decrease of direct costs: Improve resource efficiency, reduce resource consumption. Increase in income due to increased demand for products and services: Reduction in product carbon footprint may lead to more customers.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Risk and opportunity inventory	Climate change risks and opportunities were mapped using TCFD recommendations, industry-related information, and internal/external discussions to conduct a preliminary assessment of risk and opportunity factors related to PlayNitride.	
	Risk and opportunity assessment	1. Convening inter-departmental meetings and discussions, as well as hosting climate risk and opportunity awareness training. 2. The relevant departments were convened to conduct an assessment of risks and opportunities. Internal/external confirmation and discussion were also conducted of the assessment outcomes to determine the impact of the relevant risk factors, the interval at which they are likely to occur, and the potential financial impact.	
	Response planning	Response planning is carried out by the relevant departments for potential risks and opportunities identified as significant based on the Company’ s existing business development strategy. These are also periodically confirmed and reported on at the Sustainability Committee.	
	Supervision and reporting	The Board of Directors is expected to be briefed on related implementation outcomes on a quarterly basis.	

Item	Implementation
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.	Domestic policies, laws and regulations and international assessment reports were used as a reference by PlayNitride for setting the climate risk and opportunity assessment scenarios. Transformation risk was based mainly on the 2050 Net Zero scenario, physical risk was based mainly on the Shared Socioeconomic Pathway (SSP) (SSP is divided into five scenarios, namely economic growth, globalization, land-use changes, technological development, and education opportunities).
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.	The climate change risk and opportunity management project was launched by the Company in 2023. Further initiatives will be launched based on project planning in the future including setting climate-related targets, assessment of transition planning and internal carbon pricing, and the timetable for setting climate-related indicators and targets.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	
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.	Since 2023, the company has planned and implemented a climate change risk and opportunity management project. The 2023 greenhouse gas (GHG) inventory and verification have been completed, and the 2024 inventory has also been finalized and is currently undergoing certification as of May. Project outcomes are periodically reported to the Board through the Sustainability Committee. Decisions are issued by the Board before continuing with project implementation. With regards to transition plans, internal carbon pricing, and setting climate-related indicators and targets, current plans call for these to be formulated in 2024 and submitted to the Board for approval before implementation.
9. Greenhouse gas inventory and assurance status, and reduction targets, strategies, and concrete action plans (separately fill out in 1-1 and 1-2 below)	2022 GHG inventory and verification were reported to the Board in 2023. As for concrete reduction targets, strategies and actions, an assessment will be carried out in 2024. They will then be submitted to the Board for approval prior to implementation.

(V-1-1) Greenhouse Gas (GHG) Inventory and Assurance Over the Past Two Years

1-1-1 Greenhouse Gas Inventory Information

The following table presents the Company's greenhouse gas (GHG) emissions in the past two years, including emissions volume (metric tons of CO₂e), intensity (metric tons CO₂e per NT\$ million), and data coverage:

Year	Scope 1	Scope 2	Scope 3	Total	Emissions Intensity (Scope 1)	(Scope 2)	(Scope 3)	Total Intensity
2023	1,290.93	3,780.51	948.95	6,020.39	1.37	4.01	1.00	6.38
2024	1,512.01	3,302.47	895.69	5,710.17	0.86	1.87	0.50	3.23

The data coverage includes all entities under the operational control of PlayNitride Inc.

1-1-2 Greenhouse Gas Assurance Information

As of the publication date of this annual report, the GHG assurance status for the most recent two years is as follows:

- 2023: The assurance covered all sites operated by the Company. The Industrial Technology Research Institute (ITRI) was commissioned to perform third-party verification, and a verification opinion was obtained.
- 2024: As of May, the assurance process is still ongoing.

1-2 GHG Emission Reduction Targets, Strategies, and Action Plans

Describe the baseline year and corresponding GHG emissions data, the reduction targets, strategies, concrete action plans, and the progress toward achieving the reduction targets.

The Company has designated 2021 as the base year, with GHG emissions of 5,228 metric tons CO₂e. The target is to achieve a 17% reduction by 2030. The primary reduction strategy is to improve energy efficiency. While the Company remains in a growth phase, all emission reduction efforts are in alignment with domestic regulatory requirements. Notably, significant progress is reflected in the reduction of emissions intensity.

(VI) Implementation of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs (1) Does the Company have a Board-approved ethical corporate management policy and has it stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and senior management towards implementation of such policy?	✓		(1) The Company has established the Procedures for Ethical Management and Guidelines for Conduct, Ethical Corporate Management Best Practice Principles and Codes of Ethical Conduct in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. The Board of Directors and the management are fully aware of and actively implement the relevant codes of practice, and they are practically implemented in the internal management and external business activities.	No material discrepancies
(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risks of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct accordingly and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		(2) The Company follows the principle of integrity and strictly prohibits bribery and accepting bribes, and explicitly prohibits illegal contributions. In addition, from time to time, we provide training to our employees on corporate ethics and corporate governance.	No material discrepancies
(3) Does the Company define operating procedures, codes of conduct, disciplinary actions, and	✓		(3) See above.	No material discrepancies

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Summary description	
appeal procedures in the programs against unethical conduct? Does the Company enforce the programs effectively and perform regular reviews and amendments?				
2. Fulfillment of ethical corporate management (1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) The Company's business counterparties are audited by the Company's Supplier Management Procedures and the suppliers/outsourcers with whom the Company has cooperated are regularly audited and evaluated, and relevant business integrity terms and conditions are stipulated in the contracts.	No material discrepancies
(2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors that reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		(2) The Company has designated a dedicated unit to handle the revision and implementation of the Procedures and Guidelines for Integrity Management, and to report the implementation status to the Board of Directors on a regular basis. And provide a report on the implementation of integrity management at Board of Directors held on February 26, 2025.	No material discrepancies
(3) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	✓		(3) Directors who have an interest in business dealings shall inform their supervisors in advance and recuse themselves to avoid conflicts of interest; and directors who have an interest in themselves and their representatives that may be detrimental to the Company's interests may present their opinions and answer questions, but shall not participate in discussions or votes.	No material discrepancies
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management?	✓		(4) The Company has established an effective accounting system and an internal control system; and the internal auditors audit the	No material discrepancies

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary description	
Does the internal audit unit devise audit plans based on the results of unethical conduct risk assessments and audit the systems accordingly to prevent unethical conduct, or hire external CPAs to perform the audits?			compliance of said systems and reported to the Board of Directors regularly.	
(5) Does the Company regularly hold internal and external educational training on ethical corporate management?	✓		(5) Education and training is provided to employees so that they can fully understand the Company's determination, policies, prevention programs, and consequences of integrity violations. We have also set up an employee grievance channel to ensure communication between employees and the Company, establish harmonious labor relations, and build consensus.	No material discrepancies
3. Operation of the whistle-blowing system				
(1) Has the Company established both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party for follow-up?	✓		The Company has established Ethical Corporate Management Best Practice Principles which stipulate a reward/whistle-blowing system and convenient whistle-blowing channels, and assigned appropriate personnel for the follow-up.	No material discrepancies
(2) Does the Company have in place standard operating procedures for investigating accusations, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓			
(3) Does the Company provide proper whistle-blower protection?	✓			
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	✓		The Company has established various ethical management systems and discloses the relevant information on the Company's website for the public to review at any time.	No material discrepancies
5. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the				

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Summary description	
implementation and any deviations from the Principles: The Company has established Ethical Corporate Management Best Practice Principles. Currently, the Company is in compliance with said Best Practice Principles for its internal operations. There are no material discrepancies with the established Best Practice Principles.				
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):				
(1) The Company complies with Company Act, Securities and Exchange Act, Business Entity Accounting Act, Act on Recusal of Public Servants Due to Conflicts of Interest as well as relevant regulations for the listed companies or other business entities as basic premise for fulfilling good faith management. The Company also fully dedicates in environmental and quality policies by adopting high standards.				
(2) The Company has established the "Rules of Procedure for Board of Directors Meetings," which include a system for directors to avoid conflicts of interest. If a director has a personal interest, or represents a legal entity that has an interest, in any matter on the meeting agenda, they must disclose the material aspects of such interest at that board meeting. If there is a likelihood that the matter could harm the interests of the Company, the director must refrain from participating in the discussion or voting on the matter, must recuse themselves during the discussion and voting process, and may not act as a proxy to vote on behalf of other directors.				
(3) The Company has set up the “Regulations Governing the Prevention of Insider Trading” which stipulates that upon actually knowing of any material information, the insiders, shall not purchase or sell shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure in case accidentally violate insider trading because they are not familiar with the regulations.				
(4) The Company stipulates “Procedures for Handling Material Inside Information” to establish sound mechanisms for the handling and disclosure of material inside information in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by this Corporation to the public. The procedure regulates that no director, supervisor, managerial officer, or employee with knowledge of material inside information of the Company may divulge the information to others, nor inquire about or collect any non-public material inside information of this Company not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.				
(5) In 2024, the Company conducted a personal data protection audit, which included an inventory of personal data handled by the responsible departments. This was to ensure that the collection, processing, and use of personal data by each responsible unit complies with the Personal Data Protection Act.				

(VII) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance:

1. The company purchases liability insurance for directors:

Insured entity	Insurance Company	Insurance amount	Period of insurance
Directors	AIG Asia Pacific Insurance Pte. Ltd., Taiwan Branch	USD3,000,000	Apr. 1, 2024 ~ Apr. 1, 2025

2. State of Directors and Managerial Officers Pursuing Continuing Professional Development in 2024:

Title	Name	Date	Organizer	Course	Training Hours	Course Categories
Chairman and CEO	Li, Yun-Li	2024/08/08	Taiwan Corporate Governance Association	Prevention of Insider Trading, Corporate Legal Practices, and Updates on Offshore Company Regulations	3	Governance
		2024/12/09		Employee Incentive Instruments and Related Tax and Accounting Treatments	3	Governance
Representative of Institutional Director	Sohn , Heon-Bae	2024/02/06	Taiwan Corporate Governance Association	Board's Response and Utilization to Corporate Governance Evaluation	3	Governance
		2024/02/27		Practicalities of Publicly Listed Company Board and Shareholders' Meetings	3	Governance
		2024/03/12		How Directors Fulfill the "Duty of Care" and "Duty of Loyalty"	3	Governance
		2024/03/26		Business Operations and Crisis Management	3	Governance
Representative of Institutional Director	Ou, Chen	2024/05/02	Taiwan Corporate Governance Association	Ensuring Corporate Sustainability: The Board's Role in Talent Identification and Development	3	Governance, Environment, Social
		2024/08/08		Prevention of Insider Trading, Corporate Legal Practices, and Updates on Offshore Company Regulations	3	Governance
		2024/12/09		Employee Incentive Instruments and Related Tax and Accounting Treatments	3	Governance
Representative of Institutional Director	Su, Yu-Hung	2024/08/08	Taiwan Corporate Governance Association	Equity Structure, Incentive Tools, and M&A Essentials for Startups	3	Governance
		2024/12/09		Trends and Risk Management in Digital Technology and Artificial Intelligence	3	Governance
Representative of Institutional Director	Liao, Wei-Lun	2024/08/03	Taiwan Corporate Governance Association	Legal Strategies and Risk Controls for Cross-Border M&A	3	Governance
		2024/08/08		Enterprise Reputation Risk Management	3	Governance
Independent Director	Gan, Feng-Yuan	2024/08/08	Taiwan Corporate Governance Association	Net Zero Emission Trends and Adaptation Strategies for the Paper Industry; Carbon Trading Operations and Support for Net Zero Goals	3	Governance
		2024/12/02		AI and the Industrial Revolution: Generative AI Systems Based on the iFA Framework	3	Governance
Independent Director	Wang, Wai	2024/08/08	Taiwan Corporate Governance Association	2023 Cathay Sustainable Finance and Climate Change Summit	3	Governance
		2024/11/12	Taiwan Corporate Governance Association	A Board-Level Perspective on Mergers and Acquisitions	3	Governance
		2024/12/09	Taiwan Corporate Governance Association	Employee Incentive Instruments and Related Tax and Accounting Treatments	3	Governance
Independent Director	Huang, Hui-Chu	2024/08/08	Taiwan independent director association	How Boards Construct Sustainable Governance Strategies? Latest ESG Sustainable Information Disclosure Governance Standards	3	Governance
		2024/09/05	Taiwan Academy Of Banking And Finance	Trust Business Supervisor Workshop	3	Governance
		2024/11/13	Taiwan corporate governance association	Enterprise Mergers and Acquisitions Strategy and Planning	3	Governance, Environment, Social

Chief Accounting Office and Chief Corporate Governance Officer	Chou, Ting- Hui	2024/02/06	The Allied Association for Science Park Industries	Board of Directors' Response to and Utilization of Corporate Governance Evaluations	3	Governance
		2024/02/27	Taiwan Corporate Governance Association	Practical Aspects of Board and Shareholders' Meetings in Public Companies	3	Governance
		2024/08/08	Taiwan Corporate Governance Association	Prevention of Insider Trading, Corporate Legal Practices, and Updates on Offshore Company Regulations	3	Governance
		2024/12/09	Taiwan Corporate Governance Association	Employee Incentive Instruments and Related Tax and Accounting Treatments	3	Governance
		2024/12/12	Accounting Research and Development Foundation	Continuing Education Program for Issuers, Underwriters, Stock Exchange, and Accounting Officers	12	Governance
Chief Operation Officer	Chen, Ming-Jang	2024/08/08	Taiwan Corporate Governance Association	Prevention of Insider Trading, Corporate Legal Practices, and Updates on Offshore Company Regulations	3	Governance
		2024/12/09	Taiwan Corporate Governance Association	Employee Incentive Instruments and Related Tax and Accounting Treatments	3	Governance
Vice President	Wang, Jiun-Shiung	2024/08/08	Taiwan Corporate Governance Association	Prevention of Insider Trading, Corporate Legal Practices, and Updates on Offshore Company Regulations	3	Governance
		2024/12/09	Taiwan Corporate Governance Association	Employee Incentive Instruments and Related Tax and Accounting Treatments	3	Governance
Associate and President of PlayNitride Display	Lin, Tzu-Yang	2024/08/08	Taiwan Corporate Governance Association	Prevention of Insider Trading, Corporate Legal Practices, and Updates on Offshore Company Regulations	3	Governance
		2024/12/09	Taiwan Corporate Governance Association	Employee Incentive Instruments and Related Tax and Accounting Treatments	3	Governance
Director and Vice President of PlayNitride Display	Lin, Ching-liang	2024/08/08	Taiwan Corporate Governance Association	Prevention of Insider Trading, Corporate Legal Practices, and Updates on Offshore Company Regulations	3	Governance
		2024/12/09	Taiwan Corporate Governance Association	Employee Incentive Instruments and Related Tax and Accounting Treatments	3	Governance
Vice President of PlayNitride Display	Chuang, Cheng-daol	2024/08/08	Taiwan Corporate Governance Association	Prevention of Insider Trading, Corporate Legal Practices, and Updates on Offshore Company Regulations	3	Governance
		2024/12/09	Taiwan Corporate Governance Association	Employee Incentive Instruments and Related Tax and Accounting Treatments	3	Governance

(VIII) Disclosures Required for the Implementation of the Internal Control System:

1. Statement on Internal Control

Statement on Internal Control System

Date: February 26, 2025

PlayNitride Display states the following with regard to its internal control system during the year of 2024 based on the results of self-evaluation:

- (1) The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and managerial officers, and the Company has established such an internal control system. Our internal control system is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), the reliability, timeliness, and transparency of our reporting, and our compliance with applicable rulings, laws, and regulations
- (2) The internal control system has inherent limitations. No matter how robust and effective the internal control system is, it can only provide a reasonable assurance of the achievement of the foregoing three goals; in addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified
- (3) The Company assesses the effectiveness of its internal control system's design and implementation using the criteria outlined in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereafter referred to as the Regulations). Said criteria divide internal control into five elements based on the process of management control: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring Activities. Each element contains several items. Please refer to the Regulations.
- (4) The Company has adopted the aforesaid assessment items for the internal control system to determine whether the design and implementation of the internal control system are effective.
- (5) Based on the results of aforementioned evaluation, it is found that the internal control system (including the supervision and management of subsidiaries) of PlayNitride in December 31, 2024 was effective in design and implementation, that it reasonably assures the attainment of aforesaid goals, including the effectiveness and efficiency of business operations, reliability, timeliness, and transparency of financial reporting, and that it is in compliance with relevant regulatory requirements.

- (6) Pursuant to Article 4-1 of the Operational Procedures for the Review of Foreign Securities for Listing by the Taiwan Stock Exchange Corporation, the Company engaged a certified public accountant (CPA) to conduct a project-based review of the internal control system pertaining to the reliability of external financial reporting and the protection of assets against unauthorized access, use, or disposal during the previous period. As stated in the preceding paragraph, the design and implementation of the system were effective and did not exhibit any significant deficiencies that could impact the accuracy of financial information recording, processing, summarizing, and reporting of financial information, or the protection of assets against unauthorized access, use, or disposal. Furthermore, there were no significant deficiencies that could compromise the safeguarding of assets against unauthorized access, use, or disposal.
- (7) This statement is an integral part of the Company's annual report and prospectus and will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- (8) This Statement has been passed by the Board of Directors in the meeting held on February 26, 2025, where all of the eight attending directors approved the content of this Statement.

Playnitride Inc.

Chairman : Li, Yun-li

President : Li, Yun-li

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: Please refer to Attachment I Independent Auditor's Reasonable Assurance Report.

(IX) Major resolutions of the shareholders' meeting and Board meetings during the most recent fiscal year up to the date of publication of the annual report.

1. Significant resolutions during the shareholders' meeting in 2024 and the state of implementation

Date	Significant resolutions	State of implementation
2024/06/20	To approve the 2023 annual financial statements	Resolution approved
	To approve the proposal for 2023 loss make-up	Resolution approved
	Election of nine (9) directors (including independent directors)	Announcement Based on the Results of the Shareholders' Meeting Election
	To approve the release of newly elected directors from the non-competition restrictions	Resolution to Release the Newly Elected Director from the Non-Competition Restriction

2. Major Resolutions of the Board Meetings※

Date	Significant resolutions
13 th Meeting of the Fourth Term Board of Directors March 8, 2024	<ol style="list-style-type: none"> To approve the 2023 annual financial statements. To approve the 2023 loss offset proposal. To approve the report on loss incurred by the Company reaching one half of its paid-in capital. To approve the Company's internal audit report on internal control self-assessment and Internal Control System Statement for 2023. Election of the 5th term Board of Directors. To approve and review the nomination of the director candidates to be proposed by the Board of Directors. To approve the release of newly elected directors from the non-competition restrictions. To approve the proposal to issue the first round of employee stock warrants certificate in 2024. To approve the proposed revisions to the Sound Business Plan and the forecast income statement. To approve the change of CPAs to accommodate the internal job rotation of the accountant firm. To approve the evaluation on the independence and suitability of the auditing CPAs. To approve the proposed revisions of the "Regulations on the Organization of the Remuneration Committee of the Company." To convene the Company's 2024 annual general meeting of shareholders.
14 th Meeting of the Fourth Term Board of Directors May 9, 2024	<ol style="list-style-type: none"> To approve the Consolidated Financial Statements for the first quarter of 2024 of the Company. To amend the Company's "Rules of Procedure for Board of Directors Meetings" and "Management of operation of board meetings" To amend the Company's "Audit Committee Charter" and "Rules Governing Audit Committee Meeting Management". To amend the Company's "Rules Governing Remuneration Rules for Directors and Managers Officers". In order to comply with applicable laws and regulations, the Company proposes to re-sign the Advisory Agreement with Yuanta Securities Co., Ltd

Date	Significant resolutions
	<ol style="list-style-type: none"> 6. The Company proposes to amend the “Employee Stock Option Issuance and Stock Option Policy” and seeks ratification from the Board of Directors. 7. To issue the first round of employee stock warrants for 2024. 8. To enact the Company’s “Supplier Code of Conduct”. 9. The Company’s subsidiary, PlayNitride Display Co., Ltd., has applied to the bank for facilities, and seeks ratification from the Board of Directors. 10. To add new proposals for the Company’s 2024 annual general meeting of shareholders.
<p>1st Meeting of the Fifth Term Board of Directors June 20, 2024</p>	<ol style="list-style-type: none"> 1. Proposal to elect the Chairman of the Board. 2. To authorize and empower the Chairman of the Board to sign and execute on behalf of the Company all documents for account opening, credit, derivative products and other documents in connection with financial institutions, and to do any other act necessary for and on behalf of the Company in respect of the Company’s application, maintenance and operation for the foregoing matters.
<p>2nd Meeting of the Fifth Term Board of Directors August 29, 2024</p>	<ol style="list-style-type: none"> 1. To approve the Consolidate Financial Statements for the second quarter ended June 30, 2024 along with the draft of audit report issued by the independent auditors. 2. To appoint the members of the Company’s second term Remuneration Committee. 3. To approve the Company’s proposal to provide an endorsement/guarantee for its subsidiary, PlayNitride Display Co., Ltd., in applying for a credit facility with Citibank Taiwan. 4. To ratify the credit facility secured by the Company’s subsidiary, PlayNitride Display Co., Ltd., with the Mega International Commercial Bank. 5. Proposal to amend the “Management of the Use of Seals” 6. The Company has prepared the 2023 Sustainability Report and submits to the Board of Directors for resolution. 7. To authorize the Chairman to negotiate on the disposal of certain patents of the Company’s subsidiary, PlayNitride Display Co., Ltd. 8. Proposal to release an executive from the non-competing obligations.
<p>3rd Meeting of the Fifth Term Board of Directors November 5, 2024</p>	<ol style="list-style-type: none"> 1. To approve the Consolidated Financial Statements for the third quarter ended September 30, 2024 along with the draft of audit report issued by the certified public accountants (“CPA”). 2. To approve the non-assurance services proposed to be provided in 2025 by KPMG Taiwan. 3. To approve the Audit Plan for 2025. 4. To appoint an independent director as the internal audit report reviewer. 5. To amend the “General Provisions of the Internal Control System” and “Internal Audit on Sustainability Management Operations”. 6. To amend the “Sales and Collection Cycle”, “Purchase and Payment Cycle” and the “Payroll and Personnel Cycle”. 7. Proposal by Audit Committee: To amend the Level of Authority Table of the Company. 8. To amend the “Regulations Governing the Prevention of Insider Trading”. 9. To amend the Company’s “Rules Governing Remuneration for Directors and Managerial Officers” to specify the weight of sustainability indicators in managers’ performance evaluations, and to establish a policy on CEO shareholding requirements. 10. To dismiss the Company’s manager. 11. To evaluate the contents and ranges of remuneration for directors, independent directors, and managers.

Date	Significant resolutions
4 th Meeting of the Fifth Term Board of Directors December 6, 2024	<ol style="list-style-type: none"> 1. To approve the Annual Budget for 2025. 2. To approve the proposal to establish and incorporate a subsidiary in the People's Republic of China. 3. To increase capital by issuing ordinary shares for cash consideration, and to conduct the first issuance of the Secured Convertible Bond in the R.O.C. 4. Proposal to approve the application with CTBC Bank for guarantee facility. 5. To appoint the Company's lead securities underwriter to assist in the compliance of the R.O.C. securities-related laws and regulations. 6. To amend the Sound Business Plan and the Projected Income Statement.
5 th Meeting of the Fifth Term Board of Directors February 26, 2025	<ol style="list-style-type: none"> 1. To approve the 2024 annual financial statements. 2. To approve the 2024 loss offset table proposal. 3. The Company's losses have reached half of its paid-in capital, and the matter should be submitted to the shareholders' meeting for reporting in accordance with the law. 4. To approve the Company's internal audit report on internal control self-assessment and Internal Control System Statement for 2024. 5. To approve the By-election of Independent Director. 6. To approve the adoption of the "Sustainability Report Preparation and Verification Procedures" 7. To approve the change of functional currency to New Taiwan Dollar ("NTD") 8. Proposal by Remuneration Committee: To approve the adoption of the "2024 Employee Stock Subscription Plan for Cash Consideration" . 9. To approve the subscription of newly issued shares by managerial employees in the 2024 Share Issuance. 10. To convene the Company's 2025 annual general meeting of shareholders.

- (X) Any dissenting opinion expressed by a director or supervisor with respect to a major resolution passed by the Board of Directors during the most recent fiscal year and up to the date of publication of the annual report, where said dissenting opinion has been recorded or prepared as a written declaration, and its main content: None.

IV. Information on CPA professional fees:

(I) Service Fees of Accountants

Unit: NT\$ thousands

Name of Accounting Firm	Names of CPAs	Audit Period	Audit Fees	Non-audit Fees	Total	Note
KPMG Taiwan	Cheng, An-Chih	2024.01.01 ~ 2024.12.31	3,440	900	4,340	Note
KPMG Taiwan	Huang, Hai-Ning	2024.01.01 ~ 2024.12.31				

Note: Non-audit Fees include Tax report verification, transfer pricing report and internal control system project review.

(II) 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.

(III) When the professional audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the amount of reduction, percentage, and reason shall be disclosed: None.

V. Change of accountant information: If the Company has changed its accountant in the last two years and subsequent periods, the Company shall disclose the information:

Due to the mandatory retirement of CPA Mr. Allan Yu of KPMG Taiwan and internal adjustments within the accounting firm, the Company's Board of Directors resolved on March 8, 2024, to appoint a new signing CPA. This change does not involve a change in the accounting firm.

VI. Company Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm. Affiliates of the CPA firm are companies or organizations in which the CPA firm's accountant holds more than 50% of the shares or a majority of the directorships, or companies or organizations listed as affiliates in the information published by the CPA firm: None.

VII. 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%:

(I) Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholder with Shareholdings of over 10%

Title	Name	2024		As of February 28, 2025	
		Shareholding increase (decrease)	Pledged shareholding increase (decrease)	Shareholding increase (decrease)	Pledged shareholding increase (decrease)
Chairman and Manager	Li, Yun-Li	(18,000)	0	(95,000)	0
Director and Shareholder with Shareholdings of over 10%	SVIC No. 32 New Technology Business Investment L.L.P.	0	0	0	0
Director and Shareholder with Shareholdings of over 10%	Epistar Corporation	0	0	0	0
Director	Konly Venture Corporation	0	0	0	0
Director	Lite-On Technology Corp.	0	0	0	0
Independent Director	Huang, Hui-Chu	0	0	0	0
Independent Director	Gan, Feng-Yuan	0	0	0	0
Independent Director	Wang, Wai	0	0	0	0
Manager	Chen, Ming-Jang	(271,000)	0	(270,000)	0
Manager	Wang, Jiun-Shiung	20,749	0	27,666	0
Manager	Chou, Ting-Hui	(32,662)	0	4,786	0
Associate and President of PlayNitride Display	Lin, Tzu-Yang	0	0	(81,000)	0
Director and Vice President of PlayNitride Display	Lin, Ching -liang	(12,913)	0	(8,548)	0
Vice President of PlayNitride Display	Chuang, Cheng-doul	30,000	0	0	0
Shareholder with Shareholdings of over 10%	SVIC No. 45 New Technology Business Investment L.L.P.	0	0	0	0

Note : Still in office as of the date of the annual report's publication.

(II) Information on directors, supervisors, managers, and persons related to the transfer of shares of more than 10% of the major shareholders as related parties: None

(III) Information on directors, supervisors, managers, and counterparties to pledges of at least 5% of shareholders' shares as related parties: None.

VIII. Relationship Information among the Company's 10 Largest Shareholders

March 5, 2025; Unit: Shares; %

Name	Current Shareholding		Shares Held by Spouse and Minor Children		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's 10 Largest Shareholders, or Spouses or Relatives within the Second Degree of Kinship (Note 3)		Note
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relationship	
SVIC No. 45 New Technology Business Investment L.L.P.	11,993,446	11.19	—	—	—	—	SVIC No. 32 New Technology Business Investment L.L.P.	Same parent company	—
Responsible person: Jang Hyun Yoon	—	—	—	—	—	—	—	—	—
SVIC No. 32 New Technology Business Investment L.L.P.	10,867,604	10.13	—	—	—	—	SVIC No. 45 New Technology Business Investment L.L.P.	Same parent company	—
Responsible person: Jang Hyun Yoon	—	—	—	—	—	—	—	—	—
Epistar Corporation	9,137,338	8.52	—	—	—	—	Lighting Investment Ltd.	Parent company and subsidiary	—
Responsible person: Tang, Hsiu-Mu	—	—	—	—	—	—	—	—	—
Konly Investment Co., Ltd.	7,534,628	7.02	—	—	—	—	—	—	—
Responsible person: Peng, Shuang-Lang	—	—	—	—	—	—	—	—	—
JKL Capital Investments Ltd	7,287,302	6.80	—	—	—	—	KingTiger Memory Solution Inc.	Same responsible person	—
Responsible person: Huang, Mei-Yun	—	—	—	—	—	—	—	—	—
Sung, Hsueh-Jen	4,482,310	4.18	—	—	—	—	—	—	—
Lite-On Technology Corp.	4,234,736	3.95	—	—	—	—	—	—	—
Responsible person: Sung, Ming-Feng	—	—	—	—	—	—	—	—	—
KingTiger Memory Solution Inc.	3,912,338	3.65	—	—	—	—	JKL Capital Investments Ltd	Same responsible person	—
Responsible person: Huang, Mei-Yun	—	—	—	—	—	—	—	—	—
Li, Yun-Li	3,141,111	2.93	360,000	0.34	20,000 (Note 2)	0.02	—	—	—
Yuanta Commercial Bank entrusted to custody the investment account of Lighting Investment Ltd.	2,757,082	2.57	—	—	—	—	Epistar Corporation	Parent company and subsidiary	—

Note1: As of the date of publication of the annual report, the shares had not yet been suspended from transfer. Therefore, the shareholding reference date in the table above is based on the most recent share transfer suspension date (March 5, 2025), using the number of shares held and the total number of issued shares as of that date.

Note2: Mr. Li, Yun-Li held 100% of shares of GPower Ltd.

IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, its Directors and Supervisors, Managers, and any Companies Controlled Either Directly or Indirectly by the Company.

Unit: thousands shares; %

Investee business	Ownership by the Company		Direct or indirect ownership by directors/supervisors/managers		Total ownership	
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage
PlayNitride Display Technology Co., Ltd.	58,200	100.00	—	—	58,200	100.00
PLAYNITRIDE AMERICA CORPORATION	10,000	100.00	—	—	10,000	100.00

Chapter 4 Capital Overview

I. Capital and Shares

(I) Sources of Capital

1. Share Capital Formation

Units: shares before capital reorganization, US\$; thousands of shares after capital reorganization, NT\$ thousands

Month/ Year	Issued Price (NT\$)	Authorized Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Sources of Capital	Technical Know-how Other than Cash Provided by Subscribers as their Capital Contributions	Other
2014/02	1.000	20,000,000	20,000,000	1	1	Capital when Incorporated	—	—
2014/11	0.001	20,000,000	20,000	1,000	1	Capital when Altered	—	—
2014/11	1.000	20,000,000	20,000	12,187,500	12,188	Capital Increase by Cash	—	—
2015/11	2.000	20,000,000	20,000	14,527,083	14,527	Capital Increase by Cash	—	—
2017/02	2.760	50,000,000	50,000	18,554,765	18,555	Capital Increase by Cash	—	—
2018/01	3.450	50,000,000	50,000	20,728,286	20,728	Capital Increase by Cash	—	—
2018/05	0.010	50,000,000	50,000	21,735,207	21,735	Conversion of Employee Stock Options	—	—
2018/12	4.601	50,000,000	50,000	26,951,657	26,952	Capital Increase by Cash	—	—
2019/04	4.601	50,000,000	50,000	33,037,514	33,038	Capital Increase by Cash	—	—
2019/12	0.010	50,000,000	50,000	33,743,908	33,744	Conversion of Employee Stock Options	—	—
2020/09	6.971	100,000,000	100,000	39,481,966	39,482	Capital Increase by Cash	—	—
2020/11	6.971	100,000,000	100,000	41,264,240	41,264	Capital Increase by Cash	—	—
2020/12	0.010	100,000,000	100,000	42,817,217	42,817	Conversion of Employee Stock Options	—	—
2021/04	0.010	100,000,000	100,000	45,263,506	45,264	Conversion of Employee Stock Options	—	—
2021/12	7.732	100,000,000	100,000	50,436,811	50,436	Capital Increase by Cash	—	—
Denomination changed to NT\$10								
2021/12	10	250,000	2,500,000	100,874	1,008,736	—	—	—
2022/08	10	250,000	2,500,000	107,179	1,071,786	Capital Increase by Cash		Note 1
2025/03	188	250,000	2,500,000	117,679	1,176,786	Capital Increase by Cash		Note 2

Illustrate 1. A total of 41,786,730 shares of the Company's preferred stock were fully converted into common stock on December 24, 2021. Each preferred share is converted into one common share.

Illustrate 2. At the shareholders' meeting held on December 24, 2021, the Company resolved to convert one share with a par value of US\$0.001 to two shares with a par value of NT\$10, and the original shareholders' shareholding ratio remained unchanged after the change.

Illustrate 3. Special Shares issued by the Company prior to December 31, 2020 may be converted into variable amounts of common stock in the future pursuant to the anti-dilution provisions of the then-current Articles of Association and are therefore recognized as financial liabilities measured at fair value through profit or loss. On December 31, 2020, with the consent of all shareholders, the articles of association were amended to be deemed to have issued interests to settle the liability of special shares after being measured at fair value on that date.

Note1: This was declared effective by the Taiwan Stock Exchange Corporation (TWSE) under Official Letter No. 1111701456 dated May 30, 2021.

Note2: This was declared effective by the Financial Supervisory Commission (FSC) under Official Letter No. 1130368559 dated February 6, 2025.

2. Type of Stock

March 25, 2025; Unit: shares

Type of Stock	Authorized Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Common Stock	117,678,622	132,321,378	250,000,000	The shares are listed on the Innovation Board of the Taiwan Stock Exchange (TWSE).

3. Information on shelf registration: Not applicable.

(II) List of Major Shareholders

March 5, 2025; Unit: Shares; %

Name of Major Shareholder	Shares	Shareholding	Shareholding percentage
SVIC No. 45 New Technology Business Investment L.L.P.		11,993,446	11.19
SVIC No. 32 New Technology Business Investment L.L.P.		10,867,604	10.13
Epistar Corporation		9,137,338	8.52
Konly Venture Corporation		7,534,628	7.02
JKL Capital Investment Ltd		7,287,302	6.80
Sung, Hsueh-Jen		4,482,310	4.18
Lite-On Technology Corp.		4,234,736	3.95
KingTiger Memory Solution Inc.		3,912,338	3.65
Li, Yun-Li		3,141,111	2.93
Yuanta Commercial Bank entrusted to custody the investment account of Lighting Investment Ltd.		2,757,082	2.57

Note: As of the date of publication of the annual report, the shares had not yet been suspended from transfer. Therefore, the shareholding reference date in the table above is based on the most recent share transfer suspension date (March 5, 2025), using the number of shares held and the total number of issued shares as of that date.

(III) Dividend Policy and Implementation Status:

1. Dividend Policy

The Company's dividend policy is to distribute dividends to stockholders in proportion to their ownership of the Company's shares, provided that if there are

any unappropriated earnings from legal reserve or special reserve in each fiscal year, the Company may distribute a dividend of not less than twenty percent (20%) of the Company's earnings after tax to stockholders. If the distributable earnings are less than 2% of the Company's paid-in capital, no dividends may be paid. Stock dividends are distributed as a combination of stock dividends and cash dividends, provided that the cash dividends shall not be less than ten percent (10%) of the total amount of cash and stock dividends paid in the year. The Board of Directors shall prepare a proposal for the distribution of dividends to shareholders and submit it to the shareholders' meeting for resolution.

2. The distribution of remuneration and results reported in the shareholders' meeting: None.
3. If significant changes to the dividend policy are anticipated, they should be explained: None.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: None.

(V) Compensation of Employees, Directors, and Supervisors:

1. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the Company's Articles of Incorporation The Company shall set aside not less than five percent (5%) of the Company's annual earnings, before deductions for employee and director compensation, as employee compensation, in stock or cash, to employees of the Company and its subsidiaries who meet certain criteria, as determined by the Company's Board of Directors, and not more than one percent (1%) of the Company's annual earnings, in cash only, to directors (excluding independent directors). The distribution of employees' and directors' compensation shall be deliberated by the Remuneration Committee and submitted to the Board of Directors; subsequently, the proposal shall be approved by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of Directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. When there is a cumulative deficit, the Company shall reserve such an amount in advance for compensation.
2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: None.

3. Distribution of compensation of employees, directors, and supervisors approved in the Board of Directors meeting: None.
4. The distribution of remuneration and results reported in the shareholders' meeting: None.

(VI) Status of Company repurchasing its own shares: None.

II. Corporate bonds (including convertible bonds, exchange bonds, shelf registered corporate bonds, bonds with stock options, and private placement bonds):

Corporate Bond		The first issuance of the secured convertible bonds in the R.O.C.
Issued Date		February 27, 2025
Denomination		NT\$100,000
Place of issue and transaction		Republic of China
Issuing Price		100% of the Denomination value
Total Amount		NT\$800,000 thousand
Interest Rate		0%
Period		3 years, Validity: February 27, 2028
Guarantee Agency		CTBC Bank
Trustee		Chang Hwa Commercial Bank
Underwriting Agency		CTBC Securities Co. Ltd. Yuanta Securities Co., Ltd. Taishin Securities Co., Ltd
Lawyer		LEE AND LI ATTORNEYS-AT-LAW Abe T. S. Sung
Accountant		NA
Repayment method		Except for cases where the holders of these convertible corporate bonds convert them into the Company's common shares, exercise the put option, or where the Company redeems or repurchases and cancels them through securities firms' business premises, the bonds shall be repaid in full in cash at 100% of their face value upon maturity.
Outstanding Principal		As of the date of publication of the annual report, the outstanding principal was NT\$800,000 thousand.
Redemption or advance payment		Please refer to the Company's the first issuance of the secured convertible bonds method in the R.O.C.
Restrictions		None
Credit rating agency name, rating date, corporate debt rating and other results		None
Other Rights	Amount Converted into Common Shares/ODRs/Other Securities	As of the date of publication of the annual report, there have been no instances of conversion.
	Terms and Conditions of Issuance and Conversion (Exchange or Subscription)	Please refer to the Company's Terms and Conditions for the Issuance and Conversion of the first issuance of the Secured Convertible Bond in the R.O.C.
Issuance and conversion, exchange or stock subscription methods, possible dilution of equity conditions and impact on existing shareholders' equity		Assuming full conversion of the remaining unconverted balance of NT\$800,000 thousand at the current conversion price of NT\$248.3, a total of 3,221,900 common shares would be issued, accounting for 2.74% of the currently outstanding 117,678,622 shares. The impact on shareholders' equity is considered limited.
Name of the entrusted custodian institution to exchange the subject		NA

Convertible Bond Information

Convertible Bond Type		The first issuance of the secured convertible bonds in the R.O.C.
Year		As of March 25, 2025, for the current year
Convertible Bond Market Price	Highest	—
	Lowest	—
	Average	—
Conversion Price		NT\$248.3
Date of Issuance and Conversion Price Upon Issuance		As of the date of publication of the annual report, there have been no instances of conversion.
Method of Fulfilling Conversion Obligations		As of the date of publication of the annual report, there have been no instances of conversion.

III. Issuance of preferred shares (including preferred employee stock options): None.

IV. Issuance of global depository shares: None.

V. Issuance of employee stock options:

On March 8, 2024, the Board of Directors approved the issuance and subscription plan for the Company's 2024 First Employee Stock Warrants, with a total of 3,000,000 shares to be issued. However, as of the date of publication of the annual report, the warrants had not yet been issued.

VI. Status of Restricted Employee Rights New Shares: None

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies:

(I) Mergers or acquisitions and issuance of new shares for the acquisition of another company's shares completed in the most recent year and up to the publication date of the annual report: None.

(II) Mergers or acquisitions and issuance of new shares for the acquisition of another company's shares approved by the Board of Directors in the most recent year and up to the publication date of the annual report: None.

VIII. Implementation of the Company's Capital Allocation Plans:

(I) 2024 Cash Capital Increase and Issuance of the First issuance of the Secured Convertible Bond in the R.O.C.

1. Plan Details:

- i. Approval Date and Document Numbers by Regulatory Authorities: February 6, 2025, Financial Supervisory Commission Letters No. 1130368559 and 11303685591.
- ii. Total Required Funds for This Plan: NT\$2,898,916 thousand
- iii. Source of Capital:

A. Cash Capital Increase by Issuing New Shares:

Issuance of 10,500 thousand new shares through cash capital increase, with a par value of NT\$10 per share and an issue price of NT\$188 per share, raising a total amount of NT\$1,974,000 thousand.

B. The First issuance of the Secured Convertible Bonds in the R.O.C.:

Issuance of 8,000 bonds with a face value of NT\$100 thousand each, total face value NT\$800,000 thousand, with a 3-year term and zero coupon rate. The bonds will be publicly offered through a book-building process, issued at 100% of the face value.

iv. Plan Items and Progress of Fund Utilization:

Items	Projected Completion Date	Total Required Funds for This Plan	Projected Fund Utilization Schedule					
			Year 2024	Year 2025				Year 2026
			Q4 (Note)	Q1 (Note)	Q2	Q3	Q4	Q1
purchase the equipment and machines	2026Q1	1,084,916	38,843	415,612	429,844	104,044	86,081	10,492
secure working capital	2026Q1	1,814,000	-	-	450,000	450,000	400,000	514,000
Total		2,898,916	38,843	415,612	879,844	554,044	486,081	524,492

Note: Considering the timing gap in the availability of funds from this capital raising plan, the payments for machinery and equipment scheduled for the fourth quarter of 2024 and the first quarter of 2025 are expected to be temporarily covered using the Company's own funds or bank loans prior to the funds being in place.

v. Changes to the Plan, Reasons for Changes, and Benefits Before and After the Changes: None.

vi. Date of Submission to the FSC-Designated Information Reporting Website: As of the date of publication of the annual report, no submission has been made.

(II) Execution Status: As of the date of publication of the annual report, the status of fund utilization has not yet been reported.

Chapter 5 Operational Highlights

I. Business Activities:

(I) Business Scope:

1. Principal Business Activities of the Company

The company's main focus is on the R&D, manufacturing and sales of MicroLED Display for various applications, including ultra-large displays, automotive display and wearable devices.

2. Proportion of Business

Unit: NT\$ thousands

Item \ Year	2023		2024	
	Operating revenue	Proportion (%)	Operating revenue	Proportion (%)
COC	268,744	28.50	692,665	39.17
Other	674,260	71.50	1,075,777	60.83
Total	943,004	100.00	1,768,442	100.00

3. Current Products (Services)

A. COC (chip on carrier)

6" Red MicroLED COC

6" Green MicroLED COC

6" Blue MicroLED COC

B. Technical Services

C. Turnkey Solution (Service in the Creation of Product Line)

D. Other

PixeLED Display MicroLED Display

PixeLED Matrix MicroLED Display (Unit Module)

μ-PixeLED MicroLED Display

4. New Products (Services) to Be Developed

For the above, our technology teams develop standard products for sale according to their main application categories. The application categories are listed below:

A. PixeLED Display MicroLED displays will be available with a standard size of 9.38" and 65% transparency. Automotive manufacturer can evaluate these displays for potential use in front windshields, dashboards and side windows.

B. The PixeLED Matrix MicroLED display which comes in a standard 19" size. This MicroLED display module is designed for customers who need to quickly assemble large signage.

- C. μ -PixeLED MicroLED displays will be marketed in a 0.49" FHD full color standard to major manufacturers using AR for quick evaluation and discussion of customized product applications.

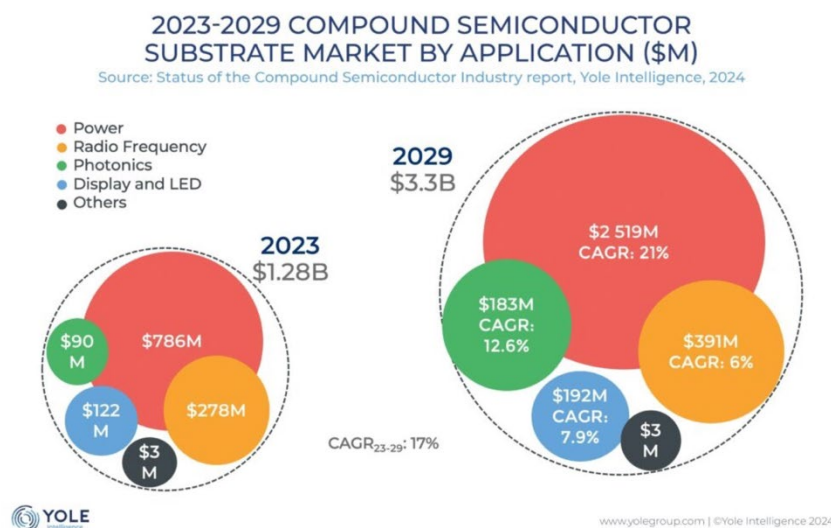
(II) Industry Overview

1. Current Status and Development

The Company and its subsidiaries are principally engaged in the research, development, manufacture, and sales of nitride semiconductor materials for applications related to micro light emitting diode (hereinafter referred to as MicroLED) displays. The following is an analysis of the third-generation semiconductor, optoelectronics, and panel industries that comprise the basic industrial applications in which the Company and its subsidiaries operate:

A. Third-Generation Semiconductor Industry Overview

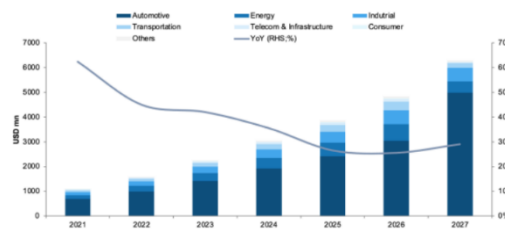
According to data from Yole, the global compound semiconductor substrate market is expected to grow from USD 1.28 billion in 2023 to USD 3.3 billion in 2029, representing a compound annual growth rate (CAGR) of 17%.



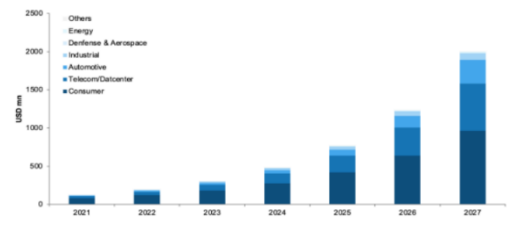
Among the current mainstream materials, Gallium Nitride (hereinafter referred to as GaN) has the largest market value, mainly contributing to high-frequency communication and power devices. In addition to high-frequency communication and power devices (Power), GaN has been applied in the LED industry since 1993 due to its stability and higher temperature tolerance. Compared to silicon-based semiconductors, GaN can withstand higher temperatures and voltages. Silicon Carbide (SiC) is expected to have the fastest growth rate over the next three years, driven primarily by markets such as electric vehicles, energy, and transportation for applications above 1,000V. Yole predicts that from 2021 to 2027, the CAGR for the GaN and SiC markets will be 59% and 34%, respectively.

Year 2021-27 SiC CAGR 34%

Year 2021-27 GaN CAGR 59%



資料來源：Maximize Market Research、元大投顧

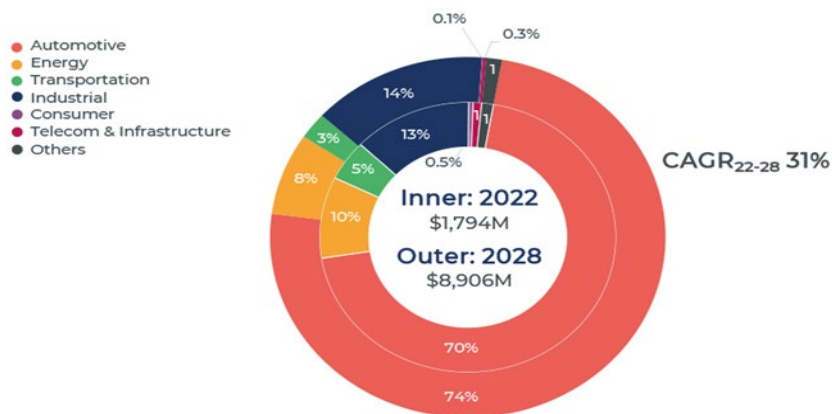


資料來源：Wind、元大投顧

According to Yole's latest report, the Power SiC market size is projected to achieve a CAGR of 31% from 2022 to 2028, driven by increased investments in the electric vehicle and energy industries. By 2028, the power SiC application market is expected to grow to nearly USD 9 billion.

2022-28 - Power SiC market by application

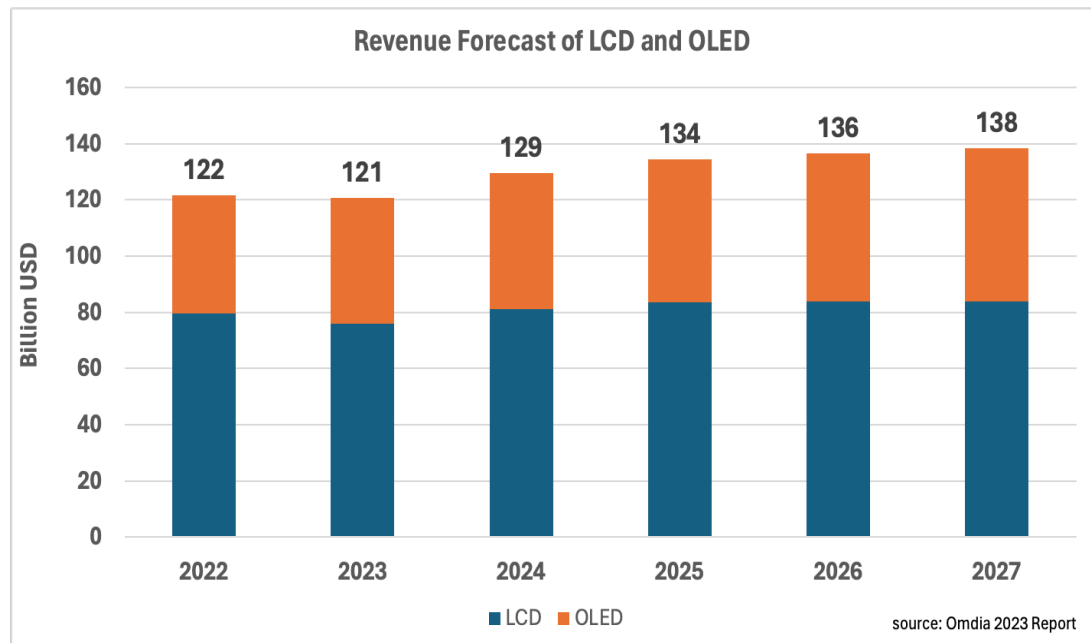
(Source: Power SiC 2023, Yole Intelligence, August, 2023)



© Yole Intelligence 2023

B. Display Industry Overview

With a market size of over US\$100 billion, the upstream and downstream of the flat panel display industry has led to many opportunities for component and system vendors. In particular, the demand for remote work and communication due to the pandemic has increased the size of the market by 45% in two years. However, since the demand for LCDs and OLEDs has reached saturation in several fields, further growth will be difficult. According to Omdia's forecast in the chart below, the size of the market will remain at US\$129–138 billion after 2024, and the market will tend to toward saturation.



Source: Omdia (2023/06)

C. Current Status of and Development in Optoelectronics

In recent years, due to the global emphasis on energy saving and carbon reduction, LED-related industries have continued to grow slightly from 2022 onwards. According to market research company TrendForce, the main growth markets are MicroLED, automotive LED, and large signage displays. The market will grow to an annual revenue of US\$21 billion by 2027.

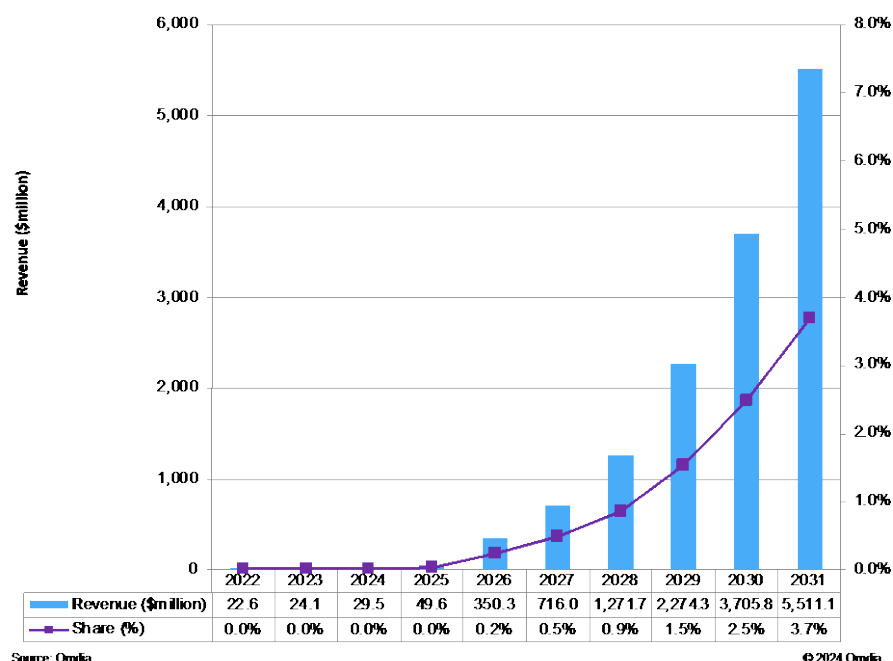


Source: TrendForce (2023/03)

In search of new growth and to fulfill more display application scenarios, the industry has proposed and implemented MicroLED display technology. Boasting the advantages of high brightness, high contrast, and excellent reliability, LEDs have been miniaturized to the micron level and combined with display industry TFT glass to create a new display technology that can be applied to more fields, such as ultra-large displays, automotive technology, and AR glasses. According to market research company Omdia, the market will reach US\$5.51 billion in 2031.

MicroLED Display Revenue Estimates

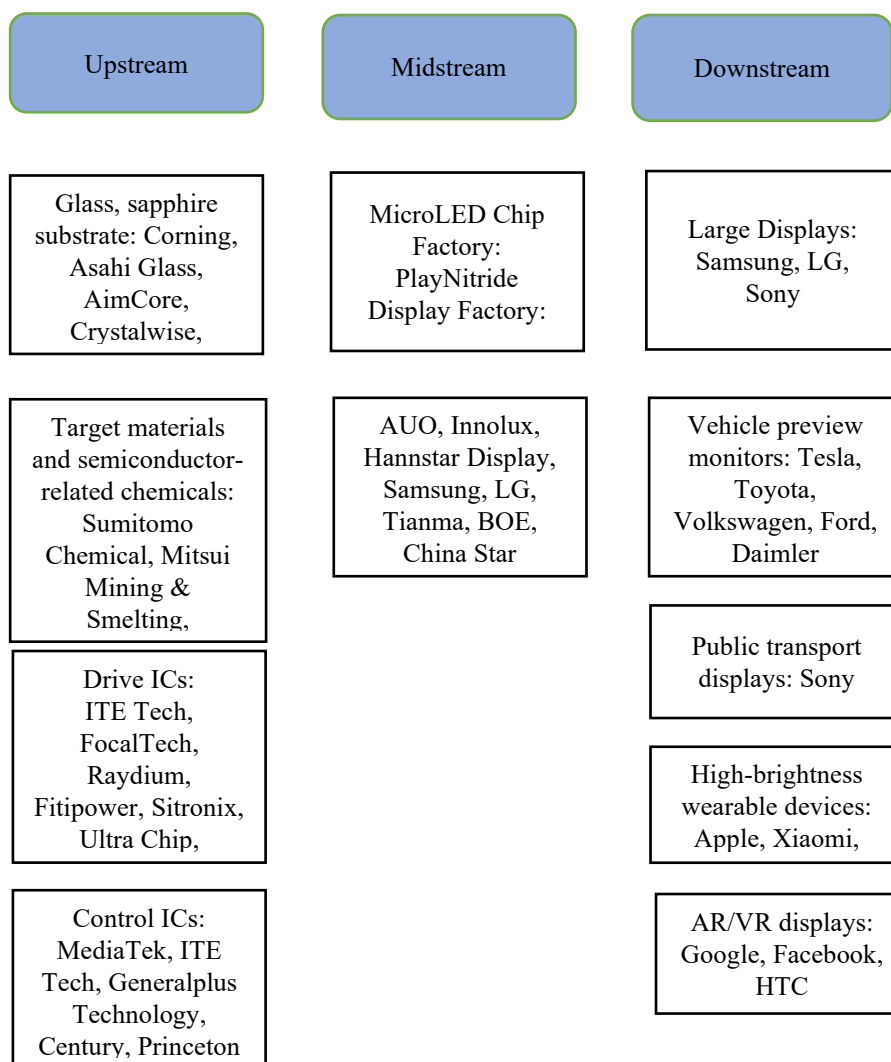
Micro LED display revenue forecast (annual)



Source: Omdia (Q3 2024)

2. Relationship Amongst Upstream, Midstream, and Downstream Sections of the Industry

The MicroLED display industry is a highly integrated one. The upstream provides the materials and related control chips required for the manufacturing process, while the midstream integrates the production of MicroLED display modules through the panel and semiconductor manufacturing process, and hands them over to downstream end-product manufacturers for commercialization. We are mainly engaged in R&D, manufacturing, and sales of nitride semiconductor material-related applications, or customized R&D and design according to customer specifications, with the R&D samples handed over to customers for actual testing and the tested products mass produced and sold to customers. Relationship Amongst Upstream, Midstream, and Downstream Sections:



Source: Industrial Value Chain,Platform., compiled by Yuanta Securities.

3. Product Development Trends

The emergence of fields like 5G communication, big data, and the Internet of Things is expected to create new application opportunities to the display market. In the future, the display industry will shift to niche products to drive the development of emerging applications, including the demand for decision-making tools derived from AIoT systems, the demand for energy saving and low carbon design derived from environmentally sustainable development, and the demand for interactive technology derived from the modern, never not connected lifestyle.

A. Large TVs

The average size of existing home TVs is close to 50", and the market demand for 75" or larger is increasing every year, with super-sized TV being the main focus at major consumer electronics shows. However, due to the limitations of glass substrate and economically feasible TFT cutting sizes, 75" is the upper limit for LCDs in Gen 10.5 panel factories, while 125" is the current production limit for LCDs. LCDs cannot achieve seamless tiling due to the limitation of bezels, so product size is limited. Currently, OLEDs are only produced in Gen 8.5 fab, and achieving larger size display is unlikely possible, while MicroLED displays do not have the above production size restrictions.

In recent years, large displays have gradually had IoT, cloud computing, big data, and AI technologies integrated to drive the implementation and popularity of various innovative applications. This has led to cooperation between display technology application providers and medium/large retailers, such as department stores, medium/large stores, and convenience store chains, boosting the digital transformation of the retail service industry and helping display technology application providers enter the worldwide retail service markets.

B. Display Requirements for Electric Vehicles and Smart Transportation

With the rapid development of information and communication technology in the transportation environment, countries are actively investing in research and development of smart transportation solutions such as self-driving vehicles and electric vehicles. To prevent major traffic accidents and improve road safety, Taiwan is actively promoting the installation of satellite positioning and various advanced driving assistance systems for passenger and freight vehicles in the transportation industry, such as lane shift warning, electronic rear-view mirrors, and blind-spot monitoring. In addition, Taiwan has also launched a Smart Motor Vehicle Network Security Enhancement Project and plan to expand the scope and projects demonstrating motor vehicle networking and 5G communication applications. Smart display technology is used to enhance transportation information integration, provide comfortable service experiences, create smart mobility spaces and transportation service areas for both

drivers and passengers, and further promote the development of smart mobile display application solutions in Taiwan. In addition, a car multi-screen system, for example, could entail the development of a transparent display virtual-reality interactive platform for car window applications. By integrating bio-sensing, high brightness and highspeed real-time AR interaction models with ultra-high brightness transparent MicroLED interactive display systems, such a system could provide all the real-time information needed by the people inside and outside the car to boost driving safety.

C. Development of the Metaverse and Key Display Components

The development of AR/VR devices has attracted much attention since major foreign social media corporations released their roadmaps for the future of the Metaverse. The visual sense accounts for about 80% of all human sensory acquisition channels and displays play a crucial role in forming the necessary preconditions for immersion in the virtual world. In the era of celluloid, the film industry was generally committed to the idea of "persistence of vision" in the human eye, meaning that the human brain takes at least 1/24th of a second to process each visual image, resulting in film and television video specifications settling on 24 frames per second and higher refresh rates being seen as useless, or even a waste of film. Take current VR headsets for example: Although the visual resolution of the human eye varies across age groups, the industry still holds the view that at least 8K to 16K at a refresh rate of 120 Hz is sufficient to provide a false sense of immersion; to do otherwise is to render users susceptible to eye-brain synchronization errors, inducing 3D motion sickness, similar to seasickness and automotive motion sickness. Thanks to the rapid advancement of technology, these video specifications have been continuously updated in recent years. MicroLED has the advantages of high efficiency, low power consumption, and small size, simultaneously providing the necessary resolution, brightness, and power consumption while also being integrated with other components (such as sensors), further reducing the overall size of VR headsets and facilitating the creation of more lightweight wearable devices, among other significant advantages, making it the best solution for VR headsets. In the case of AR glasses, for example, a MicroLED display can be integrated with the optical system to create a see-through display and make the wearable device more lightweight. The key is high brightness, which counteracts ambient lighting, allowing the optical lens to produce a sufficiently sharp and high-contrast image. Although the resolution of LCDs and OLEDs is sufficient, as they cannot produce higher brightness, their use has led to most applications of AR glasses being for indoor use in order to achieve a useful display contrast. In summary, MicroLED has been widely recognized as a key display technology for creating next-generation Metaverse human-machine interfaces due to its many advantages.

4. Product Competition

Of the two main display technologies in the industry at present, LCD focuses on the mature, low-cost market, while OLED focuses on the cellphone, wearable device, and high-end TV markets. Due to its higher cost on the emerging period, MicroLED has faced initial difficulties in competing directly with LCD or OLED. However, in the fields of new super-large TVs, transparent automotive displays, and display elements for AR glasses, the current mainstream LCD and OLED technologies are unable to meet the spec requirements of the market, making these important areas for the initial development of MicroLED.

PlayNitride is one of the few companies in the industry with a proven track record in the manufacture of MicroLEDs, and the Company continues to invest in the research and development of technology and equipment, as well as the cultivation of human resources. In order to ensure the development of the MicroLED product end-sales market, the Company has set up its own ecosystem of companies cooperating rather than competing to form a strategic alliance to jointly establish the MicroLED supply chain, forming a close upstream-downstream relationship. In addition, through years of research and development experience and cooperation with customers, the Company has developed products that are highly customizable and are feasible for mass production in response to future market demand. We hope to maintain our leading position in this field.

(III) Technology and R&D Overview:

1. Annual R&D Expenses in the Last Five Years

Unit: NT\$ thousands

Unit: R\$ thousand		
Year \ Item	2023	2024
R&D Expense	452,792	379,199

2. Technologies or Products Successfully Developed in the Last Five Years

Year	Product Type	Description
2018	5-inch Passive Matrix Transparent MicroLED Display	The world's first transparent MicroLED display, which used passive matrix driving backplane, was exhibited at the SID (Society of the Information Display) Display Week in Los Angeles and won "I-Zone Best Prototype Honoree".
2019	7.56-inch Transparent MicroLED Display with Triple-edge Bezel-less	We participated at the SID Display Week in San Jose and exhibited a bendable MicroLED display and the world's first active matrix transparent 7.56-inch MicroLED display in collaboration with Tianma, winning the People's Choice Award - Best Small Booth and Best Display Technology awards.

Year	Product Type	Description
2020	9.4-inch Active Matrix Flexible MicroLED Display	We cooperated with AUO to announce 9.4-inch active matrix flexible MicroLED displays for automotive applications and won the Outstanding Technology Award of the Gold Panel Awards 2020 organized by the Taiwan Display Industry Association (TDUA).
2021	World's First 89-inch Ultrawide Curved Tiling MicroLED Display	The world's first 89-inch ultrawide curved tiling MicroLED display is made of 5-inch unit modules and can be customized to create large signage to fulfill customers' needs. In 2021, it was awarded the Hsinchu Science Park Innovation Product Award.
	0.39-inch AR Full-color MicroLED Display with the World's Highest Pixel Density	The world's first 0.39-inch 1141 ppi high resolution full-color AR MicroLED display debut at Touch Taiwan 2021, marking the company's official entrance into the Metaverse industry.
2022	0.49-inch AR Full-color MicroLED Display with the World's Highest Pixel Density	The world's first 0.49-inch 4536 ppi high resolution full-color AR MicroLED display won the Best Display Technology Award and Best Medium Booth Award from SID in 2022.
2023	9.38-inch "ultra-transparent", "high-brightness" high-resolution (114 PPI) and 65% transparency, with over 2000 nits of ultra-high brightness Micro LED transparent display.	Under the matchmaking of ITRI, Xpark has introduced PlayNitride's 9.38" transparent display products and Dream Animation to create "Moving Deep-Sea Specimens" through innovative techniques. Customers can breathe life into the static specimens through sensor-based interaction transparent display.
2024	Red/Green/Blue Tantium™ MicroLED COC1	The Company launched the world's first Red/Green/Blue Tantium™ MicroLED COC1, achieving the highest pixel efficiency currently available in the MicroLED market, and has commenced order-taking and sales.
	Solder-pad COC1	The Company introduced the Solder-pad COC1, which allows customers to manufacture MicroLED displays using cost-efficient TFT backplane processes, offering a cost-effective solution for large-area MicroLED display applications.
	Developed an In-Situ Laser Repair Solution for MicroLED Chips	Successfully developed an in-situ laser repair solution for MicroLED chips, enabling the in-panel repair of defective chips directly on the MicroLED display during the manufacturing process. This technology significantly improves the yield rate of high pixel density panels, such as those used in smartwatch applications. (Patent No.: IP220500004)
	Developed a Laser-Scanning-Type Mass Transfer Solution	Successfully developed a Laser-Scanning-Type mass transfer solution, which enhances the mass

Year	Product Type	Description
		transfer speed of MicroLED chips by 10 to 20 times.

(IV) The Company's Long- and Short-term Business Development Plans:

The company is a provider of emerging MicroLED display technology. Our main customers include domestic and international display end-brand manufacturers, automotive companies, automotive display assembly suppliers, and major panel manufacturers. These global panel manufacturers are primarily concentrated in Asia. Leveraging Taiwan's excellent foundation in the semiconductor, LED, LCD industries, and automation industry, our sales regions are currently focused on the domestic market and Asia.

1. Short-term Business Development Plans

MicroLED is an emerging display technology, so there are many development opportunities on both the production side and the product side. Looking at production, some of the components required for MicroLED products can use existing mature equipment (e.g., glass substrates), but key processes require new equipment (e.g., mass transfer) or new materials to meet manufacturing needs. Looking at the product aspect, we are currently a leading manufacturer of MicroLED display technologies and have been working with our customers to develop high-end MicroLED TVs, which were publicly exhibited at CES. We are now able to produce and actually ship luxury-grade TVs to penetrate the market.

In summary, the Company will continue to grow with a focused and stable short-term strategy. We expect to outsource fixed and mature components which are in demand and focus on reducing costs and developing key processes exclusively for MicroLEDs. We will also consolidate our existing customers and steadily expand our production and sales volume. In addition, we will also reach out to various leading brands to explore opportunities for cooperation and to inquire about demand specifications, so as to better penetrate the market and increase market share through customized cooperation.

2. Long-term Business Development Plans

Our long-term goal is to maximize the advantages of MicroLED. On the production side, the Company aims to be a leader in building a MicroLED supply chain and plans to eliminate the concerns of potential partners through demonstrable sales results. By actively promoting the common vision of forming a MicroLED supply chain, we can intercept and address any shortcomings and further reduce production costs. In terms of products, the Company plans to work with world-renowned brands to create products exclusively for MicroLED technology applications, such as ultra power-saving wearable devices, ultra-high brightness displays, transparent displays, and

flexible displays, and target the needs of the AI world and smart homes to expand MicroLED products to a wide range of applications.

In the long term, the Company will focus on the overall growth of MicroLED display technologies. It is expected that production volume will increase steadily, and we will supply the leading brands of major application types, providing a full range of MicroLED solutions. The company's three existing technology teams (Display/PixeLED Matrix™/μ-PixeLED™ MicroLED modules) are working with global brands to expand into applications that have not yet received much attention. In addition, we plan to gradually promote the commercialization of MicroLED displays from the high-end market and expand the market scale of MicroLED displays in the future through a strategy of cost reduction.

II. Analysis of the Market and Production & Sales:

(I) Market Analysis:

1. Sales (Provision) Regions of Main Products (Services)

The company's core business is emerging MicroLED display technologies. Target customers are mainly worldwide brands of displays and panel makers. These TFT panel Fabs are mostly in Asia. With Taiwan's excellent foundation in the LED, LCD, and automation engineering industry, its target sales regions are mainly domestic and the Asia region.

Unit:NT\$ thousands ; %

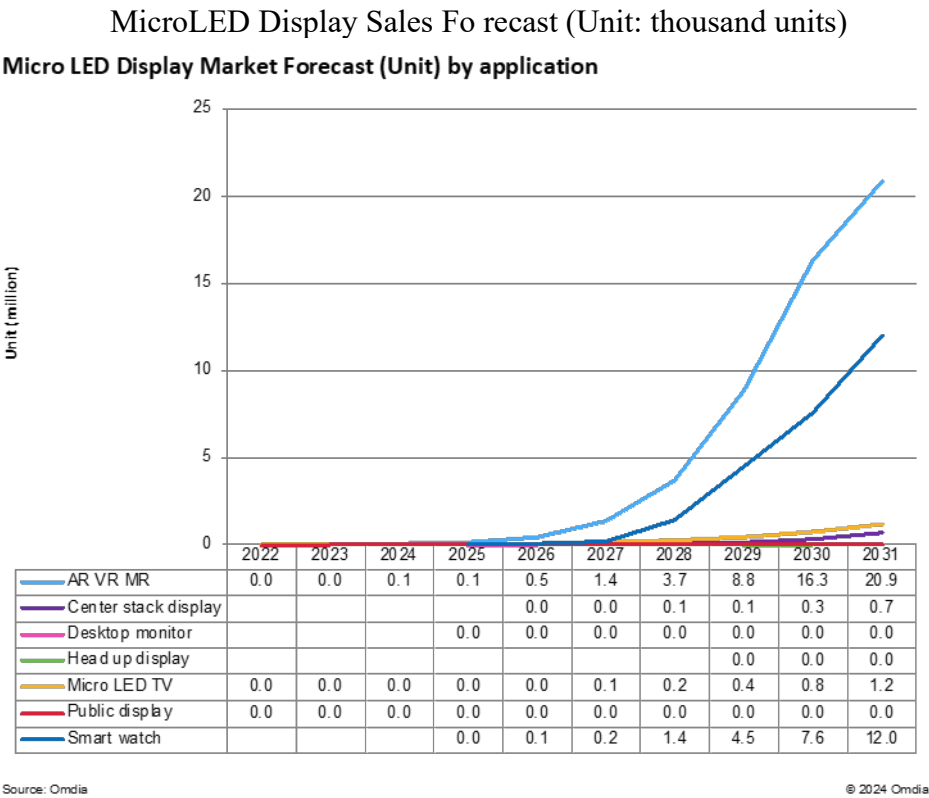
Region		2023		2024	
		Sales	%	Sales	%
Sales in Domestic Market		821,755	87.14	1,575,693	89.10
Exports	Korea	86,569	9.18	151,623	8.57
	Others	34,680	3.68	41,126	2.33
Total		943,004	100.00	1,768,442	100.00

Note:Sales in Domestic Market refer to sales in Taiwan.

2. Market Share

MicroLED display technology is still in the development stage. From LED wafers, miniaturized chips, mass transfer, and backplane manufacturing, the industry has not yet widely adopted a unified technological direction. Even the crystal structure of MicroLED varies greatly in different applications. Our company has long moved out of the laboratory and theoretical development stage. With our excellent foundation in Emiconducoor LED, LCD industry and automation industry, we successfully built the world's first MicroLED production line in 2019 and continue to accumulate important production experience to widen the gap with our competitors. The Company's sales targets are worldwide brands and panel makers, and it is one of the few suppliers of MicroLED products that have

entered the sales stage, making its products irreplaceable and close to the end-consumer market. According to international research firm Omdia's estimation, global shipments of MicroLED are expected to begin in small quantities in 2023, with rapid market growth anticipated from 2024 to 2025. Our company is a key supplier of MicroLED chips and displays. However, since MicroLED is still in its early stages of development, there may be potential significant changes in market share in the future.



Source: Omdia (Q3 2024)

3. Future Market Supply, Demand, and Growth Potential

In terms of panel industry supply, in recent years, mainland China has been driving the self-production rate of LCD panels through policies, and subsidies have been used to expand capacity supply, resulting in an oversupply of LCD panels worldwide. However, in 2020, due to the impact of COVID-19 and the increase in demand for home office use, consumer demand for various types of panels rebounded, leading to higher panel prices.

In the post-epidemic future, panel demand will be driven by niche products such as OLED, MiniLED and MicroLED, which will lead the industry to emerging applications. The growth of panel products for mainstream consumer electronics products such as smartphones, LCD TVs, notebooks, desktop monitors, and tablet is expected to approach saturation and stagnation in the future. With the emergence of new technologies like 5G communication, big data, and the Internet of Things, various emerging niche products have appeared at the terminal end in significant numbers. Products such as automotive multi-screen systems, large commercial displays, smart wearables, near-eye AR/VR products, and more, are experiencing high demand and have high growth potential.

4. Competitive Niches

A. Excellent technical development capabilities

As the size of MicroLED emitting elements has been miniaturized to the micron level, the manufacturing of HD or 4K2K or above displays requires millions or even tens of millions of units of emitting elements to be arranged and packaged. The traditional mechanical process is unable to complete the MicroLED-related assembly work due to the tiny size of the elements. Instead, a large number of high-tech semiconductor equipment and wafer fabrication processes are required to assemble the elements.

The Company has a talented technology development team of semiconductor professionals with manufacturing experience, and we have the ability to develop all key technologies related to MicroLED. These include high-specification display-grade epi-wafers, MicroLED wafers of various sizes and high efficiency, as well as key technologies related to mass transfer, and mass inspection/repair and production equipment.

B. Complete patent portfolio

By the end of 2022, the Company had applied for more than 922 patents in various countries, thanks to our excellent technology development capability. According to the "MicroLED Displays Market, Industry and Technology Trends 2021 report" published by Yole Développement in 2021, our company was ranked 6th in the global patent family of MicroLED applications, with about 65% deployed in core mass production technology and about 35% in potential R&D technology. We have also applied for more than 40 trademarks for related technologies for various display applications, leading the way in establishing our brand in the market. In addition to securing innovative technologies, our company also uses trademarks to reinforce the uniqueness of each technology in the marketplace. Furthermore, the distribution of the Company's patents covers a wide range of panel applications, allowing the Company's production lines to simultaneously manufacture various panel products for different end-uses, such as large commercial displays, automotive displays, bezel-less displays, ultra-high brightness wearable displays, and ultra-thin flexible displays. The Company's comprehensive patent coverage for each of these end-use applications provides solid patent protection for its technology.

C. The advantage of being the first in the market

MicroLED technology is currently in the development stage, with LED wafers, miniaturized chips, mass transfer, and backplane manufacturing still not widely accepted by the industry as a standard technological direction. Additionally, even the required die structure of MicroLED can vary significantly across different applications. In fact, the production of MicroLEDs may require different processes

for the development and design of different products. The technology at each stage is interlinked, so manufacturers need to select the appropriate manufacturing materials and methods based on the final product. For example, the choice of materials and technology for AR glasses and TV screens can be vastly different. Our company has moved beyond theoretical development stage in the laboratory and has leveraged Taiwan's excellent foundation in the LED, LCD, and automation industries to establish a MicroLED production line. We are now one of the few industry leaders with actual shipments of MicroLEDs, and we continue to accumulate vital production experience to further distance ourselves from our competitors and establish a competitive advantage.

D. Independent equipment improvement capability

The manufacturing of MicroLEDs has created new requirements for existing traditional display market players. The manufacturing of MicroLEDs requires expertise in multiple fields and long chains. Before the maturity of the MicroLED industry and the formation of a complete supply chain, key technologies that need to be tackled include the improvement of manufacturing equipment, LED epitaxial growth, and MicroLED chip transfer. These different technological features may cause disruptions to the overall value chain of the display industry, or a shift in the center of value. In the area of cost reduction, which is of utmost importance to all industries, in the past, during theoretical development stage of MicroLEDs, there was no dedicated process equipment available, and only process equipment manufactured for foundries could be purchased from semiconductor equipment manufacturers and used in an improvised manner. This type of semiconductor equipment is not only expensive, but also uneven in its process capability, with some under-capacity and some over-capacity, often resulting in only a small portion of the equipment's capacity being utilized, leading to high costs for mass-produced products. Our company's expertise in both semiconductor equipment and related software enables us to improve the specialized equipment needed for the MicroLED process, purchase the necessary key equipment components for replacement, and integrate the manufacturing equipment and software-driven platform for the above-mentioned key components. This results in an enhancement of our manufacturing capabilities and a reduction in product costs.

5. Favorable and Unfavorable Factors of Development Prospects and Countermeasures

Considering the strengths and weaknesses of the internal capabilities of the Company and its subsidiaries and the opportunities and threats of the external environment, the favorable and unfavorable aspects of the Company's development are summarized as follows:

(1) Favorable factors

A. Market demand and growth

Our MicroLED displays are made of inorganic materials, which give them significant advantages such as resistance to moisture, corrosion, and screen marks. In terms of contrast, MicroLED also outperforms OLED. MicroLED's light-emitting elements are miniaturized to the micron level, resulting in screen resolutions that are superior by other display technologies. MicroLED display technology outperforms other traditional display technologies in almost all comparative categories and is recognized by the industry as the ultimate next-generation display technology. Based on the industry overview, future market supply and demand analysis, and growth potential, we conclude that the MicroLED product market is a growing one, and manufacturers in the industry are poised to benefit from the growth of demand in end-user display applications.

B. Diversified applications

The Company is a specialist manufacturer of MicroLED display solutions and is dedicated to the research and development of MicroLED technology. From the improvement and self-manufacture of machine equipment, development of epitaxial materials and structures, design of crystal grain structures, and various mass production technologies, the core items are protected by patents, with the number of patent applications exceeding 700. The distribution of patent rights includes about 65% in core technologies (including mass transfer, wafer fabrication, microchip, and epitaxial technologies) and about 35% in potential technologies (including display and other technologies). PixeLED, the MicroLED manufacturing technology, and SMAR·Tech , MicroLED defect repair technology, enable MicroLED to provide many innovative display technology applications. Currently, there are three main technology categories, depending on the application requirements: PixeLED Display, PixeLED Matrix, and μ -PixeLED are each involved in the production of different types of displays. PixeLED Display produces integrated glass-based backplane or PI-based backplane displays, as well as and PixeLED Matrix is printed circuit board-based modular display. On the other hand, μ -PixeLED produces MicroLED displays for extremely small AR applications. These displays can be applied to a wide range of products, such as large-sized displays, displays for use in various vehicles, bezel-less displays, ultra-high brightness wearable displays, and ultra-thin flexible displays. The possibilities for end-use applications are numerous.

C. High degree of product customization

The development of MicroLED displays requires long-term R&D, customer certification, and specification adjustment. When emerging technologies take a long time to develop from the laboratory to the production line for finished products, the resources invested during this period prevent some new or financially weak companies from entering the market and limit potential

competitors from entering the market in a short period of time. Because of the optoelectronic characteristics of MicroLED, even if other companies can produce similar MicroLED products, it will still be difficult to meet the specifications of the end consumer products jointly set by the Company and the brand manufacturers due to the small differences in the manufacturing process. Our company holds a leading position in the manufacturing of MicroLED displays. We are not only capable of producing various MicroLED components and modules, but also work directly with worldwide customers in designing and developing end-use consumer products. Through years of research and development and collaboration with our customers, we have achieved a high degree of customization for our products. The products we develop are feasible for mass production to meet future market demand and possess advantages that are difficult to replicate.

(2) Unfavorable factors and countermeasures

A. High initial production costs

Due to the miniaturization of the light-emitting elements to the micron scale, the production cost of MicroLED displays is initially high, mainly because the expensive semiconductor equipment used in the manufacturing process has not yet achieved economies of scale. Additionally, traditional panels are subject to high consumer demand for high yield rates, and any panel with three or more white spots is considered defective. For a 4K2K display with 24 million LED chips, even with a 99.99% yield rate, there could still be up to 2,400 LED chips that are damaged. Repairing individual cells with the current technology remains costly.

Countermeasures

The Company and its subsidiaries currently have plans to optimize production lines and increase production scale to meet customer demands. In the event of any adjustments in customers' product planning, production capacity can be immediately allocated to minimize the negative impact on the financial performance of the Company and its subsidiaries. There are still plans to purchase related equipment that are currently in the planning stage. The Company will expand its production capacity in phases and in accordance with its financial capabilities to minimize risks while satisfying customer needs and maintaining steady growth. At the same time, the Company and its subsidiaries continue to develop and improve their technologies. In addition to continuously reducing the size of the chips to increase the yield per wafer and lower the cost per pixel, we have also implemented mass repair technology to reduce maintenance costs. Currently, we are able to meet the specifications required by our customers through continuous technological development.

B. Increased peer competition pressure

With the steady growth of demand for high-end displays, all major panel and LED manufacturers around the world are optimistic about the future development of MicroLED and are scrambling to invest in MicroLED-related research and development. Panel makers and LED chip manufacturers in various countries have high expectations for MicroLED technology and have repeatedly emphasized its importance as a future direction for technological development. They have showcased their MicroLED products and technologies to each other at various industry events, such as the Consumer Electronics Show in the United States. As the industry is still in the development stage, although the Company and its subsidiaries are currently in a leading position in the industry, we cannot rule out the possibility that other companies will continue to make significant breakthroughs, which may lead to increased competition in the future.

Countermeasures

The current development of MicroLED still has a high technological threshold. However, the Company and its subsidiaries have a leading edge in the industry by mastering the key technologies of each process and continuously establishing the layout of related patents and equipment. At the same time, by working closely with customers to develop relevant product specifications and testing standards, latecomer competitors need longer time to figure out the specifications and requirements, thus widening the gap in technology and production capabilities. Considering the potential usage of MicroLED in both existing and new display applications, the Company and its subsidiaries have made multiple deployments to grasp the needs of various markets. Although there may be future competition, expanding demand for new applications such as the metaverse and oversized displays will increase overall demand. Moreover, the Company has planned ahead to avoid direct competition with its peers by deploying early.

C. Gains or losses from foreign exchange

The majority of the sales prices for the Company and its subsidiaries are denominated in US dollars, while most of their incoming purchases are denominated in New Taiwan dollars. Although the Company and its subsidiaries have more foreign currency revenues than expenses, US dollar receivables that cannot be offset against each other may still result in foreign exchange gains or losses when converted to New Taiwan dollars due to their net foreign currency asset positions. Therefore, if the US dollar continues to depreciate, the exchange loss may potentially erode the Company's profitability.

Countermeasures

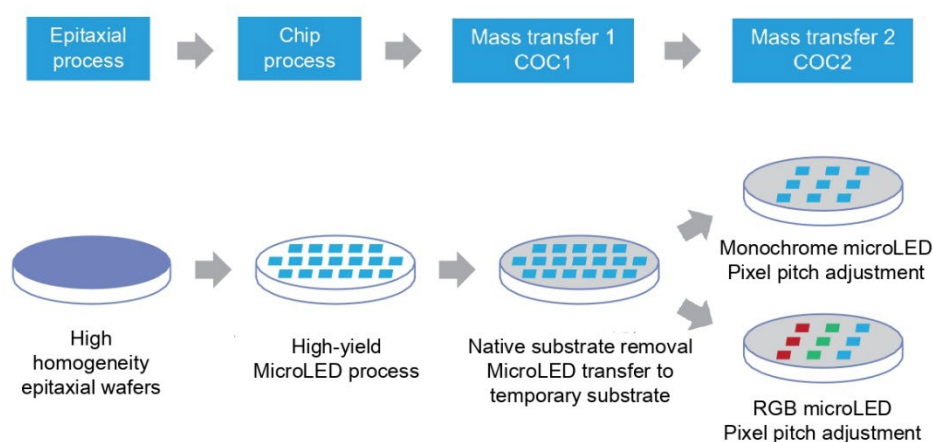
The Company and its subsidiaries adopt a conservative approach to managing exchange rate fluctuations, primarily through a natural hedging policy where foreign currency payments received are used to pay for goods received. Additionally, we gradually reduce the net amount of imports and exports to minimize the impact of exchange rate fluctuations. The financial unit closely monitors the international financial situation to keep up-to-date with the latest information on exchange rate fluctuations. We also seek professional consulting services from our banking partners to fully understand the exchange rate trend and reduce the exchange rate risk.

(II) Functions and manufacturing processes for main products:

1. Important functions

Product	Important usage and functions
Chip on Carrier	Specially designed to hold MicroLEDs on the carrier board for different mega-transfer technologies

2. Manufacturing process



Source: Compiled by the Company and its subsidiaries

(III) Supply of major raw materials

The Company has established good long-term supply relationships with major raw material suppliers and keeps an eye on changes in the raw material market in order to stabilize the purchase price and supply of key raw materials.

Major raw material	Major suppliers	Supply status
Epitaxy chip	Company D	Good and stable
Substrates	More than 2 companies	Good and stable
Others (metal consumables and chemical materials)	More than 2 companies	Good and stable

- (IV) Major clients who have accounted for at least 10% of the total purchases (sales) in either of the last two years, their purchase (sale) amount and proportion, and reasons for any increase or decrease

1. Information on major suppliers in the last two years

Unit: NT\$ thousands

Item	2023				2024			
	Company Name	Amount	Proportion to Annual Net Purchases (%)	Relationship with Issuer	Company Name	Amount	Proportion to Annual Net Purchases (%)	Relationship with Issuer
1	Company D	33,525	16.27	Related Party	Company D	38,996	11.65	Related Party
2	Company E	42,229	20.49	—	Company E	34,061	10.17	—
3	Company F	27,116	13.16	—	Company F	3,265	0.98	—
4	Company G	1,870	0.91	—	Company G	47,147	14.08	—
5	Company H	10,458	5.08	—	Company H	35,783	10.69	—
	Others	90,853	44.09	—	Others	175,597	52.43	—
	Net Purchase	206,051	100.00	—	Net Purchase	334,849	100.00	—

Explanation of changes and additions:

Company D: The primary procurement item is red-light epitaxial chips. The increase in 2024 was mainly due to higher demand resulting from increased production volume.

Company E: Mainly procures precious metals. In 2024, the usage of precious metals decreased due to the adoption of a new manufacturing process.

Company F: In 2023, raw material purchases were primarily for R&D use in connection with the introduction of new technologies. The inventory is sufficient to support both the current and following year's R&D needs. In late 2024, a small quantity of higher-grade raw materials was purchased for the following year's R&D activities.

Company G: Primarily involved in raw materials for equipment. In 2024, demand increased due to equipment business growth and technology transfer projects.

Company H: The main procurement item is substrate raw materials. The increase in 2024 was primarily driven by higher demand due to increased production volume.

2. Major Clients in the Last Two Years

Unit: NT\$ thousands

Item	2023				2024			
	Company Name	Amount	Ratio to annual net revenue (%)	Relationship with Issuer	Company Name	Amount	Ratio to annual net revenue (%)	Relationship with Issuer
1	Company A	132,606	14.06	Related Party	Company A	262,212	14.83	Related Party
2	Company B	185,401	19.66	Related Party	Company B	1,097,200	62.04	Related Party
3	Company C	546,059	57.91	Related Party	Company C	110,216	6.23	Related Party
	Others	78,938	8.37	—	Others	298,814	16.90	—
	Net revenue	943,004	100.00	—	Net revenue	1,768,442	100.00	—

Explanation of changes and additions:

Company A: The expansion of end-customer product demand has driven increased demand for COC (Chip-on-Carrier) products.

Company B: The increase in 2024 sales contribution was primarily driven by three factors: (1) continued growth in demand for COC products, (2) the addition of equipment leasing revenue, and (3) the signing of a production line construction cooperation agreement, with related engineering revenue recognized progressively based on project milestones—further boosting overall revenue contribution.

Company C: The sales contribution in 2024 declined compared to 2023, mainly due to the production line construction project with a customer entering its final stage. As the project neared completion, engineering revenue recognized based on the percentage-of-completion method decreased compared to the previous period, impacting overall sales contribution.

III. Number of Employees for the Two Most Recent Fiscal Years, and During the Current Fiscal Year Up to the Date of Publication of the Annual Report

Year		2023	2024	As of date of publication in 2025
Number of people at the end of the period	Managerial Officers	32	28	27
	General Staff	408	468	468
	Total	440	496	495
Average Age		35.24	35.39	35.74
Average Years of Services (years)		3.40	3.35	3.46
Education Profile (%)	Ph.D.	3.86	3.43	4.03
	Master	34.77	35.48	35.08
	Bachelor	45	43.55	42.74
	Senior High School	15.91	16.73	17.14
	Below Senior High School	0.46	0.61	0.61

IV. Disbursements for Environmental Protection

Any losses suffered by the Company in the most recent fiscal year and during the current fiscal year up to the publication date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in the environmental inspection, the disposition dates, disposition reference numbers, the articles of law violated, the contents of law violated, and the content of the dispositions), and an estimate of possible expenses that could be incurred currently and in the future and countermeasures being or to be taken shall be disclosed. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

For the most recent year and up to the date of printing the annual report, the Company and its subsidiaries have not experienced any losses or penalties due to environmental pollution. In

the future, we will continue to maintain environmental protection equipment and implement environmental management systems.

V. Labor Relations:

(I) Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, and the Status of Labor-management Agreements and Measures for Safeguarding Employees' Rights and Interests:

Employee Welfare Measures and Implementation Status

To promote labor harmony, boost employee morale and take care of employee welfare, the Company and its subsidiaries have established an employee welfare committee. The committee promotes various welfare measures and assists in communicating the views of both employers and employees. In addition to providing labor and national health insurance, the Company and its subsidiaries also strive to maintain and improve employee welfare.

(1) Welfare measures for employees of the Company and its subsidiaries:

- A. Labor insurance, health insurance, and employee group insurance.
- B. Allowances and activities provided by the Employee Welfare Committee include birthday allowance, Labor Day allowance, subsidies for social activities, and other ad hoc activities.
- C. Complete educational training and a smooth promotion path.
- D. Health examinations.
- E. Various types of monetary gifts and subsidies are provided, including but not limited to wedding gifts, birthday gifts, funeral condolences, and continuing education subsidies.
- F. Employee Stock Ownership Trust

(2) Continuing Employee Education and Training

Our company and its subsidiaries adhere to the philosophy of "cultivating talents and caring for employees" to ensure the development of employees' talents and to achieve the Company's common goals. We have established an excellent operation model and provided an open and diversified learning environment for employees. Colleagues can continuously challenge their growth limits through internal/external training, OJT training (On the Job Training) and guidance from supervisors/colleagues. We also have a comprehensive training system to maximize the satisfaction of our employees and register the actual training received by our employees. This approach aims to train professionals, develop and utilize talents effectively, and foster a culture of growth and development within the organization.

(3) Retirement System and Implementation Status

The Company's employee retirement plan is established in accordance with the Labor Standards Act and is applicable to employees under the old retirement system. The Company sets aside a monthly contribution to the "Labor Retirement Reserve Fund" in a special account at the Bank of Taiwan. For newly hired employees who are subject to the Labor Pension Act, the Company contributes 6% of the employee's monthly salary to the employee's individual pension account established by the Bureau of Labor Insurance based on the salary classification table.

The Company Employee Retirement Policy:

(1) Voluntary Retirement:

Employees may apply for voluntary retirement under any of the following conditions:

- A. Having completed at least 15 years of service and reached the age of 55.
- B. Having completed at least 25 years of service.
- C. Having completed at least 10 years of service and reached the age of 60.

(2) Mandatory Retirement:

The Company may not enforce mandatory retirement unless the employee meets one of the following conditions:

- A. Has reached the age of 65.
- B. Is mentally incapacitated or physically/mentally disabled and deemed unfit to perform job duties.

The retirement age specified in item A above may be adjusted, subject to approval by the central competent authority, for employees engaged in work that is hazardous or requires exceptional physical strength. However, the retirement age shall not be set below 55.

(3) Retirement Pension Payment:

The Company shall pay retirement benefits in accordance with the provisions of the Labor Standards Act. Payment must be made within 30 days from the employee's retirement date.

(4) Labor-Management Coordination

The Company adheres to the Labor Standards Act and the Labor Pension Act as guidelines for its various regulations. The Company places great importance on the opinions of its employees and communicates with them in a two-way and open manner. Regular labor-management meetings are held, and the internal communication channels are kept smooth to maintain a good and harmonious interaction between the labor and management.

(5) Measures to Protect Employee Rights

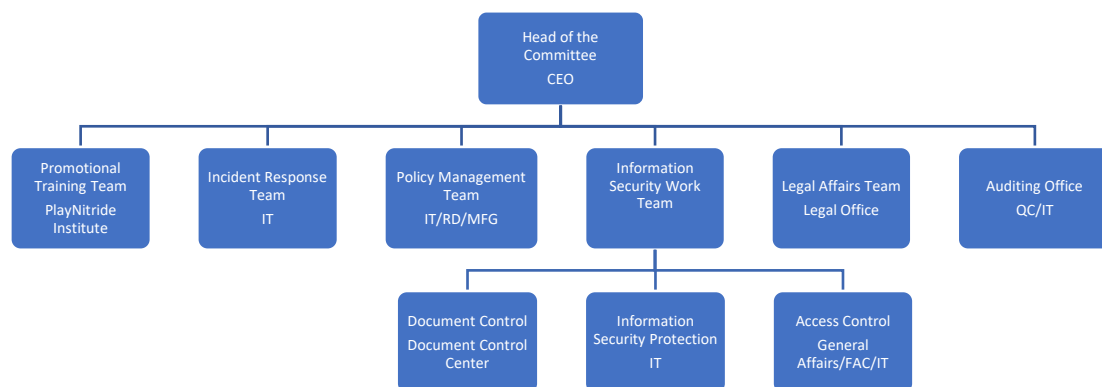
The Company has established relevant management regulations and systems, which clearly stipulate employee rights, obligations, and welfare items. The Company also regularly reviews and revises the welfare contents to maintain and protect the rights and interests of all employees.

- (II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: No recorded violations during the last year for the Human Resources Unit.

VI. Cyber Security Management:

- (I) Describing the framework for managing information security risks, information security policies, specific management plans, and allocated resources for information security management:

1. Information Security Management Organizational Structure



Explanation of key responsibilities:

Head of the Committee

Responsible for making decisions regarding significant matters related to information security management, including organizational adjustments, major policy changes, key personnel changes in information security management, and determining acceptable risk levels.

Managing Director of Information Security Committee

Comprised of senior executives and heads of the IT department, directly accountable to the Chairman of Information Security. They are responsible for executing tasks assigned by the Chairman and coordinating command during disaster incidents.

Rights and Responsibilities of Each Group

Based on the professional expertise of each committee member, they are responsible for information security tasks within their respective groups, as depicted in the organizational structure diagram.

2. Information Security Management Policies:

(1) Compliance with Laws and Regulations:

Establishing systems that comply with international information security standards and overseas regulatory requirements.

(2) Technological Application:

Implementing information monitoring systems and information protection systems to enforce information security measures.

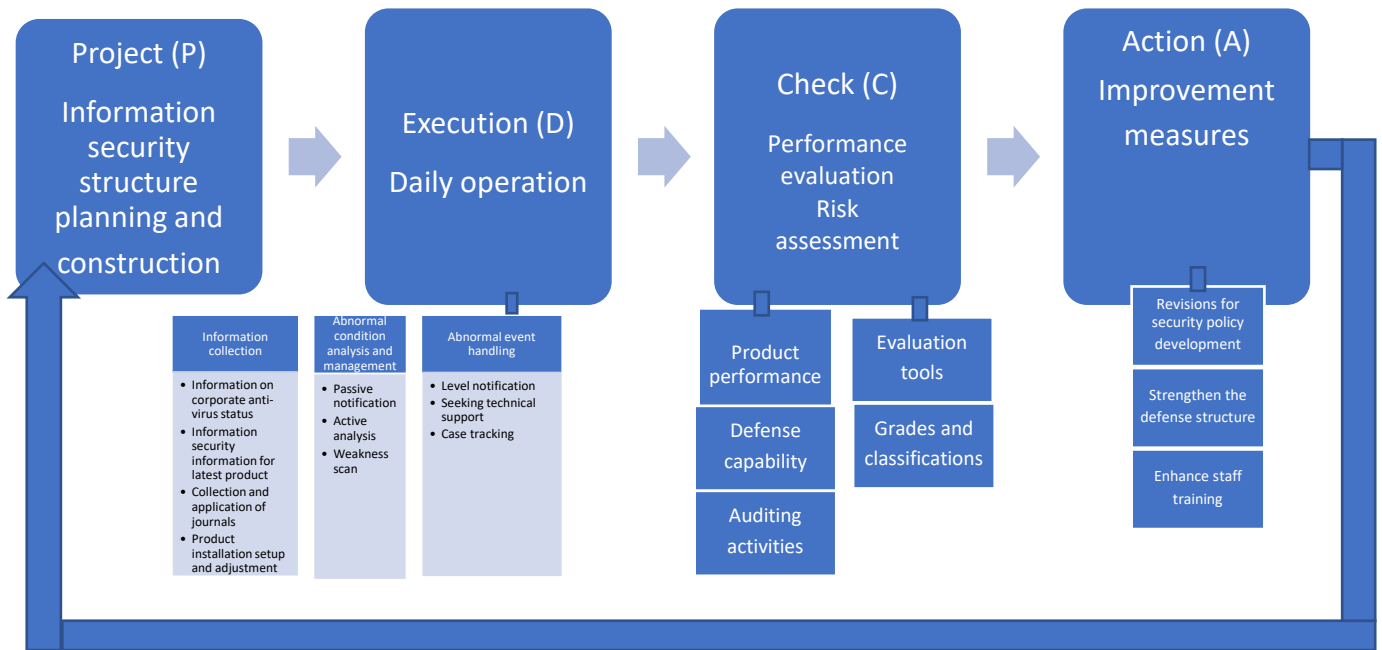
(3) Security Governance:

Establishing a multi-layered security protection framework and enhancing management through automation.

To ensure the continuous operation of information systems in the face of significant crises or disasters, our company continuously improves its information architecture, promotes operational management digitization, establishes information security systems, strengthens information security protection, and ensures accurate financial accounting, production processes, and transaction records through the development and integration of effective management systems. Additionally, regular system disaster recovery drills are conducted each year.

Our company adopts a systematic approach to establish risk assessment criteria in response to vulnerabilities or threats to information assets. Based on the assessment results, countermeasures and control measures are implemented to reduce the risk of damage to information assets. Furthermore, specific operational guidelines for risk assessment have been formulated to ensure the effective execution of information security management operations.

3. Specific Management Solutions



Information Security Management Project	Implementation measures
Device management	<ul style="list-style-type: none"> For the company's main entrances and exits, production lines, clean rooms, and warehouses, access control management is implemented. Unauthorized devices are prohibited from entering the FAB. Access to devices such as computer cameras, USB ports, and network ports is controlled.
System Management	<ul style="list-style-type: none"> Different network segments are planned according to floor and usage, with strict control over data exchange for each segment. Strict control over system permissions is enforced, requiring permission requests to be submitted through electronic forms.
Network protection	<ul style="list-style-type: none"> Install antivirus software and schedule daily scans. Conduct cross-network virus scans and intrusion detection through the firewall. Regularly perform system vulnerability scans through third-party services annually.
Resilience	<ul style="list-style-type: none"> Establish an environmental detection system to promptly identify disasters and prevent their escalation. Implement a system for off-site backups. Expand the scope of system backups to include all systems. Enhance the backup mechanism for critical systems, reducing the Recovery Point Objective (RPO) to 2 hours. Conduct annual rehearsals of the disaster recovery plan for critical systems.
Information security awareness	<ul style="list-style-type: none"> Conduct a social engineering exercise every six months. Provide biannual security awareness training for all personnel, along with periodic awareness campaigns.

The Company continues to uphold the principle of "prevention is better than response" in promoting information security management mechanisms. We have established a multi-layered defense architecture to ensure operational stability and safeguard information assets. In addition to internally conducting regular reviews of information system operations and security measures according to established plans, we also engage third-party professional cybersecurity organizations to perform periodic security health checks, including vulnerability scanning, penetration testing, and risk assessments. This enables us to comprehensively identify potential risks and promptly strengthen defenses.

Key focuses of our information security governance include:

- Implementing a risk-based cybersecurity assessment system to regularly inventory critical information assets and prioritize improvements in high-risk areas.
- Promoting departments to strictly follow information security operating procedures and establishing incident reporting and response mechanisms.
- Conducting regular cybersecurity training and social engineering drills to enhance all employees' security awareness and response capabilities.
- Reviewing and optimizing security protection tools configuration, such as firewalls, intrusion detection systems, and endpoint protection.

The Company will continue investing resources in information security management to address increasingly severe cyber threats and regulatory requirements. We are gradually adopting international information security standards (such as ISO/IEC 27001) and best practice frameworks to improve overall defense capabilities and resilience.

As of the date of this annual report publication, no cybersecurity attacks causing substantial impact on our operations have occurred, demonstrating the effectiveness of our current security management measures. Moving forward, we will continue to review and optimize our information security governance system, strengthen protection capabilities, and strive to build a robust and trustworthy information environment.

4. Allocation of Resources for Information Security Management:

- A. Hardware Equipment: Includes firewall, uninterruptible power supply (UPS) and APS systems, and backup servers.
- B. Software Protection: Encompasses antivirus software, email servers, and backup software.
- C. Network Infrastructure: Involves redundant network pathways, enterprise-grade dedicated lines, and VPN.
- D. Routine Checks: Consist of regular backups and equipment inspections.

(II) Listing the losses, potential impacts, and response measures incurred due to significant information security incidents in the most recent fiscal year and up until the printing date of the annual report. If reasonable estimation is not possible, the reasons for the inability to estimate should be explained: None.

VII. Important Contracts:

Type of Contract	Counterparty	Period	Major Contents	Restrictions
Purchase (Sales) Contracts	Company A	2022/02/23~2027/2/23	Sales Contract	In the case of an exclusive product, the Company shall not transfer or sell this product or its related IP to a third party at will.
Technical Cooperation Contract	Epistar Corporation	2022/11/11~2025/4/30	Service in Creation of Product Line	None
Lease Contract	Epistar Corporation	2021/08/01~2024/07/31	Zhunan Factory Lease	None
Cooperative development	Company D	2023/11/14~2029/11/13	Panel cooperative development	None
Technical cooperation contract	AUO Corporation	2024/01/01~2026/06/30	Production line construction services	None
Cooperative development	AUO Corporation	2024/01/01~2025/12/31	Equipment cooperative development	Exclusive cooperation during the cooperative development period
Machine Lease Agreement	AUO Corporation	2024/03/01-2024/08/31	Machine Lease Agreement	無
Lease Agreement	Epistar Corporation	2024/08/01~2028/07/31	Factory Premises	無
Loan Contract	Chang Hwa Bank Zhunan Branch	2020/08/28~2025/08/15	Long-Term Loan – Secured NT\$20,000,000	None
Loan Contract	Mega International Commercial Bank, Zhunan Science Park Branch	2024/09/20~2025/09/20	Short-Term Loan – Unsecured NT\$100,000,000	None
Loan Contract	Chang Hwa Bank Zhunan Branch	2024/05/28~2027/07/23	Long-term Loan – Unsecured, NT\$200,000,000	None
Loan Contract	Citibank Taiwan Ltd., Head Office	2024/11/11~2025/11/11	Short-term Loan – Secured, USD 6,000,000	None
Loan Contract	CTBC Bank, Head Office	2025/02/25~2028/03/25	Secured Performance Guarantee – NT\$816,080,000	None

Chapter 6 Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

I. Analysis of Financial Status:

Unit: NT\$ thousands ; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	1,809,876	1,515,713	294,163	19.41
Property, plant and equipment	565,807	682,876	(117,069)	(17.14)
Other assets	196,292	97,330	98,962	101.68
Total assets	2,571,975	2,295,919	276,056	12.02
Current liabilities	431,782	327,508	104,274	31.84
Non-current liabilities	81,373	15,702	65,671	418.23
Total liabilities	513,155	343,210	169,945	49.52
Capital stock	1,071,786	1,071,786	-	-
Capital surplus	6,450,644	6,446,914	3,730	0.06
Accumulated losses	(5,702,710)	(5,762,797)	60,087	(1.04)
Other equity interest	239,100	196,806	42,294	21.49
Total equity	2,058,820	1,952,709	106,111	5.43
<p>Explanations of major changes (with changes of at least 20% with an amount reaching NT\$10 million):</p> <p>Other Assets: Primarily resulted from the recognition of right-of-use assets due to the renewal of factory lease agreements.</p> <p>Current Liabilities: Mainly increased due to short-term borrowings from financial institutions driven by operational needs, leading to an increase in long-term borrowings maturing within one year.</p> <p>Non-Current Liabilities: Primarily attributable to the recognition of non-current lease liabilities arising from the renewal of factory lease agreements.</p> <p>Total Liabilities: Mainly increased due to borrowings from financial institutions and renewal of factory lease agreements, resulting in an increase in long-term borrowings due within one year and non-current lease liabilities.</p> <p>Other Equity: Mainly affected by fluctuations in exchange rates.</p>				

- (I) Impact of material changes in financial position: There is no material impact on the Company's future financial operations.
- (II) Future Response Plan: Not applicable.

II. Financial Performance:

Unit: NT\$ thousands ; %

Item \ Year	2024	2023	Increase (Decrease) amount	Percentage (%)
Operating revenue	1,768,442	943,004	825,438	87.53
Gross Profit	668,919	99,792	569,127	570.31
Operating expenses	658,343	662,040	(3,697)	(0.56)
Profit from operations	10,576	(562,248)	572,824	(101.88)
Non-operating income and expenses	49,511	49,409	102	0.21
Profit before income tax for the year	60,087	(512,839)	572,926	(111.72)
Profit for the year	60,087	(512,839)	572,926	(111.72)
Other comprehensive income, net of tax	42,294	2,153	40,141	1864.42
Total comprehensive income	102,381	(510,686)	613,067	(120.05)
<p>Explanations of major changes (with changes of at least 20% with an amount reaching NT\$10 million):</p> <p>(1) Operating revenue, Gross Profit(loss) and Profit(loss) from operations increase: The increase is primarily attributed to the growing customer demand for MicroLED products and associated technical services.</p> <p>(2) Non-operating income and expenses and Other comprehensive income(loss), net of tax: The main reason is due to the impact of exchange rate fluctuations.</p>				

- (I) Impact of major changes in financial performance: There is no significant impact on the Company's future financial business.
- (II) The expected number of sales and the basis for it: Not applicable.
- (III) Future response plans: Not applicable.

III. Cash flow:

Unit: NT\$ thousands

Cash balance, beginning of year	Annual net cash flows from operating activities	Annual net cash flows from investing activities	Annual net cash flows from financing activities	Remaining cash (including exchange rate changes)	Estimated remedial measures for cash deficit	
					Investment plan	Financial plan
575,047	(34,266)	149,259	73,639	805,973	—	—
<p>(1) Analysis of cash flow changes:</p> <p>Operating Activities: The net cash outflow from operating activities was mainly due to progress payments under cooperation contracts not yet collected in cash.</p> <p>Investing Activities: The net cash inflow from investing activities was primarily attributable to the disposal of financial assets measured at amortized cost.</p> <p>Financing Activities: The net cash inflow from financing activities was mainly due to the proceeds from long-term borrowings.</p> <p>(2) Illiquidity Deficiency improvement program: No concerns about illiquidity.</p> <p>(3) Cash liquidity analysis for the year ahead: Not applicable.</p>						

IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year: None.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment plans for the Coming Year:

(I) Reinvestment Policy

The Company's investment policy is based on the core business of the Company and does not engage in other non-industrial businesses. The Company has established the "Investment Cycle of Internal Control System," "Regulations on the Acquisition or Disposal of Assets," "Regulations on the Management of Related Party Transactions" and "Regulations on the Supervision of Subsidiaries" and will follow the aforementioned regulations if there are relevant investment plans in the future.

(II) Main Reasons for the Profit or Loss of the Reinvested Business in the Most Recent Year and Remedial Plans

Unit: NT\$ thousands ; %

Name of investee	Direct (indirect) shareholding (%)	Investment (loss) recognized in the most recent year	Reasons for gain or loss	Remedial plan
PlayNitride Display Co., Ltd.	100.00	91,451	Operating revenues across all existing product lines reached new highs, further expanding new revenue streams from equipment sales.	—
PLAYNITRIDE AMERICA CORPORATION	100.00	(17,939)	Operating profit is still insufficient to cover operating expenses.	Expand new customer base and increase order volume

(III) Investment plan for the coming year:

Moving forward, the Company will conduct a thorough assessment of its investment plans, taking into consideration market trends, the Group's business strategy, and financial position. This will enable us to effectively address the demands of emerging technologies, new application markets, and capacity expansion.

VI. Risk matters should be analyzed and evaluated for the following matters in the most recent year and the date of publication of the annual report:

(I) The impact of interest rates, exchange rate changes, inflation on the company's profit and loss and future response measures:

1. Interest rate change

Unit: NT\$ thousands ; %

Item \ Year	2023	2024
Net interest income and expenses	47,986	34,920
Net operating income	943,004	1,768,442
Ratio to net operating income	5.09	1.97

The Company and its subsidiaries generated their interest income primarily from bank deposits, while their interest expense was mainly due to borrowing funds for long-term financing of the operating cycle. The net interest income and expense, as a percentage of net operating income for the year, was minimal. Therefore, any changes in interest rates had a limited impact on the operations of the Company and its subsidiaries.

To avoid the effects of interest rate fluctuations on the Company and its subsidiaries' cost of capital, the company has closely monitor interest rate movements and maintain close communication with partner banks. Also paid attention to the company's debt ratio at any time, with the improvement of operating scale and profitability, their own

funds have become increasingly abundant, so as to reduce interest expense and dependence on financial institutions.

2. Exchange rate changes

Unit: NT\$ thousands ; %

Item \ Year	2023	2024
Exchange (loss) gain	(7,167)	11,985
Net operating income	943,004	1,768,442
Ratio to net operating income	(0.76)	0.68

The sales price of the Company and subsidiaries are mostly using US dollars as the transaction currency, and most of the purchase materials are using New Taiwan dollars as trading currency. When the foreign currency income of the Company and subsidiaries is much more than the foreign currency expenditure, the US dollar receivables that cannot be offset will still incur exchange gains and losses due to holding of foreign currency net assets when converted into New Taiwan dollars. The appreciation of the US dollar will result in exchange benefits for the US dollar assets held by the Company and subsidiaries; on the contrary, there will be a loss of exchange. The personnel of the financial department of the company and its subsidiaries keep abreast of foreign exchange market information, and timely control and adjust the foreign exchange part, so as to actively face the risks caused by exchange rate fluctuations to the company's operations.

3. Inflation

The Company and its subsidiaries have paid attention to the market price quotation of raw materials, established good relations with suppliers, and control the cost structure to respond to changes in the market environment to mitigate the impact of product cost changes on the Company's profit or loss due to inflation. As a result, inflation has not yet had a significant impact on the Company's profit or loss.

(II) Engaging in high-risk, highly Leveraged Investments, Lending Funds to other Parties, Endorsements and Guarantees, and Derivatives Trading policies, main reasons for the profits or loss and future countermeasures:

1. Engaged in high-risk, high-leverage investments

The Company and subsidiaries adhere to the principle of focusing on the business and being pragmatic, do not set in other high-risk undertakings, and the financial policy is based on the principle of soundness and conservativeness, and do not engage in high-risk and highly leveraged investments. Therefore, the risks are limited.

2. Engaged in Lending Funds to other Parties, Endorsement, and Guarantees, and derivatives trading Policies

The Company and its subsidiaries have established relevant procedures such as the "Endorsement and Guarantee Operating Procedures" and the "Fund Lending to Others Operating Procedures." All related operations are conducted prudently after considering risk factors and applicable regulations. Furthermore, neither the Company nor its subsidiaries engage in speculative foreign exchange transactions. Policies regarding derivative product transactions are governed by the "Procedures for Engaging in Derivative Transactions" established by the Company and its subsidiaries, which are implemented based on financial and business needs.

(III) Future Research and Development Plans and Estimated R&D Expenditures:

Due to the rapid growth of product applications, it is expected that customers will actively demand large displays for commercial and home use, in-vehicle displays, mobile displays, and wearable displays. As a result, resources are required to develop various mass transfer technologies and optoelectronic components to meet customer expectations. The competitive edge of the new generation display technology lies in the cost and efficiency of MicroLED optoelectronic components. To achieve the dual goals of cost reduction and display efficiency, it is necessary to continuously improve the efficiency and reduce the size of optoelectronic components. We currently are developing new type of mass transfer machine to react various transfer technologies. Our goal is to achieve process automation, standardization, and simplification for reducing the cost of mass transfer process. To meet the diverse sample demands of our customers, we must develop a new type of probing process and equipment. Our goal is to surpass the current available machine's capacity for size of probing components and double the speed of the process. This development direction will result in a significant reduction in spotting costs. Regarding the plans above, the Company is expected to invest NT\$514,861 thousands in further expenditures expected for research and development work.

(IV) Effects of and Response to Changes in Policies and Regulations At Home and Abroad Relating to Corporate Finance and Sales:

The Company and its subsidiaries operate their businesses in compliance with applicable domestic and foreign policies, laws, and regulations. They remain vigilant of the evolving trends in domestic and foreign policies, as well as changes in laws and regulations. They gather pertinent information to aid management in decision-making and seek advice from relevant professionals to implement suitable strategies in response. As of the publication date of the annual report, the finances and business of the Company and its subsidiaries have not been impacted by significant policy or legal changes domestically or internationally.

(V) Effect on the Company's Financial Operations of Developments in Science and Technology (including Cyber Security Risks) as well as Industrial Change, and Measures to be Taken in Response:

Our company specializes in manufacturing full-size touch panels, touch display module integration, and lamination products for a wide range of applications. We stay up-to-date with market and technology trends and conduct research and planning on various product characteristics such as thickness, material, strength, and high reliability. Additionally, we conduct innovative research and development for advanced processes, materials, and architectures to provide the most competitive products and services and increase our market share. This allows us to respond to the dynamic environment of industry changes and introduce new technologies into our products at any time. As of the printing date of the annual report, our company has not experienced any significant impact on its financial operations due to technological or industry changes.

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

Since its establishment, our company has always adhered to the principles of honesty and integrity, as well as the spirit of stability and pragmatism. We have actively worked to strengthen our internal management, improve management quality and efficiency, and prioritize corporate image and risk control. Additionally, we have remained compliant with both domestic and foreign local laws and regulations. Thanks to these efforts, we have successfully avoided any corporate crises resulting from changes in our corporate image. We have implemented a spokesperson mechanism and assigned a dedicated individual to handle suggestions from various sectors and shareholders. This is to ensure that the reputation and image of the Company and its subsidiaries are maintained.

(VII) Expected Benefits from, Risks Relating to, and Response to Merger and Acquisition Plans

As of the date of publication of the annual report, the Company has no mergers and acquisitions nor plans for such. In the event of any future mergers or acquisitions, we will conduct a thorough evaluation and present our findings to the Audit Committee for review. We will then submit our recommendations to the Board of Directors for resolution, and ensure that we adhere to all relevant internal control regulations to adequately prepare and communicate. Our goal is to minimize any potential negative effects of such mergers and acquisitions.

(VIII) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans:

As of the date of publication of the annual report, the Company has no plans to expand its plants.

(IX) Risks Associated With Any Consolidation of Sales or Purchasing Operations, and Mitigation Measures Being or to Be Taken:

1. Purchase

The Company's primary focus is on designing, developing, and manufacturing MicroLED displays. As the materials used are not exclusive or monopolistic, ensuring a stable supply is becoming increasingly important in light of market price fluctuations. The supplier is a prominent LED epitaxial manufacturer based in Taiwan and serving clients worldwide. This aligns well with the Company's requirements for tailored raw materials.

Due to the current low production volume, we have decided to source our materials from a single vendor, company A. This decision was made after careful consideration of the economic benefits of maintaining a stable supply and consistent raw materials. Additionally, our company maintains a one-month safety stock level for the red epi wafer to ensure adequate inventory. Thanks to these measures, we have experienced no shortages or disruptions in our supply chain. Moving forward, we will persist in seeking out alternative suppliers to assess the quality of the raw materials against our order specifications. Additionally, we intend to maintain a minimum of two sources of supply as we expand our production scale in the future.

2. Sales

At the outset of its establishment, the Company brought on strategic investors and established its own upstream and downstream supply chain. The manufacturers operate under a strategic alliance and division of labor model, with the aim of expanding and improving the MicroLED market as a top priority. At present, the Company's sales are primarily targeted towards specific customers due to the fact that MicroLED products are still in the promotion and marketing phase. Furthermore, there are only a handful of companies in the market that have a proven track record of shipping MicroLEDs. As the first customer to enter the market, there is a concentration of sales towards them.

The Company has diversified its application markets beyond MicroLED products. Apart from distributing MicroLED products to regional distributors, the Company leverages local channels to sell its products to downstream end-supply chains for assembly and shipment. This approach strengthens the sales channels and promotes sustainable growth. We are actively promoting the use of our products not only in consumer goods but also in automobiles and AR. Given the automotive industry's stringent requirements for product safety and stability, MicroLED products that pass the certification of end-use automotive manufacturers will be difficult to replace as component suppliers. In the future, our company plans to diversify its product portfolio and enter new industries. This strategy aims to decentralize our sales concentration and achieve a broader market reach.

- (X) Effect Upon and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director, Supervisor, or Shareholder Holding Greater than a 10 Percent Stake in the

Company are Transferred or Otherwise Change hands, and Mitigation Measures being or to be Taken:

During the most recent fiscal year and up to the publication date of the annual report, there have been no significant instances of directors, supervisors, or major shareholders holding more than 10% of the shares transferring or replacing equity, except for those that were announced and declared in compliance with the law.

(XI) Effects of, Risks Relating to and Response to the Changes in Management Rights:

As of the date of publication of the annual report, there have been no changes in management rights.

(XII) Litigation and Non-Litigation Matters: Provide a list of major litigious, non-litigious, or administrative disputes that involve the Company, any company director, supervisor, general manager, person with actual responsibility for the firm, major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company. The report should also indicate whether these disputes have been concluded by means of a final and unappealable judgment or are still under litigation. If such disputes could materially affect shareholders' equity or the prices of the Company's securities, the annual report must disclose the facts of the dispute, the amount of money at stake, the date of litigation commencement, the main parties involved, and the current status of the dispute as of the date of publication of the annual report.

1. Disclosure of pending litigation, legal proceedings, or administrative proceedings, or a final judgment or ruling the Company is involved in the most recent fiscal year and during the current fiscal year up to the publication date of the annual report which may have a material adverse effect on the shareholders' equity or price of securities: None.
2. Disclosure of pending litigation, legal proceedings, or administrative proceedings, or a final judgment or ruling in the most recent fiscal year and during the current fiscal year up to the publication date of the annual report where the Company's directors, General Manager, de facto person in charge, shareholders with 10% or more share ownership, or affiliated companies are involved in and which may have a material adverse effect on the shareholders' equity or price of securities: None.

(XIII) Other Important Risks and Mitigation Measures: None.

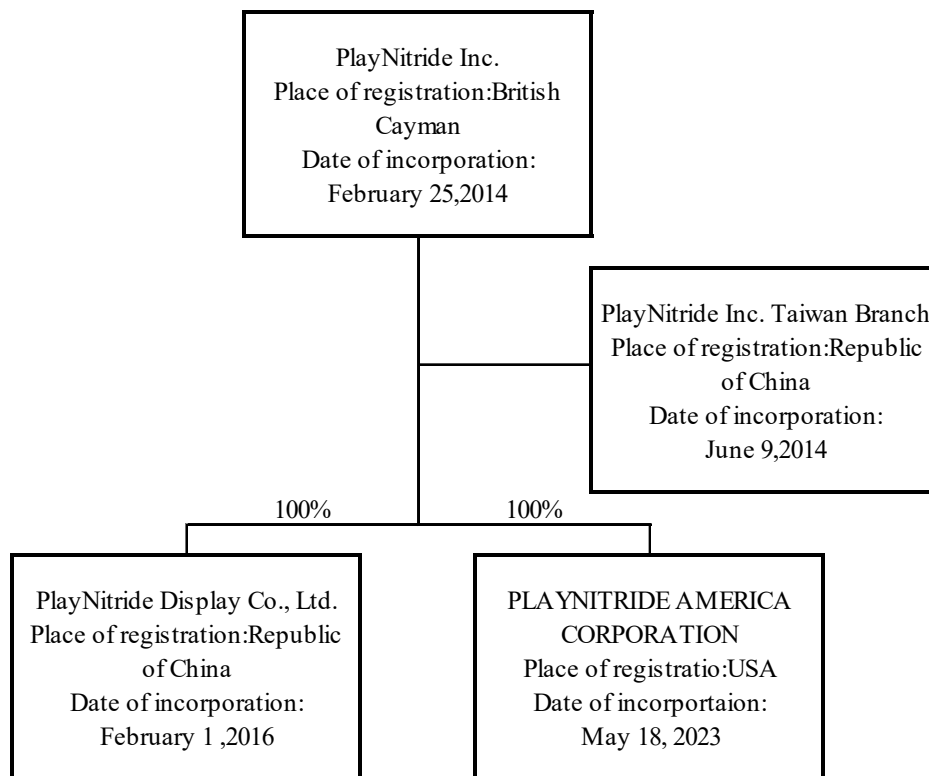
VII. Other Important Matters: None

Chapter 7 Special items to be included

I. Information on company Affiliates:

(I) Affiliate Company Structure

Date: December. 31, 2024



(II) Basic Information on Affiliates

Unit: NT\$ thousands

Name of Company	Date of Incorporation	Region	Paid-in Capital	Main Business/ Products
PlayNitride Display Co., Ltd.	2016/2/1	No.13, Kezhong Rd., Zhunan Township, Miaoli County 350, Taiwan	582,000	Research, development, design, manufacture and sales of MicroLED components, modules, and panel-related products, as well as design, installation and maintenance of process equipment.
PLAYNITRIDE AMERICA CORPORATION	2023/5/18	2051 Junction Ave. Ste. 110 San Jose, CA 95131	31,633 (USD1,000,000)	Sales and consulting services

(III) Information of common shareholders who are presumed to have a relationship of control and subordination: None.

(IV) Businesses covered by the affiliated enterprises' overall operations: as stated in the profiles of the affiliates

(V) Information on Directors, Supervisors, and General Managers of Affiliates

December 31, 2024 Unit:thousands share;%

Name of Company	Title	Name or Representative	Holding shares	
			Numbers of shares	Shareholding ratio
PlayNitride Display Co., Ltd.	Chairman	Li, Yun-li	—	—
	Director	Chen, Ming-Jang	—	—
	Director	Lai, Yu-Hung	—	—
	General Manager	Lin, Tzu-Yang	—	—
			Company Holds 58,200	100%
PLAYNITRIDE AMERICA CORPORATION	Chairman	Li, Yun-li	—	—
			Company Holds 10,000	100%

(VI) Overview of Operations of Affiliates

December 31, 2024 Unit:NT\$ thousands

Name of Company	Business capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Income or loss during the current period (net, after tax)	Earnings per share (dollar)
PlayNitride Display Co., Ltd.	582,000	1,868,166	483,347	1,384,819	1,755,545	78,162	91,451	1.57
PLAYNITRIDE AMERICA CORPORATION	31,633 (USD1,000,000)	16,678	6,262	10,416	514	(17,811)	(17,939)	(1.79)

(VII) Consolidated Financial Statement of Affiliates: Same as the consolidated financial statements. Please refer to the Attachment II.

(VIII) Reports on Affiliates: Not applicable.

II. Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

III. Other Supplementary Information: None.

IV. Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

V. Description of material differences from the ROC shareholder protection regulations:
In accordance with the "Checklist for Protecting Shareholders' Rights in the Country of Registration of Foreign Issuers" announced by the Taiwan Stock Exchange Corporation on May 2, 2024, please refer to the table below for a comparison between the checklist and the Articles of Incorporation of the Company. The proposed amendments have been included in the agenda for the 2025 Annual General Shareholders' Meeting under the item "Amendments to the Articles of Incorporation," and will be submitted to the shareholders for discussion.

Important Matters of Shareholders Rights Protection	"Company Act" or "Securities and Exchange Act" and Relevant Laws and Regulations	Article Number(s) of the Articles of Incorporation	Opinion by Counsel
The Company shall not issue bearer shares. A company that adopts par value shares may not convert to no-par value shares; likewise, a company that adopts no-par value shares may not convert to par value shares.	Article 137, Company Act Article 156-1, Paragraphs 5 and 6, Company Act	Article 5.6	Since all amendments have been incorporated into the Articles of Incorporation, no separate evaluation opinion is required.
<ol style="list-style-type: none"> 1. The Company shall, no later than 30 days prior to a regular shareholders' meeting or 15 days prior to a special shareholders' meeting, publicly announce the notice of shareholders' meeting, proxy form, and explanatory materials for all proposals, including ratification items, discussion items, and the election or dismissal of directors and supervisors. 2. If the Company adopts written voting for shareholder meetings, the aforementioned materials and the written ballot shall be delivered to shareholders along with the meeting notice. 3. When convening a shareholders' meeting, the Company shall prepare a shareholders' meeting handbook and make it publicly available no later than 21 days before a regular meeting or 15 days before a special meeting. However, if the Company has paid-in capital of NT\$2 billion or more as of the end of the most recent fiscal year, or if the aggregate shareholding ratio of foreign and Mainland Chinese investors recorded in the shareholders' register at the most recent annual general meeting reaches 30% or more, the electronic files of the 	<ol style="list-style-type: none"> 1. Article 5 of the Regulations Governing the Content and Compliance Requirements for the Shareholders' Meeting Agenda Handbooks of Public Companies. 2. Article 6 of the Regulations Governing the Content and Compliance Requirements for the Shareholders' Meeting Agenda Handbooks of Public Companies. 	Article 20.5	Since all amendments have been incorporated into the Articles of Incorporation, no separate evaluation opinion is required.

<p>aforementioned materials shall be submitted 30 days prior to the meeting date.</p>			
<p>1. A shareholder who has continuously held 1% or more of the total issued shares of the Company for at least six months may request the Audit Committee in writing to file a lawsuit on behalf of the Company against a director, and the Taipei District Court of Taiwan may be designated as the court of first instance.</p> <p>2. If the Audit Committee does not initiate such lawsuit within 30 days of the shareholder's request, the shareholder may file the lawsuit on behalf of the Company, and the Taipei District Court of Taiwan may be designated as the court of first instance.</p> <p>3. Unless the Board of Directors fails or is unable to convene a shareholders' meeting, the supervisor may, for the benefit of the Company, convene a shareholders' meeting when necessary.</p>	<p>Article 200, Company Act Article 214, Company Act Article 220, Company Act Article 227, Company Act Article 5 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies</p>	<p>Article 48.3</p>	<p>Since all amendments have been incorporated into the Articles of Incorporation, no separate evaluation opinion is required.</p> <p>Article 48.3 of the Company's Articles of Incorporation states:"To the extent permitted under Cayman Islands law, any shareholder who has continuously held 1% or more of the total issued shares of the Company for at least six months may, by written request, ask the Audit Committee to resolve that one or more of its independent director members file a lawsuit, either individually or jointly, on behalf of the Company against a director. The Taipei District Court of Taiwan may be designated as the court of first instance. If the Audit Committee fails to reach a resolution, or the independent director(s) so designated fail(s) to initiate legal action within 30 days from the date of the shareholder's written request, the shareholder may, to the extent permitted under Cayman Islands law, bring a lawsuit against the director on behalf of the Company, and may designate the Taipei District Court as the competent court."</p> <p>The provision under the Company's Articles slightly differs from the regulation on the left, which provides for the Audit Committee to directly initiate legal action on behalf of the Company. However, this difference arises from practical considerations—since in reality, a legal action cannot be initiated by the Audit Committee as a body, but must instead be filed by one or more of its independent director members acting on behalf of the Company. Therefore, the wording in the Company's Articles aims to comply with the regulatory intent while providing a more detailed procedural framework for implementation. In substance, it remains consistent with the regulatory purpose.</p>

Independent Auditor's Reasonable Assurance Report

To PlayNitride Inc.:

The design and implementation of PlayNitride Inc.'s internal control system related to external financial reporting and asset safeguarding as of December 31, 2024, and the effectiveness of its internal control system related to external financial reporting and asset safeguarding have been assessed and confirmed on February 26, 2025. We have duly executed this statement after completing all the necessary procedures.

Subject Matter, Subject Matter Information, and Applicable Criteria of Assurance

The subject matter of this assurance engagement is the design and implementation of PlayNitride Inc.'s internal control system related to external financial reporting and asset safeguarding as of December 31, 2024, as well as the statement issued by PlayNitride Inc. on February 26, 2025, confirming the effectiveness of its internal control system related to external financial reporting and asset safeguarding as of December 31, 2024. The subject matter information is detailed in the attached document.

The applicable criteria used to measure or evaluate the subject matter and subject matter information mentioned above are the "Regulations Governing Establishment of Internal Control Systems by Public Companies," specifically the criteria for assessing the effectiveness of the internal control system.

Inherent Limitations

Due to inherent limitations in any internal control system, it is possible that PlayNitride Inc.'s aforementioned internal control system may not prevent or detect errors or fraud that have already occurred. Furthermore, future changes in the environment may result in a decrease in the degree of compliance with the internal control system. Therefore, the effectiveness of the current internal control system does not guarantee its effectiveness in the future.

Responsibilities of Management

The responsibility of management is to establish an internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and relevant laws and regulations. The management are also responsible for continuously reviewing and maintaining the effectiveness of the design and implementation of the internal control system. Moreover, after evaluating its effectiveness, the management shall issue a statement for internal control system accordingly.

Auditor's Responsibilities

The responsibility of the auditor is to perform necessary procedures in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" to obtain reasonable assurance regarding the subject matter and subject matter information. The auditor is responsible for determining whether the subject matter and subject matter information, in all material respects, comply with the applicable criteria and expressing an appropriate conclusion.

Independence and Quality Controls

The auditor and the firm have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant, which contains integrity, objectivity, professional competence and due care, confidentiality, and professional behavior as the fundamental principles. In addition, the firm follows quality control standards and maintains a comprehensive system of quality controls, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable laws and regulations.

Summary of the Implemented Procedures

The auditor relies on professional judgment to plan and execute necessary procedures to obtain evidence related to the subject matter and subject matter information. The procedures executed include understanding the company's internal control system, evaluating the management's assessment process of the overall effectiveness of the internal control system, testing and assessing the effectiveness of the design and implementation of the internal control system related to external financial reporting and asset safeguarding, and any other assurance procedures deemed necessary by the auditor.

Assurance Engagement Conclusion

According to the auditor's opinion, PlayNitride Inc.'s internal control system related to external financial reporting and asset safeguarding, in terms of design and implementation as of December 31, 2024, has, in all material respects, complied with the criteria for assessing the effectiveness of the internal control system outlined in the "Regulations Governing Establishment of Internal Control Systems by Public Companies." The statement issued by PlayNitride Inc. on February 26, 2025, confirming the effectiveness of its internal control system related to external financial reporting and asset safeguarding as of December 31, 2024, has, in all material respects, been appropriately expressed

KPMG Taipei, Taiwan (Republic of China)
February 26, 2025

PlayNitride Inc.

Chairman: Li, Yu-li