



02

Business Governance

- Company Profile
- Financial Revenue
- Operation of Governance Organization
- Values, Principles, Standards, and Norms of Behavior
- Risk Management
- Information Security and Privacy Management
- Supervisory Mechanism

Chapter 2

Performance Highlights



First inclusion in the
TWSE Corporate
Governance 100 Index.



Ranked within the
Top 6%–20% of the
Corporate Governance
Evaluation for
two consecutive years.



Constituent of the
TWSE RAFI® Taiwan High
Compensation 100 Index
for four consecutive
years.



Maintained a dividend
payout ratio of 80%,
thereby creating
shareholder value.



Achieved 100% coverage
in social engineering
drills for cybersecurity.

2024 Goals and Achievements

Goals

1. Dividend payout ratio has been maintained at a level consistent with previous years.
2. Corporate Governance Evaluation results placed the Company in the 21%–35% range among listed companies.
3. Attendance rate of the Board of Directors and functional committees exceeded 90%.
4. Material information is disclosed simultaneously in both Chinese and English.
5. Promoted rationalization of compensation and proposed linking executive remuneration to ESG performance.
6. Directors (including independent directors) are regularly invited to engage in consultations and two-way communication on sustainability-related topics, serving as a reference for the execution of the Sustainability Development Committee's initiatives.

Achievements

1. Dividend payout ratio maintained at 80%.
2. In the 10th Corporate Governance Evaluation, the Company ranked in the second tier (Top 6%–20%) among all listed companies.
3. In 2024, the attendance rate of the Board of Directors and all functional committees reached 100%.
4. Implementation commenced in 2024.
5. In February 2024, the Board approved revisions to the "Compensation Policy for Directors, Independent Directors, and Managers," adding non-financial (sustainability/ESG) performance indicators to be incorporated as a primary metric in the 2024 managerial performance appraisals.
6. The "Discussion on Linking Managerial Performance Indicators with ESG" was completed in February 2024 and served as the basis for execution by the Sustainability Development Committee.

Sustainability Policy

Integrity Management

Topic of Concern: Business Performance and Governance

Impact on Raydium: Continuously strengthen core product technologies to establish differentiated product advantages and competitive technological barriers, thereby fulfilling the commitment to sustainable operations.

Current Management Approach	Future Initiatives and Strategic Directions	Management Policy
<ol style="list-style-type: none"> 1. Monthly meetings are held to explain the previous month's business performance to employees, facilitating two-way communication. 2. Quarterly board meetings and investor conferences are convened to report the Company's operational status to directors and investors. 3. An annual year-end meeting is held to review and assess past performance and communicate the operational goals for the coming year. Biweekly executive management meetings are conducted to evaluate actual performance against targets. 	<ol style="list-style-type: none"> 1. Develop new markets and customers, and establish marketing channels and strategic partnerships. 2. Optimize financial planning and operational management to allocate company resources effectively and maximize overall synergy. 3. Expand revenue, optimize product mix to improve gross margin and profitability, and focus on enhancing customer value and supply chain integration to create overall corporate value and continuously increase long-term shareholder equity. 	<ol style="list-style-type: none"> 1. Generating revenue and maintaining profitability are the cornerstones of business operations, forming the foundation for long-term and stable sustainable performance. 2. Key sustainability performance indicators are set annually, accompanied by regular reviews to assess whether each department meets its targets, ensuring the Company's overall performance aligns with expectations. 3. In line with the annual Corporate Governance Evaluation, the Company continuously strengthens and implements sound corporate governance practices.
2025 Goals	Mid-Term Goals (Within 3 Years)	Long-Term Goals (Within 5 Years)
<ol style="list-style-type: none"> 1. Dividend payout ratio maintained at a level consistent with previous years. 2. Corporate Governance Evaluation results remained in the second tier (6%–20%) among listed companies. 3. Attendance rate of the Board of Directors and functional committees exceeded 90%. 4. Managerial compensation continues to be closely tied to ESG objectives, encouraging executives to actively fulfill environmental and social responsibilities. 5. Directors (including independent directors) are regularly invited for consultation and two-way communication on sustainability-related topics, serving as a reference for the execution of the Sustainability Development Committee's initiatives. 6. The Sustainability Report is submitted to the Board of Directors for discussion and approval. 7. A corporate value enhancement plan has been formulated. 8. Implementation of the Taiwan Intellectual Property Management System (TIPS) has been initiated. 9. Initiated the adoption plan for IFRS Sustainability Disclosure Standards. 	<ol style="list-style-type: none"> 1. Maintain industry leadership. 2. Dividend payout ratio maintained at a level consistent with previous years. 3. Corporate Governance Evaluation results remain within the top 6%–20% tier among listed companies. 4. Attendance rate of the Board of Directors and functional committees reaches 95% or higher. 5. Promote gender diversity on the Board by increasing the number of female directors. 6. All independent directors shall serve no more than three consecutive terms. 7. All directors attend the shareholders' meeting. 8. Implement and regularly report to the Board on the progress of adopting the IFRS Sustainability Disclosure Standards. 9. Establish a functional committee for sustainability or risk management, with at least half of its members being independent directors. 	<ol style="list-style-type: none"> 1. Continuously enhance revenue and profitability to realize a sustainable business model that balances development and strengthens the Company's long-term competitiveness. 2. Monitor industry trends and market dynamics to identify suitable investment targets that support product and business expansion, while maintaining a sound financial structure and creating investment value. 3. Maintain Corporate Governance Evaluation results within the top 6%–20% tier among listed companies. 4. Achieve an attendance rate of 95% or higher for the Board of Directors and functional committees. 5. Promote gender diversity on the Board, with female directors accounting for more than one-third of all board members. 6. Prepare the Sustainability Report in accordance with IFRS standards and obtain assurance from an external CPA.

2024 Goals and Achievements

Goals

1. Analyze and assess business activities within the scope of operations that pose a higher risk of unethical conduct, formulate prevention programs, and establish management procedures accordingly.
2. Continuously conduct training courses related to integrity management and anti-corruption, and evaluate employee learning outcomes through post-training assessments.

Achievements

1. The risk assessment mechanism and management policy were reported to the Board of Directors on May 7, 2024.
2. Additionally, all employees achieved a 99.8% completion rate for the mandatory 2024 integrity training course, with a passing score requirement of 100, meeting the Company's zero-tolerance standard for unethical conduct.

Sustainability Policy

Integrity Management

Topic of Concern: Anti-corruption, Business Integrity

Impact on Raydium: "Integrity management" is one of the Company's core values. We are committed to legal compliance and enforcement to ensure sustainable operations and the effective implementation of corporate governance.

Current Management Approach	Future Initiatives and Strategic Directions	Management Policy
The "Integrity Management Task Force," which reports directly to the Board of Directors, is responsible for formulating integrity policies, establishing related preventive measures, overseeing their implementation, and submitting an annual report to the Board.	Through the promotion of company policies and educational training programs, the Company enhances employees' awareness of integrity management and professional ethics.	<ol style="list-style-type: none"> 1. Regularly promote the Company's core value of "Integrity Management" to all employees, and provide periodic execution reports to the Board of Directors. 2. Enhance integrity-related training and development programs to raise employees' awareness of integrity and strengthen ethical conduct.
2025 Goals	Mid-Term Goals (Within 3 Years)	Long-Term Goals (Within 5 Years)
<ol style="list-style-type: none"> 1. Comply with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies." 2. Continue to conduct training programs on integrity management and anti-corruption, with post-training assessments used to evaluate employee learning outcomes. All employees achieved a 100% completion rate for the mandatory integrity course, with a passing score requirement of 100, fulfilling the Company's zero-tolerance policy for unethical conduct. 	Regularly review and comply with the integrity management policy to further embed the spirit of ethical business conduct.	Implement and instill the core values of integrity management across all employees.

2024 Goals and Achievements

Goals

1. Refine the risk-management system and integrate it with business strategy; identify annual risks through both top-down and bottom-up assessments, thereby fostering an enterprise-wide risk-management culture.
2. The Risk Management Committee is overseen by the Audit Committee and submits regular reports to the Board of Directors.
3. Implement the Business Continuity Plan (BCP) and conduct periodic drills for emergency response and recovery.

Achievements

1. The Risk Management Committee convened on a quarterly basis throughout 2024 to monitor the risk-prevention and improvement measures of each operating unit, and in December 2024 initiated the 2025 risk-assessment exercise and the annual risk-awareness training program.
2. Reports were presented to the Board of Directors in February and August 2024, covering the Committee's quarterly follow-up progress and the Business Continuity Plan (BCP) items scheduled for execution in 2024.
3. Based on the 2024 risk analysis, regular drills for medium-to-high-risk items are conducted annually. On September 18, 2024, an on-site earthquake drill was successfully conducted as part of the Company's BCP.

Sustainability Policy

Integrity Management

Topic of Concern: Risk Management

Impact on Raydium: With sustainable operations as the ultimate objective, the Company promotes comprehensive risk management across all departments to maximize shareholder value and protect stakeholder interests.

Current Management Approach	Future Initiatives and Strategic Directions	Management Policy
<ol style="list-style-type: none"> 1. The Board of Directors is the highest supervisory body for risk management; it approves the risk-management policy and framework and ensures their effectiveness. 2. The Audit Committee convenes at least once per quarter to assist the Board in fulfilling its oversight responsibilities and to maintain full communication with the Internal Audit Office and the external auditors. 	<p>The Risk Management Committee is responsible for formulating the risk-management policy, planning material risk-management matters, defining the Company's risk appetite and prioritizing key risks, as well as overseeing improvements to risk monitoring. The Committee reports on the operation and effectiveness of risk-management to the Board of Directors at least once a year.</p>	<ol style="list-style-type: none"> 1. Establish a comprehensive risk-management framework covering risk assessment, risk control, risk oversight, and risk reporting. 2. Establish communication and consultation channels with internal and external stakeholders to ensure the continued applicability and effectiveness of the risk management system.
2025 Goals	Mid-Term Goals (Within 3 Years)	Long-Term Goals (Within 5 Years)
<ol style="list-style-type: none"> 1. Refine the risk-management system and integrate it with business strategy; identify annual risks through top-down and bottom-up assessment procedures, thereby fostering an enterprise-wide risk-management culture. 2. The Audit Committee continues its supervisory role. The Risk Management Committee, taking the Audit Committee's opinions into account, sets the annual risk-management objectives and reports implementation progress to the Board of Directors on a regular basis. 3. Conduct annual Business Continuity Plan (BCP) drills to strengthen the Company's operational resilience. 	<ol style="list-style-type: none"> 1. Implement the Business Continuity Plan (BCP) to continuously enhance the Company's operational resilience. 2. Devise risk-management training programs and roll out Enterprise Risk Management (ERM) to raise company-wide risk awareness and reinforce the corporate risk-management culture. 	<p>Continue to implement effective risk-identification mechanisms and management measures, build the capability for rapid operational recovery, strengthen corporate resilience, and ensure sustainable operations.</p>

2024 Goals and Achievements

Goals

1. Implement the Information Security Policy and continuously update security standards (review and revise every six months).
2. Strengthen off-site backup and disaster-recovery mechanisms — conduct an annual drill for core operational systems.
3. The designated information-security unit reports to the Board of Directors annually.
4. Conduct monthly internal information-security campaigns and quarterly social-engineering drills.
5. Continually reinforce the information-security early-warning mechanism to prevent internal data leakage (target: zero leakage incidents).
6. Number of complaints alleging breaches of customer privacy: Zero.

Achievements

1. Continued to compile and submit monthly reports on the Company's information-security status.
2. Completed an off-site backup drill for critical systems in the first half of 2024.
3. Delivered the annual report to the Board in August 2024.
4. Issued monthly information-security awareness bulletins; grouped social-engineering drill scenarios to achieve 100 % employee coverage.
5. Implemented outbound-email control measures, in line with the Information Security Management Guidelines, to mitigate data-leakage risks.
6. No privacy-related complaints or penalties were received from external parties or regulatory authorities in 2024.

Sustainability Policy

Integrity Management

Topic of Concern: Information Security and Privacy Management

Impact on Raydium: 1. Ensure the security of the Company's trade secrets and confidential information; foster correct information security awareness and behavior among employees to enhance overall defense capability, reduce security risks, and ensure business continuity.
2. Protecting customer confidentiality helps build trust and foster mutually beneficial partnerships.

Current Management Approach	Future Initiatives and Strategic Directions	Management Policy
<ol style="list-style-type: none"> 1. The Company employs multi-layer firewall segregation to restrict external access, thereby reducing the exposure of its information systems to the public Internet, and isolates critical information environments via separate internal and external networks. 2. Execute bilateral non-disclosure agreements (NDAs) with customers. 3. Access to customer information and development projects is granted on a need-to-know basis, with viewing and data permissions assigned according to user access rights. 	<ol style="list-style-type: none"> 1. Establish an Information Security Task Force that drives cross-departmental integration so as to strengthen company-wide consensus and measures on information security. 2. Adopt advanced cybersecurity technologies to ensure the confidentiality, integrity, and availability of the Company's trade secrets and operational information, thereby enhancing operational efficiency and quality. 3. Enforce robust cybersecurity and confidentiality mechanisms to rigorously safeguard customer privacy; create dedicated R&D zones to secure technical information and achieve a zero-complaint record that earns client trust. 	<ol style="list-style-type: none"> 1. Raise company-wide information-security awareness and establish a secure information environment. 2. Safeguard the Company's information assets and protect corporate interests. 3. Ensure the sustainable operation of the Company's information systems. 4. Strictly protect customer privacy and confidential information, maintaining a zero-complaint record for any privacy infringements.
2025 Goals	Mid-Term Goals (Within 3 Years)	Long-Term Goals (Within 5 Years)
<ol style="list-style-type: none"> 1. Implement the Information Security Policy and review / revise security standards every six months. 2. Strengthen off-site backup and disaster-recovery capabilities; conduct an annual drill for core operational systems. 3. The designated information-security unit submits an annual report to the Board of Directors. 4. Issue monthly security-awareness bulletins and carry out quarterly social-engineering drills. 5. Continuously reinforce early-warning mechanisms and optimize outbound-mail controls to achieve zero confidential-data leakage. 6. Maintain zero privacy-related complaints by rigorously protecting customer data. 7. Enhance team training and encourage security staff to obtain professional certifications. 8. Engage external cybersecurity consultants to perform penetration tests. 9. Design a classification scheme for confidential-document management. 	<ol style="list-style-type: none"> 1. Enhance the Information Security Management System (ISMS) and tighten internal security-control standards. 2. Expand off-site backup / disaster-recovery to cover R&D environments and secondary systems. 3. Broaden team training and encourage staff to earn additional security credentials, building a more robust defense network. 4. Continue to safeguard customer privacy, maintaining zero complaints. 5. Implement a tiered classification and management scheme for sensitive data. 6. Plan for the adoption of ISO 27001. 	<ol style="list-style-type: none"> 1. Build a more comprehensive security team, continuously strengthen cybersecurity, and protect stakeholder interests. 2. Continuously review and roll out next-generation security defenses in line with IT advances. 3. Ensure customer privacy protection and sustain a zero-complaint record. 4. Fully implement the classified management of sensitive documents.

2.1 Company Profile

Company Name:

Raydium Semiconductor Corporation

Date of Establishment: October 23, 2003

Paid-in Capital: NT\$758,552,260

Stock Code: 3592

Chairman: Mr. Hermit Huang

Number of Employees: 923

(As of December 31, 2024, Taiwan region only)

Industry Sector: IC Design

Head Office:

No. 23, Li-Hsin Rd., Hsinchu Science Park,
Hsinchu City

Telephone: +886-3-666-1818

Taipei Office:

No. 18, Jihu Rd., Neihu Dist., Taipei City

Telephone: +886-3-666-1818

Tainan Office:

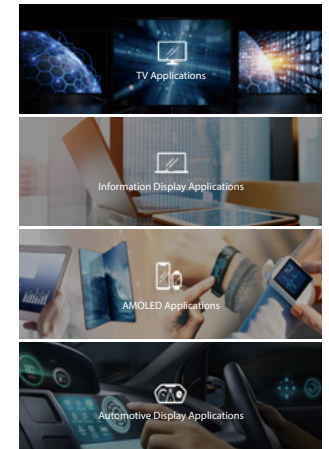
No. 307, Sec. 2, Minsheng Rd., West Central
Dist., Tainan City

Telephone: +886-3-666-1818

2.1.1 Company Products

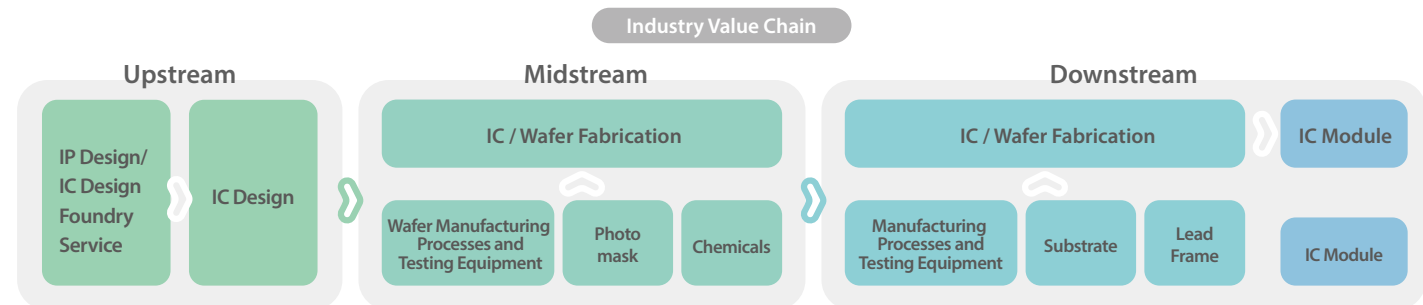
The Company is committed to providing diversified and comprehensive solutions encompassing a full range of display driver ICs, power management ICs, and timing controller ICs. Its principal business involves the design, development, and sales of driver ICs (Driver ICs), timing controller ICs (TCONs), and power management ICs (PMICs) for various panel technologies, including a-Si, Oxide, LTPS, AMOLED, and LED.

Driver ICs are critical upstream components of display panels and can be classified, based on the size of downstream application panels, into large-size driver ICs and small-to-medium-size driver ICs. Large-size panels are primarily used in notebook computers (NB), desktop monitors (Monitor), and televisions (TV). Small-to-medium-size panels are widely applied in tablets, smartphones, wearable devices, digital cameras, and automotive displays. Automotive display sizes range from 1.8 inches to over 55 inches and are mainly used in head-up displays (HUD), panoramic head-up displays (Panoramic HUD), central information displays (CID), instrument clusters (Cluster), pillar-to-pillar cockpit-wide displays (pillar to pillar Display), rear-seat entertainment systems (RSE), and electronic rearview mirrors (e-mirrors).



2.1.2 Industry Value Chain: Upstream, Midstream, and Downstream Relationships

The development and design of integrated circuits belong to the front-end segment of the IC industry, focusing primarily on IC research and development as well as layout design. IC manufacturing is carried out through a specialized division of labor, where processes such as photomask production, wafer fabrication, gold bumping, wafer testing, wafer thinning and dicing, and packaging are handled by professional foundries and service providers. The final products are then marketed by the Company to display panel manufacturers. The industry structure remained largely unchanged from the previous year. The upstream and downstream structure of the driver IC industry is outlined as follows:

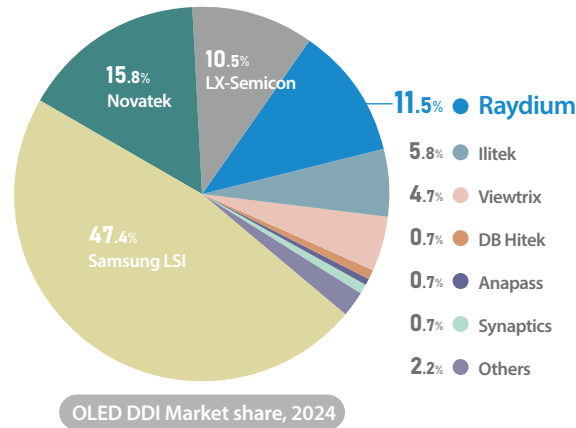
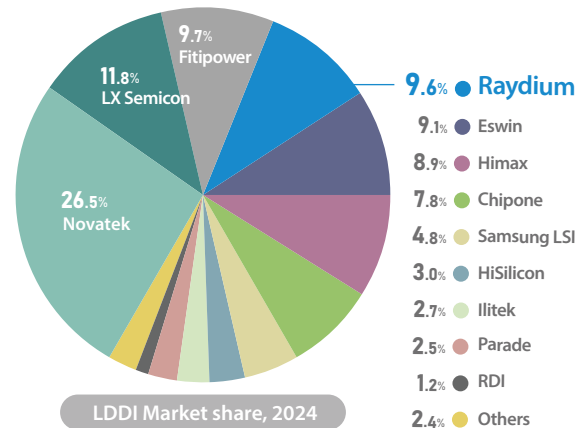


1. Large-size Driver ICs

In the large-size driver IC segment, applications are categorized by panel size into three main product types: televisions (TV), desktop monitors, and notebook computers (NB). For TV products, the Company provides the world's first 8K high-quality TV driver IC for a Japanese brand, holding a leading position in the industry for high-speed transmission interfaces. In the desktop monitor segment, the Company has collaborated with panel manufacturers on gaming monitors, contributing to new market trends. In response to evolving notebook specifications, the Company introduced ultra-slim bezel driver ICs for four-sided narrow border designs, leading the trend toward multi-sided ultra-narrow bezels. According to market research by TrendForce, the Company held a 9.6% market share in the large-size driver IC segment in 2024, ranking fourth in the industry.

2. Small-to-Medium Size Driver ICs

In the AMOLED driver IC segment, applications are classified by panel size into three categories: wearable devices, smartphones, and tablets. Among non-U.S. brands in the wearable device market, the Company holds a leading position in high-end AMOLED driver ICs. According to market research published by TrendForce, the Company achieved an 11.5% market share in the OLED driver IC segment in 2024, ranking second among non-Korean manufacturers.



Note: For detailed industry information, please refer to Chapter 4, "Overview of Operations" of the 2024 Annual Report.

Source: TrendForce, compiled by Raydium

2.2 Financial Revenue

In 2024, the Company's consolidated annual revenue reached NT\$24.377 billion, representing a 32.9% increase compared to the previous year. The overall gross margin rose to 30%, and the consolidated net income after tax for the year amounted to NT\$2.099 billion, reflecting a 45.5% year-over-year increase.

Historical Financial Performance Table

Unit: NT\$ million

	2022	2023	2024
Operating Revenue	22,822	18,347	24,377
Operating Costs	13,585	13,036	17,064
Operating Expenses	5,600	3,932	5,184
Income Tax Expense	643	104	326
Employee Welfare Expenses (Note)	4,215	2,532	3,634
Social Investment / Donation Expense	4	4	7
Economic Value Retained (Net Income)	3,862	1,443	2,099

Note: Including directors' remuneration.

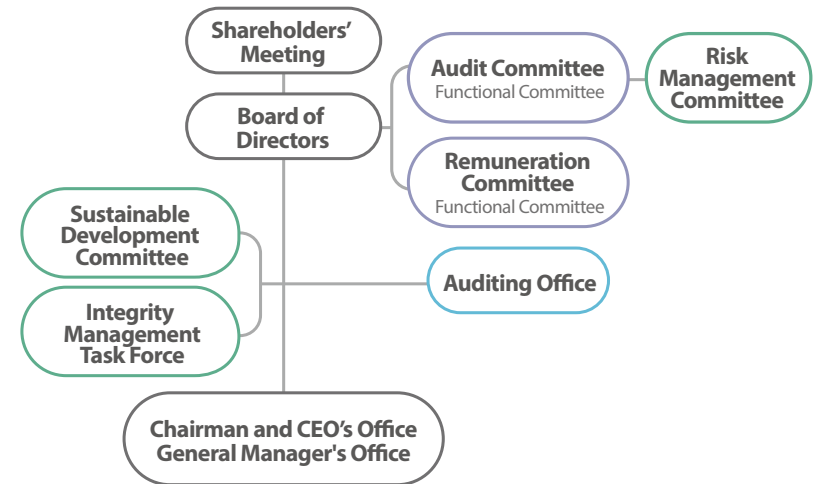
2.3 Operation of Governance Organization

The Company has established a Board Member Selection Policy. According to the Articles of Incorporation, the Board of Directors consists of seven members and adopts a candidate nomination system. Directors are elected at the shareholders’ meeting from the list of nominated candidates and serve a three-year term. The nomination and selection process for all directors is transparent and fair, in compliance with the Company’s “Rules for Election of Directors,” “Corporate Governance Best Practice Principles,” “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and Article 14-2 of the Securities and Exchange Act. The current composition of the Board includes 3 independent directors (42.9%) and 4 general directors (57.1%), of whom 1 director (14.3%) concurrently serves as an employee/manager, which does not exceed one-third of the total number of board seats. None of the directors are related by marriage or within the second degree of kinship, in accordance with Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

The current Board of Directors comprises 7 members, of which 85.7% are male and 14.3% are female, reflecting the Company’s commitment to board diversity.

Governance Body	Responsibilities
Board of Directors	The Company’s highest governance body is the Board of Directors, which guides corporate strategy, supervises the management team, and is accountable to the Company and its shareholders. The Board exercises its authority in accordance with applicable laws, the Articles of Incorporation, and resolutions of the shareholders’ meeting.
Audit Committee (Functional Committee)	Assists the Board in fulfilling its oversight responsibilities and in performing duties assigned under the Company Act, Securities and Exchange Act, and other relevant laws and regulations. It also determines risk management policies and supervises the execution and outcomes.
Remuneration Committee (Functional Committee)	Responsible for establishing and regularly reviewing the policies, systems, standards, and structures for evaluating the performance and determining the compensation of directors and managers.
Sustainable Development Committee	Responsible for formulating the Company’s annual sustainability action plan, establishing relevant policies, systems, and management guidelines, and monitoring implementation results. The committee assigns a working group to compile and publish the annual sustainability report, and regularly reports the implementation status and stakeholder engagement to the Board of Directors.
Risk Management Committee	Responsible for developing risk management policies, planning major risk-related matters, defining the Company’s risk appetite and prioritizing key risks. The committee also oversees improvements in risk monitoring and reports the status and effectiveness of risk management to the Board at least once per year.
Integrity Management Task Force	Oversees the execution of the Company’s integrity management policies and preventive measures, and reports to the Board on an annual basis.

Raydium Governance (Board of Directors) Structure Chart



2.3.1 Board Diversity Policy

The Company’s “Corporate Governance Best Practice Principles” explicitly stipulate that board composition shall take diversity into consideration. The current Board members possess industry experience and relevant professional expertise, demonstrating a diverse and complementary range of competencies across multiple sectors, in line with sound corporate governance practices. Details regarding the educational and professional backgrounds of individual directors are available in Chapter 2, “Corporate Governance Report,” of the 2024 Annual Report.

The implementation status of each director in fulfilling the Board Diversity Policy and the corresponding management objectives is presented in the table below.

Diversity Management Objective	Status of Achievement
Directors concurrently serving as managerial officers shall not exceed one-third of board seats	Achieved
Number of Independent Directors	In compliance with legal requirements
At least one Director with a background in finance or accounting	Achieved
At least one Director with an academic background	Achieved
Female directors to comprise one-third of board seats	Plan to increase female representation in the next Board term (Note 3)
Board members to have industry experience covering at least three different sectors	Achieved

Note 1 : Chairman concurrently serving as CEO – explanation of rationale, reasonableness, necessity, and corresponding measures:

The CEO of the Company is responsible for formulating and executing strategies for sustainable development, while the President is in charge of planning and managing day-to-day operations. Currently, the Chairman concurrently serves as CEO, primarily to lead the Company’s long-term strategic direction and focus on enhancing core competitiveness, thereby increasing corporate value. This arrangement is deemed both reasonable and necessary.

To strengthen the independence of the Board, the Company has appointed three independent directors. In addition, only 14.3% of directors concurrently hold employee or managerial positions, which does not exceed one-third of the total number of board seats, in compliance with corporate governance principles.

Note 2 : Mr. Haydn Hsieh has served as an Independent Director of the Company for three consecutive terms. In view of his professional expertise in business management and corporate governance, which enables him to provide valuable strategic advice and contribute significantly to the Company’s operational development, he has been reappointed for the current term. His continued service ensures that the Board receives timely supervision and professional input in the execution of independent director duties.

Note 3 : The current Board has one female director, representing 1 out of 7 board seats (14.3%), which does not meet the target of having one-third female representation. To enhance gender equality in the composition of the Board, the Company plans to increase the number of female directors in the next Board term.

Title	Chairman	Director			Independent Director		
Name	Hermit Huang	Hong-Jye Hong	Amy Ku	Sheaffer Lee	Max Cheng	Haydn Hsieh	Jerry Jou
Gender	Male	Male	Female	Male	Male	Male	Male
Age	61-70	51-60	61-70	61-70	61-70	71-80	61-70
Nationality				R.O.C.			
Also Serving as an Employee of the Company	√ (Note1)						
Independent Director for More Than Three Terms							√ (Note 2)
Professional Background							
Industry Expertise	Semiconductor	√		√	√	√	√
	Optoelectronics		√	√		√	
	Computer and Peripheral Equipment	√			√	√	√
	Communication network	√			√	√	√
Technology	√	√	√	√	√	√	√
Finance and Accounting					√		
Marketing	√				√	√	
Sustainability and ESG Management	√				√	√	
Professional Knowledge and Skills							
Management and Business Judgment	√	√	√	√	√	√	√
Accounting and Financial Analysis	√				√	√	√
Crisis Management Capability	√	√	√	√	√	√	√
Industry Knowledge	√	√	√	√	√	√	√
International Market Perspective	√	√	√	√	√	√	√
Leadership and Decision-Making	√	√	√	√	√	√	√

Highlights of Corporate Governance Implementation in 2024:

Item	Highlights of Implementation
Shareholders' Meeting	<ul style="list-style-type: none"> One annual shareholders' meeting was convened (at least once a year).
Board of Directors	<ul style="list-style-type: none"> Held 5 Board meetings (at least once every quarter) with an attendance rate of 100%. Directors recused themselves from voting on matters involving personal interests in accordance with the Board Meeting Rules.
Functional Committees	<ul style="list-style-type: none"> Held 3 Remuneration Committee meetings (at least twice a year) with an attendance rate of 100%. Held 4 Audit Committee meetings (at least once every quarter) with an attendance rate of 100%. No conflict-of-interest matters requiring recusals occurred during the period.
Board Performance Evaluation	<ul style="list-style-type: none"> Annual internal performance evaluation completed: For 2024, the overall Board was rated as "Good," while individual Board members, the Audit Committee, and the Remuneration Committee were rated as "Excellent," indicating effective governance and alignment with corporate governance requirements. External performance evaluation completed in August 2023 by an independent expert (Taiwan Corporate Governance Association), which affirmed the Company's adherence to governance regulations and provided suggestions. Please refer to the Company website for full results and follow-up improvements.
Director and Corporate Governance Officer Training	<ul style="list-style-type: none"> All Directors completed a minimum of 6 continuing education credits for the year. The Corporate Governance Officer completed 17 hours of training.
Directors' Liability Insurance	<ul style="list-style-type: none"> Liability insurance was maintained for Directors and key officers. The insurance period covers July 1, 2024 to July 1, 2025, with coverage amounting to USD 10 million. The renewal status was reported to the Board on August 6, 2024.
Corporate Governance Evaluation Results	<ul style="list-style-type: none"> According to the results of the 11th Corporate Governance Evaluation (2024) announced by the Taiwan Stock Exchange, the Company has been ranked in the second tier (Top 6%–20%) among all listed companies for two consecutive years.
Sustainable Finance Products	<ul style="list-style-type: none"> In 2024, the Company invested NT\$20 million in TSMC's 6th unsecured ordinary corporate green bond of 2020 (bond name: P09 TSMC 6A, code: B618C3), which was recognized as a green bond by Taipei Exchange.

2.3.2 Board Independence

The Company's Board of Directors established the "Board Performance Evaluation Policy" on April 15, 2021. According to this policy, the Board shall conduct an internal performance evaluation at least once annually and an external performance evaluation at least once every three years. The evaluation results shall be reported to the Board of Directors in the first quarter of each year.

Internal Performance Evaluation

The results of the Company's 2024 Board performance evaluation were reported to the Board of Directors on February 25, 2025:

The overall Board of Directors was rated as "Good," while individual board members, the Audit Committee, and the Remuneration Committee were all rated as "Excellent." The evaluation results indicate that the Board and its functional committees operate effectively, comply with corporate governance requirements, and successfully enhance board functions while safeguarding shareholders' rights and interests.

External Performance Evaluation

The Company commissions an external party to conduct a Board performance evaluation every three years. The 2023 evaluation was conducted by the Taiwan Corporate Governance Association, covering the period from July 1, 2022, to June 30, 2023, and the results were reported to the Board of Directors on November 7, 2023. For more information, please refer to the Company's website.

Recusal of Directors in Matters Involving Conflicts of Interest

For details regarding directors' recusal from matters involving conflicts of interest, please refer to Chapter 2, "Corporate Governance Report," of the 2024 Annual Report.

2.3.3 Training Status of Governance Members

All directors of the Company completed the required minimum of six credit hours of continuing education in 2024. The Corporate Governance Officer completed a total of 17 hours of training. The training topics for directors and the Corporate Governance Officer covered areas such as business operations, finance, risk management, and environmental sustainability. For detailed information on the 2024 training status of directors and the Corporate Governance Officer, please refer to Chapter 2, "Corporate Governance Report," of the 2024 Annual Report.

2024 Board Performance Evaluation Results

Frequency: Once a year

Period: 2024/1/1~2024/12/31

Scope	Method	Content
Board of Directors	Internal Self-Evaluation by the Board	<ul style="list-style-type: none"> Participation in the operation of the company Improvement of the quality of the board of directors' decision making Composition and structure of the board of directors Election and continuing education of the directors Internal control
Individual Board Members	Internal Self-Evaluation by Board Members	<ul style="list-style-type: none"> Alignment of the goals and missions of the company Awareness of the duties of a director Participation in the operation of the company Management of internal relationships and communication The director's professionalism and continuing education Internal control
Audit Committee	Internal Self-Evaluation by the Audit Committee	<ul style="list-style-type: none"> Participation in the operation of the company Awareness of the duties of the functional committee Improvement of the quality of decisions made by the functional committee Makeup of the functional committee and election of its members Internal control
Remuneration Committee	Internal Self-Evaluation by the Remuneration Committee	<ul style="list-style-type: none"> Participation in the operation of the company Awareness of the duties of the functional committee Improvement of the quality of decisions made by the functional committee Makeup of the functional committee and election of its members

2.3.4 Audit and Remuneration Committees

Audit Committee

The Audit Committee convened 4 meetings in 2024, with an attendance rate of 100%. All proposals were reviewed and approved by the committee without objection from any independent directors.

Remuneration Committee

The Remuneration Committee held 3 meetings in 2024, achieving a 100% attendance rate. Members performed their duties diligently and in good faith, submitting recommendations to the Board of Directors for discussion.

Remuneration Policy, Standards, and Procedures

The Company's remuneration for directors includes compensation, performance-based pay, and meeting allowances.

Directors' Remuneration

According to Article 15 of the Company's Articles of Incorporation, directors' remuneration is authorized by the Board of Directors. It is determined based on the professional expertise, level of engagement in the Company's operations, and the value of contribution of each director and independent director. Adjustments are made with reference to domestic and international industry benchmarks and the results of the internal performance evaluation conducted in accordance with the "Board Performance Evaluation Policy," and are submitted to the Board of Directors for approval. Independent directors who serve as conveners of the Audit Committee or Remuneration Committee receive additional compensation based on their responsibilities.

According to Article 19 of the Company's Articles of Incorporation, if the Company generates a profit for the year, up to 1% of such profit may be allocated as directors' compensation. The Remuneration

Committee refers to industry benchmarks and considers each director's performance, the Company's operating results, future business outlook, and risk appetite in making allocation recommendations. The final decision is made by the Board of Directors.

Meeting allowances are paid based on the actual number of meetings attended by each director.

Executive Compensation

The Company's executive compensation is governed by the "Regulations for the Remuneration of Directors, Independent Directors, and Managers," and includes salary, performance bonuses, employee stock ownership trusts, other incentives, and employee remuneration. The policy benchmarks against peer industry standards and considers individual performance evaluations and responsibilities.

Performance evaluation indicators are based on both financial and non-financial metrics, as reviewed by the Remuneration Committee and approved by the Board of Directors. Financial indicators are derived from the Company's annual revenue and profitability, as well as its future development potential. Non-financial indicators emphasize sustainability performance and are evaluated across six dimensions: environmental sustainability, workplace well-being, social engagement, corporate governance, value co-creation, and co-prosperity with partners. These results reflect the Company's social value and aim to enhance its future competitiveness.

In addition, the Company has established an employee incentive program based on its strategic objectives. Performance targets are regularly reviewed, and bonuses are granted according to individual goal achievement and contributions. In accordance with Article 19 of the Company's Articles of Incorporation, no less than 1% of annual profits shall be allocated as employee remuneration.

The Company offers competitive compensation to attract, retain, and develop talent, while also balancing operational risk and corporate

governance principles. Short-term profitability is not the sole indicator for compensation and performance evaluations, thereby supporting the Company's long-term sustainable development.

For detailed information regarding directors' and executives' compensation in 2024, please refer to the 2024 Annual Report, Chapter 2: Corporate Governance Report – "Remuneration Paid to Directors, Supervisors, President, and Vice Presidents."

2.3.5 Information Disclosure

The Company maintains an Investor Relations section on its official website, with designated personnel responsible for collecting and disclosing information. Stakeholders may also access relevant information through the Market Observation Post System (MOPS). The Company has appointed both a spokesperson and a deputy spokesperson. All material information and investor conference materials are publicly disclosed on the Company's website and the MOPS platform.

In 2024, the Company participated in a total of four investor conferences, including both internally organized and externally hosted events.

The Board of Directors convenes at least once every quarter and held five meetings in 2024. The resolutions and reports addressed topics across governance, environmental, and social aspects.

The Company regularly reports to the Board on sustainability-related matters, including the execution of the Sustainability Development Committee's initiatives and the progress of greenhouse gas inventory. In addition, reports concerning key issues — such as information security management, risk management, intellectual property rights management, and integrity management — were submitted to the Board periodically, totaling 16 reports in 2024.

For further details on the operation and key resolutions of the Board of Directors, please refer to the 2024 Annual Report, Chapter 2: Corporate Governance Report.

2.4 Values, Principles, Standards, and Norms of Behavior

2.4.1 Code of Ethical Conduct

Integrity Management

The Company has integrated “Integrity Management” into its corporate vision as the highest principle of sustainable operations. It serves as a fundamental guideline for all directors, executives, and employees to ensure that their conduct aligns with ethical standards.

A designated unit, the Integrity Management Task Force, under the Board of Directors, is responsible for establishing integrity policies, formulating preventive programs, and supervising their implementation. The task force reports annually to the Board on the status of integrity practices and compliance.

For detailed information on the Company’s implementation of integrity management, please refer to the 2024 Annual Report, Chapter 2: Corporate Governance Report.

Whistleblowing and Complaint Mechanism

Employees who become aware of any violations related to integrity management may file a report in accordance with the “Whistleblowing and Complaint Policy” through internal channels or those provided on the Company’s website. These include a dedicated whistleblower email address (Whistleblower@rad-ic.com) and a hotline.

The Company has designated personnel responsible for handling and investigating such reports, ensuring that both internal and external parties can access the reporting system and that each case is appropriately addressed.

If an investigation reveals a major violation or a potential risk of material damage to the Company, the designated unit will promptly prepare a report and submit it in writing to the Audit Committee for review.

In 2024, the Company did not receive any reports related to integrity violations, nor were there any cases of corruption or bribery.

Integrity Mechanism for Suppliers and Customers

The Company has established an evaluation mechanism for its customers and suppliers, requiring them to sign an Integrity Declaration. Integrity-related clauses are also incorporated into contracts to ensure that both parties have clearly defined rights and obligations, thereby promoting ethical conduct throughout the supply chain.

Regulatory Compliance and Operational Impact

The Company operates in full compliance with all applicable domestic and international laws and regulations. It actively monitors policy developments and regulatory changes worldwide and makes timely adjustments to internal systems to respond to evolving market conditions.

As of the reporting date, the Company’s financial position and business operations had not been materially affected by any changes in domestic or international policies or legal requirements.

In 2024, the Company was not involved in any incidents of corruption, information leakage, or anti-competitive behavior. Furthermore, the Company was not subject to any major fines (NT\$1 million or more) imposed by regulatory authorities for violations of laws or regulations.

Integrity Management Training

The Company conducts monthly training sessions on the “Integrity Management Code and Legal Compliance” for new employees to ensure they fully understand and adhere to the Company’s principles of ethical conduct. In addition, annual integrity-related training courses are held through both online and in-person formats to ensure that all employees complete the “Integrity Management Code and Legal Compliance” program.

In 2024, the training participation rate was 99.8%, and the completion rate reached 100%. The passing score for the assessment was set at a perfect score of 100.

Reporting Year	Employment Type						Suppliers
	Non-Full-Time	Full-Time					
		Governance Unit	Senior Management	Mid-Level Management	First-Level Management	Non-Manual Employees	
Number of Trainees Required	-	-	14	44	113	752	25
Number of Trainees Completed				921			25
Training Completion Rate (%)				99.8% (Note)			

Note: The training completion rate did not reach 100% because two visually impaired massage therapists were not included in the mandatory training program.

2.4.2 Human Rights Management

2.4.2.1 Human Rights Due Diligence:



(1) Formulation of Human Rights Protection Policy

To uphold and safeguard fundamental human rights, the Company and its subsidiaries comply with labor laws and regulations in all areas of operation, and recognize and support the spirit and core principles of international human rights frameworks, such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. Accordingly, the Company has established this Policy.

This Policy applies to the Company and its subsidiaries, and reflects the Company’s commitment to protecting human rights in all daily operations and business activities. The Company also expects its suppliers, business partners, customers, and other related entities to adhere to the same standards.

Human Rights Policy	Implementation Measures
Provide a safe and healthy working environment	<ul style="list-style-type: none"> Comply with the Act of Gender Equality in Employment and establish “Measures for Prevention, Complaint, and Discipline of Sexual Harassment.” Provide annual employee health check-ups and wellness activities to promote physical and mental health awareness. Ensure a safe and hygienic workplace for employees and contractors by conducting regular fire drills and environmental disinfection. Follow international environmental, safety, and health (EHS) management systems to create a safe working environment and reduce occupational hazards.
Eliminate unlawful discrimination and ensure equal employment opportunities	<ul style="list-style-type: none"> Comply with the Employment Service Act, respect diversity among employees, and uphold the principle of equal pay for equal work, regardless of gender, race, age, ethnicity, or religion. Prohibit the use of discriminatory language or requirements in external job postings. Employees of the Company, subsidiaries, and suppliers are required to respect fundamental human rights and must not engage in inhumane or unreasonable conduct, including sexual harassment or assault, corporal punishment, mental or physical coercion, bullying, public humiliation, or verbal abuse; threats of such conduct are also prohibited.
Prohibit child labor	<ul style="list-style-type: none"> To uphold corporate social responsibility and ethical standards, the Company, its subsidiaries, and suppliers must explicitly prohibit child labor from the recruitment stage, strictly implementing a no-child-labor policy. Only individuals aged 18 or older may be employed, in compliance with international CSR guidelines and relevant government regulations.
Prohibit forced labor	<ul style="list-style-type: none"> The Company, its subsidiaries, and suppliers must not use forced, bonded (including debt bondage), contract-bound, involuntary, or exploitative prison labor, or engage in slavery or human trafficking. This includes any form of coercion, intimidation, threats, abduction, or deception used to transport, harbor, recruit, transfer, or receive individuals for labor or services. No person shall be forced or coerced to perform labor against their will. All working hours, rest periods, leave entitlements, and holidays comply with legal regulations. The Company’s attendance system includes a reminder function for overtime applications. Overtime compensation is provided, and dedicated personnel conduct monthly reviews and controls of working hours.
Safeguard employee well-being	<ul style="list-style-type: none"> Promote work-life balance by offering benefits and leave policies superior to those mandated by the Labor Standards Act, including the option to apply for work-from-home arrangements and childcare allowances for employees with children under six. Provide an Employee Assistance Program (EAP) to support employees’ mental well-being. Organize diverse activities, such as lounge areas, Family Day events, year-end parties, and interest groups, to promote employee wellness and morale.

(2) Identification and Assessment of Material Human Rights Issues

Employees are the Company’s most important assets. To fulfill corporate social responsibility and protect employees’ legal rights, the Company is committed to fostering a workplace environment that values and respects human rights. Following the due diligence guidelines of the GRI Standards, the Company conducts risk assessments using evaluation forms to identify potential human rights impacts, assess risk levels, and determine material human rights issues. The Company also compiles corresponding mitigation and enhancement measures to ensure comprehensive protection of employee rights.

To better understand sustainability-related risks in the supply chain, Raydium distributes a Sustainability Management Questionnaire to all sales-related suppliers. Suppliers are required to provide supporting evidence — such as management system certifications or relevant documents — regarding the implementation of practices in Labor, Health and Safety, Environment, Ethics, and Management Systems. This questionnaire serves as a reference for Raydium’s sustainability risk management efforts.

Human Rights Risk Issue	Description of Human Rights Risk Issue	Risk Level
Child Labor / Young Worker	<ul style="list-style-type: none"> Failure to verify the age of new hires during recruitment may result in the inadvertent employment of child labor. Since minors are not yet mentally mature, they are legally entitled to special protection. Employing underage workers without proper safeguards may harm their physical and mental health, potentially leading to workplace injuries and exposing the Company to related costs such as medical treatment, care, and compensation. 	Low
Forced Labor	<ul style="list-style-type: none"> Incidents of employees being subjected to forced labor, such as being coerced to work, restricted from taking leave, forced to work overtime, or underreporting of working hours. Use of violence, threats, or unlawful restrictions on personal freedom to compel employees to work. 	Low
Discriminations	<ul style="list-style-type: none"> Whether the Company engages in any discriminatory practices in employment, compensation, training opportunities, promotion, dismissal, or retirement based on race, gender, skin color, age, pregnancy, family status, ethnicity, or religious belief. Incidents where employees are subjected to threats, abuse, exploitation, discrimination, or sexual harassment. 	Low
Working Hours	<ul style="list-style-type: none"> Failure to comply with relevant labor regulations on working hours, such as not providing a rest day after six consecutive workdays or requiring employees to work overtime beyond legal limits. Excessively long working hours increase the risk of occupational injuries and even cases of death from overwork. Employee productivity may decline as working hours become excessively extended. Non-compliance identified during government inspections may result in penalties or fines and could also damage the Company’s reputation, negatively impacting talent recruitment efforts and increasing employee turnover. 	Low
Punishment	<ul style="list-style-type: none"> Whether employees have been subjected to inappropriate disciplinary actions by management. 	Low
Freedom of Association	<ul style="list-style-type: none"> Whether employees are able to communicate openly with management regarding working conditions without fear of retaliation, threats, or harassment. The issue is also a matter of concern for domestic regulatory authorities. 	Low
Environment, safety, Health	<ul style="list-style-type: none"> Health hazards occurring in the workplace that require medical treatment for full or partial recovery, such as occupational injuries, diseases, or exposure to hazardous substances, which in severe cases may result in death. Long-term neglect of workplace health protections may lead to occupational diseases, potentially causing partial or total permanent disability. In cases of employee injury, death, or occupational illness, the Company may bear medical, care, and compensation costs and may also face administrative penalties, which could damage the Company’s reputation. 	Low
Salary and welfare	<ul style="list-style-type: none"> The provided working conditions fail to adequately support employees’ livelihoods, and wages are too low to meet basic living needs. A low recruitment fulfillment rate may result in an inability to meet operational demands. 	Low

(3) Implementation of Mitigation and Enhancement Measures for Human Rights Issues

Risk Area in the Value Chain:Raydium and its subsidiaries and suppliers

Human Rights Risk Issue	Mitigation and Enhancement Measures
Child Labor / Young Worker	<ul style="list-style-type: none"> Strictly comply with the internal "Recruitment and Employment Policy," which prohibits the hiring of workers under the age of 18. As part of pre-employment procedures, applicants are required to provide their date of birth in the application documents. All submitted information is verified for accuracy, and identification documents are rechecked upon onboarding.
Forced Labor	<ul style="list-style-type: none"> Fully comply with the Labor Standards Act, with no employment of any form of involuntary or exploited labor. The Company does not force employees to work through coercion, threats, confinement, or any other unlawful means. All regulations regarding daily and weekly working hours, overtime, leave, special leave, and other types of leave are in full compliance with applicable labor laws. Effective and accessible grievance channels are available to all employees, including the President's Mailbox, Integrity Mailbox, HR Mailbox, and Sexual Harassment Reporting Mailbox.
Discriminations	<ul style="list-style-type: none"> Respect employees' fundamental human rights and prohibit any unreasonable or inhumane management practices. Prohibit all forms of discrimination and ensure equal employment opportunities. Recruitment, employment, training, rewards, promotions, termination, retirement, and other employment conditions are free from discrimination based on race, religion, color, nationality, age, gender, sexual orientation, disability, or any other legally protected status. Hire persons with disabilities in accordance with legal requirements and strictly monitor the ratio to ensure compliance. Provide an Employee Assistance Program (EAP) offering psychological counseling and support services to employees.
Working Hours	<ul style="list-style-type: none"> Implement a working hour control mechanism and issue regular working hour alerts. For employees with excessive working hours, HR notifies the respective department heads to facilitate timely workload adjustments.
Punishment	<ul style="list-style-type: none"> Provide multiple open communication channels, including anonymous reporting mechanisms, to allow employees to give feedback or report unfair treatment. Whistleblower protection is enforced to prevent any form of retaliation. Establish and implement a prevention and handling plan for unlawful harm encountered during the execution of duties, ensuring employees are safeguarded against any unfair treatment. Prohibit any form of abusive or inhumane treatment. Disciplinary policies and procedures must be clearly defined and transparently communicated to all employees.

Human Rights Risk Issue	Mitigation and Enhancement Measures
Freedom of Association	<ul style="list-style-type: none"> In accordance with the law, the Company respects all employees' rights to freely form and join labor unions, engage in collective bargaining, and participate in peaceful assemblies. Employees and their representatives may communicate openly with management regarding working conditions and management practices without fear of discrimination, retaliation, threats, or harassment, and are encouraged to share their ideas and concerns. Quarterly labor-management meetings and employee welfare committee meetings are held, with participation from both the Company and employee representatives to ensure effective communication.
Environment, safety, Health	<ul style="list-style-type: none"> Comply with the Occupational Safety and Health Act, implement the ISO 45001 international occupational health and safety management system, and obtain third-party certification from SGS. Include sexual harassment prevention measures in the Company's work rules. Establish and implement a prevention and response plan to protect employees from unlawful harm while performing their duties, ensuring physical and mental well-being. Set up an emergency response team and conduct regular fire and emergency drills. Conduct regular occupational safety and health education and awareness training to enhance employees' hazard identification awareness. Organize various health seminars and provide on-site physician consultation services. Offer annual health check-ups and on-site massage therapist services. Host a variety of sports competitions and activities to promote physical and mental well-being. Encourage and subsidize the formation and activities of employee clubs. Hold regular employee welfare committee meetings to listen to and address employee concerns, ensuring a healthy, safe, and well-supported working environment.
Salary and welfare	<ul style="list-style-type: none"> Wages paid to employees comply with all relevant provisions of the Labor Standards Act, including regulations on minimum wage, overtime compensation, and statutory benefits. Detailed pay slips are provided to ensure transparency and confirm the accuracy of wage payments. The Company conducts annual industry salary surveys to benchmark market compensation levels and consider macroeconomic indicators. Based on these findings, appropriate salary adjustments are made, and competitive starting salaries are offered to attract and retain talent.

(4) Implementation of Human Rights Education and Awareness Programs

To enhance employees' understanding of Raydium's Human Rights Policy, the Company provided labor and human rights education and training for all employees in 2024, achieving a 100% pass rate. In 2024, the Company did not receive any complaints or reports related to human rights.

In addition, the Company has established multiple direct and diverse communication channels to ensure that employees can freely express their opinions and file complaints. These include:

- President's Mailbox
- HR Mailbox
- Integrity Mailbox
- Sexual Harassment Reporting Mailbox
- Labor-Management Meetings
- Employee Welfare Committee
- Occupational Safety and Health Committee

2.4.3 Grievance Mechanism

To reinforce the Company's core value of ethical business conduct, clear channels for reporting and grievances have been established along with defined investigation and handling procedures in accordance with the "Whistleblowing and Grievance Policy."

The Company ensures the confidentiality of the whistleblower's identity and protection from any form of retaliation. All personal data is handled in compliance with applicable laws and safeguarded with appropriate protective measures.

In 2024, the Company did not receive any grievance or whistleblowing cases.

1. Internal Grievance/Reporting Channels

- **Integrity Mailbox:** This mailbox serves as an internal whistleblowing channel for employees. Emails are automatically forwarded to the heads of Legal and Internal Audit.
- **President's Mailbox:** A direct communication channel with the President, available not only for reporting misconduct or grievances but also for providing suggestions, raising concerns, or addressing company-related issues.
- **HR Mailbox:** Employees may use this mailbox to raise issues or inquiries related to human resources.

2. External Whistleblower Mailbox

- **Whistleblower Mailbox:** [Whistleblower@rad-ic.com] — an independent reporting channel designated for external parties (e.g., stakeholders). Emails are automatically forwarded to the heads of Legal and Internal Audit.



2.5 Risk Management

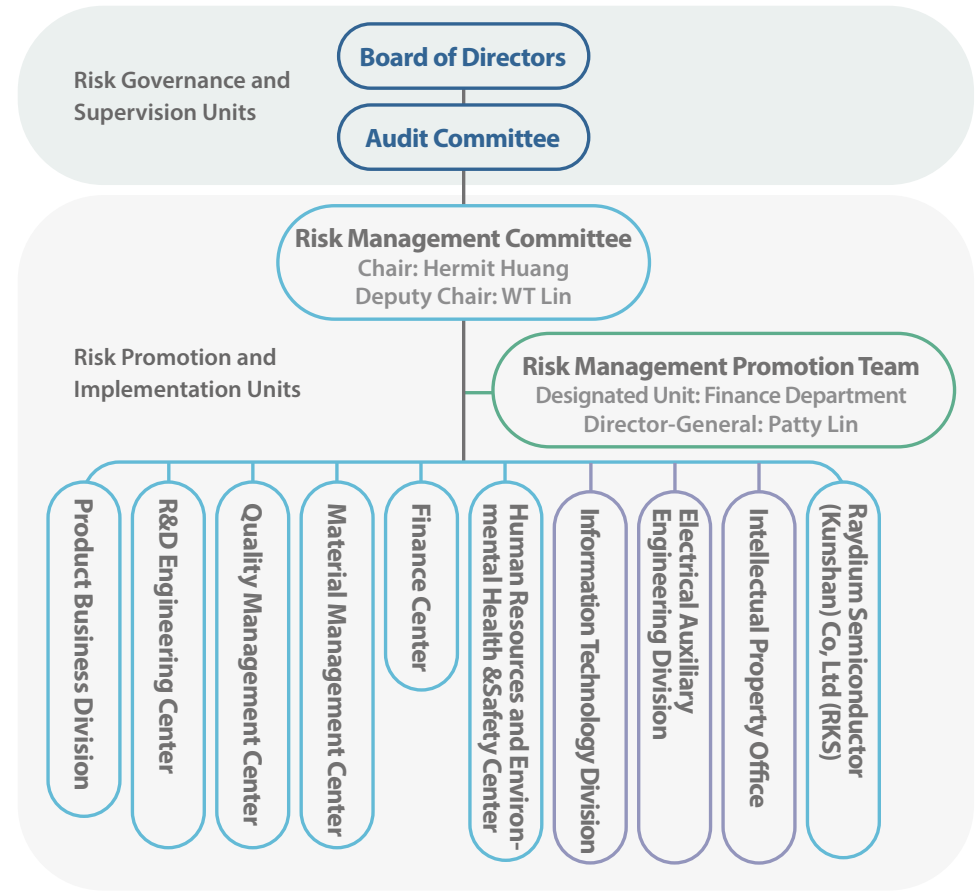
To achieve sound operations, enhance corporate governance, and implement the risk management and supervision function of the Board, the Company has established a Risk Management Committee to carry out risk identification and grasp relevant risks that may affect sustainable corporate development based on four major aspects of finance (F), operation (O), strategy (S), and hazard (H). The Company minimized the possible risks through risk control, avoidance, transfer, retention, and relevant management strategies and countermeasures and even transformed them into business opportunities.

2.5.1 Risk Management Committee

The Board of Directors is the highest governing body for risk management; the Audit Committee is the risk supervision unit; executives of each operating unit formed the Risk Management Committee. The Chairman/CEO and President are the chairperson and vice chairperson, and the CFO is the director general for guiding the operations.

The Company promotes a top-down risk management culture. Through the specified risk management declaration and commitment of the governing body and senior management, it established and supported risk management promotion and execution units and provided risk management-related professional training for all employees to integrate management awareness into daily decision-making and operating activities, shaping a comprehensive corporate risk management culture.

Risk Management Committee Organization Chart



2.5.2 Risk Management Process

The Company's risk management procedures include processes such as risk identification, risk analysis, risk assessment, risk response, and risk monitoring and review.

Risk Identification

Strengthen link between the Company's strategic goals and risk

Combine "bottom-up" and "up-bottom" analyses and discussions with strategic and operating risks to identify all potential risk events that may lead to the non-fulfilment of Company targets, resulting in losses or negative impacts on the Company.

Supervision and Review

Thoroughly review the risk management process and associated risk measures to see if they are still functioning effectively. The review findings should also be incorporated into performance evaluations and reports.



Risk Response

Response plans must be developed for risks. Ensure that the plans are fully understood and properly enforced by the relevant personnel. The implementation of related response plans should also monitor on a continuous basis.

Risk Analysis

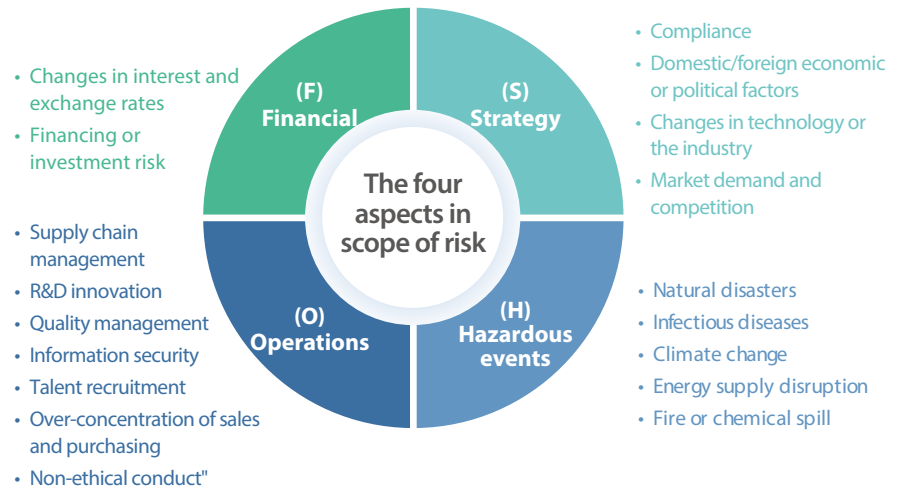
- Analyze the likelihood and impact of risk events to calculate the risk value (using quantitative or qualitative metrics)
- Develop and propose a risk appetite (risk tolerance) to the Audit Committee for review

Risk Measurement

Compare the results of risk analysis with risk appetite to determine what risk events to prioritize for action, and to provide a reference for the formulation of subsequent responses measures.

2.5.2.1 Scope of Risk Management

The scope of the Company's risk management includes, but is not limited to:



2.5.2.2 Risk Management Operations

Risk Identification, Analysis, and Assessment

In December 2023 the Company launched its 2024 risk-management program. The chairperson/ vice chairperson approved the Company-level Top 3 Risks for 2024. Each operating unit, using the annual Risk Check-up Form, identified, analyzed, and assessed relevant risk issues — including likelihood, severity of impact, and effectiveness of existing controls — to determine medium- and high-risk items.

Risk Response

After identifying and assessing their risks, operating units must adopt appropriate responses by establishing prevention, early-warning, contingency, crisis-management, and business-continuity plans to mitigate, transfer, or avoid those risks and record the actions taken. The Risk Management Committee continuously monitors the effectiveness of each unit’s risk-response and control measures to keep pace with changes in the operating environment.

Outcomes of Major Risk Items in 2024

Scope of Risk	Source of Risk	Management Strategy	2024 Outcomes
	Supply Chain Disruption	<ul style="list-style-type: none"> Construct stable and reliable sources for supply of materials through diversification of the foundry and packaging & testing supply chain Periodically review of changes in market demand and adjust production planning accordingly Periodic risk assessments and implementation of BCP drills Reduce supply disruption risks by requiring BCP at critical suppliers 	<ul style="list-style-type: none"> Confirm that all critical suppliers have fully implemented their BCPs Supply of wafer foundry and packaging & testing capacity was normal in 2024
Business Risk	Information Security	<ul style="list-style-type: none"> Enforcement of existing information security regulations Conducted regular information security training and awareness surveys Review and update system security and virus definitions on a weekly basis Daily information security alerts, weekly information security review meetings, and monthly information security reports 	<ul style="list-style-type: none"> Successfully blocked 4,618 threat emails Effective online attacks were on average blocked 16,410 times/month Virus and security threats were on average quarantined 8,665 times/month Targeted login attempts were blocked 53 times/month In-house information security tools generated information security alerts in an effective and timely manner 383 times Analysis of security-related incidents for the 92 reported cases 24 Information security education sessions /10 social engineering exercises conducted Revised nine information security-related regulations Employee satisfaction with information security scored 4.32, with a response rate of 79.86%.

Scope of Risk	Source of Risk	Management Strategy	2024 Outcomes
Business Risk	Information and Privacy Security	<ul style="list-style-type: none"> • Ensure strict control over confidential data and assets to prevent leaks • Block leaking of trade secrets to protect company interests • Enforce access control for R&D system 	<ul style="list-style-type: none"> • Enforce information security audits - Daily information security alerts and monthly information security audits • Enforce access permissions and reviews in accordance with the management regulations. 5,142 access applications and reviews were carried out in 2024. • Implemented a Privileged Account Management (PAM) system in 2024 to ensure effective control over privileged accounts.
	Data Center Failure	<ul style="list-style-type: none"> • Full redundancy for network equipment in the data center to ensure network connectivity • High availability backup mechanism for data center servers as part of system DevOps • Daily off-site backups for data protection • Full redundancy for network links 	<ul style="list-style-type: none"> • Non-stop service by data centers and servers • Internet connections were maintained continuously • Completed the annual off-site backup drill for critical systems in 2024.
	Patent Infringement	<ul style="list-style-type: none"> • Establishment of intellectual property (IP) management regulations and management inventory of R&D and product planning to improve the quality and quantity of company IP, and optimize our readiness to face potential risks and challenges in the future. 	<ul style="list-style-type: none"> • No incidents of patent infringement occurred • The Company's accomplishments as of the end of December 2024 were as follow: Number of worldwide valid patents: 333 patents; Patents pending: 72 applications • There are 11 registered worldwide trademarks.
Strategic Risk	Fund Security	<ul style="list-style-type: none"> • Appropriately diversify cash placements to lessen exposure to specific risks 	<ul style="list-style-type: none"> • Conduct quarterly credit reviews of correspondent banks and, based on the results, re-allocate funds to ensure the security of cash holdings.
	Trade Wars (Import/Export Restrictions)	<ul style="list-style-type: none"> • Observe international developments and adopt a diversification strategy for outsourcing to foundries and packaging & testing plants based on market demand. 	<ul style="list-style-type: none"> • Diversified supply chain provided customers with more options so were not affected by trade war

Scope of Risk	Source of Risk	Management Strategy	2024 Outcomes
Financial Risk	Credit Management (Customer)	<ul style="list-style-type: none"> Implement credit checks for clients, conduct periodic credit checks and review transactions. Use the on-sale of accounts receivables or credit insurance to transfer the risk from non-collection of account receivables. 	<ul style="list-style-type: none"> No actual bad debt losses occurred in 2024.
	Climate Change	<ul style="list-style-type: none"> Climate change risk assessment according to TCFD Plan and formulate GHG reduction pathway 	<ul style="list-style-type: none"> Completed the climate-change risk survey; classified the key risks identified and defined the direction for climate-change adaptation strategies. Target 30 % renewable electricity consumption by 2030. In 2024, 72,000 kWh of green electricity was used, representing about 2.6 % of total electricity consumption.
	Power Outage	<ul style="list-style-type: none"> Ensure continuity of power supply to the office and data center. 	<ul style="list-style-type: none"> Installed switchboards and temperature-monitoring system at the Tainan data center, completed in February 2025.
Hazardous Event	Fire	<ul style="list-style-type: none"> Mitigation of fire damage through routine inspection of fire hazards and periodic response drills. 	<ul style="list-style-type: none"> Conducted fire-self-defense team education and training for the Hsinchu and Tainan offices, with 61 participant attendances. Performed IR-scan inspections of electrical switchboards — semi-annually for Hsinchu office switchboards and annually for the B2F–8F switchboards. Carried out monthly laboratory inspections and routine fire-prevention checks.
	Earthquakes (Over 5 on the Richter Scale)	<ul style="list-style-type: none"> Mitigation of earthquake damage through periodic earthquake response drills. 	<ul style="list-style-type: none"> Earthquake evacuation drills: 546 participant attendances at the Hsinchu office and 138 at the Tainan office. BCP drills for earthquakes were completed in September 2024

2.5.2.3 Risk Monitoring and Review

The Committee regularly reports to the Audit Committee and the Board on risk monitoring. If any material risk arises that threatens financial or operational performance or legal compliance, prompt and appropriate measures are taken and reported to the Board in a timely manner.

Operation of the Risk Management Committee in 2024 (Including BCP Drills)

Time	Implementation Status
Feb. 2024	<ul style="list-style-type: none"> Convened the first Risk Management Committee meeting in 2024 to confirm the results of the 2024 risk identification. Reported the implementation progress of the Risk Management Committee to the Board on February 26, 2024
May. 2024	<ul style="list-style-type: none"> Convened the second Risk Management Committee meeting in 2024 to conduct quarterly tracking of risk items and their implementation status.
Aug. 2024	<ul style="list-style-type: none"> Convened the third-quarter Risk Management Committee meeting in 2024 to conduct quarterly tracking of risk items and their implementation status. Reported the implementation progress of the Risk Management Committee to the Board on August 6, 2024
Sep. 2024	<ul style="list-style-type: none"> Completed an on-site earthquake BCP drill in September 2024.
Nov. 2024	<ul style="list-style-type: none"> Convened the fourth-quarter Risk Management Committee meeting in 2024 to conduct quarterly tracking of risk items and their implementation status.
Dec. 2024	<ul style="list-style-type: none"> Completed the 2025 risk education and training Established the Company's 2025 risk management objectives with reference to the opinions of the Audit Committee. Conducted the 2025 risk identification and analysis for each unit



Note: Earthquake BCP on-site drill completed in September 2024.

2.5.3 Financial Risk Management

To manage the financial risks associated with exchange-rate fluctuations, the Company — in addition to offsetting foreign-currency receivables and payables through regular foreign-currency transactions to achieve natural hedging — has adopted the following specific measures:

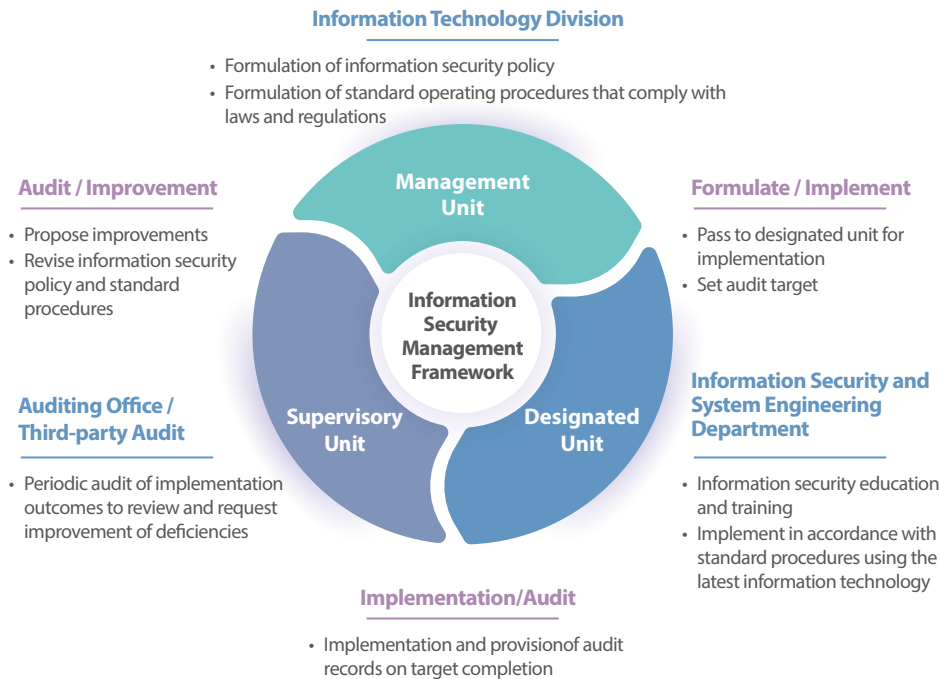
1. Finance personnel maintain close communication with financial institutions in light of domestic and international political and economic developments and collect real-time exchange-rate information to stay abreast of currency trends.
2. Finance personnel adjust foreign exchange positions in a timely manner according to exchange rate trends and determine appropriate times for trading or rebalancing, thereby mitigating the impact on Company profitability.
3. When necessary, the Company adopts a hedging — not speculative — approach, executing prudent hedging transactions in advance with creditworthy financial institutions, and enhances risk control in accordance with the “Procedures for Trading Derivative Financial Products” to mitigate exchange-rate risk

2.6 Information Security and Privacy Management

The Company places great emphasis on the security and privacy of stakeholders and operational information assets. It has established an Information Security Policy and implemented a company-wide Information Security Management System. The collection, processing, and use of personal data comply with the Personal Data Protection Act and other relevant laws and regulations, with corresponding management procedures in place to ensure thorough implementation.

The Company promotes information security through a cross-functional team, continuously implementing technological tools to strengthen its information security mechanisms. To enhance overall security integrity, the Company joined the cybersecurity joint-defense notification mechanism of TWCERT/CC (Taiwan Computer Emergency Response Team / Coordination Center). As of 2024, no privacy-related complaints or penalties were received from external parties or regulatory authorities.

2.6.1 Information Security Management Framework



2.6.2 Information Security Policy

1. To comprehensively raise information security awareness and establish a secure information environment, in order to protect the Company's intellectual property and interests, and to ensure the continuous operation of all departmental information systems.
2. Safeguard the confidentiality, integrity, and availability of the Company's trade secrets and operational information, thereby strengthening operational efficiency and quality.
3. The Company continues to invest substantial resources in the research and development of advanced technologies — an essential pillar of its long-term competitiveness. In light of the escalating threats in today's cyber landscape, the protection of confidential information is recognized as a collective responsibility shared by all employees.
4. The Company has established an Information Security Task Force to promote cross-departmental integration, strengthen consensus, and enhance the implementation of information security measures throughout the organization.

2.6.3 Information Security Management

To ensure the security of trade secrets and other confidential information, the Company has established an Information Security Management Policy, which includes regulations on information security management, password policies, email usage guidelines, backup management, system recovery planning, and software management procedures. The Company continuously monitors and evaluates its network and system architecture to enhance overall security protection mechanisms. The responsible management unit analyzes and manages abnormal events and submits written reports to the General Manager on a monthly basis, outlining the status of information security governance and implementation.

The Company has established an internal information security awareness section to promote cybersecurity knowledge through regular campaigns, ad-hoc announcements, and social engineering

simulation exercises. In 2024, the Company implemented a Privileged Access Management (PAM) system to manage and monitor high-level accounts, mitigating the risk of lateral movement attacks. Additionally, a whitelist-based outbound email control policy was introduced to reduce the risk of data leakage and strengthen the Company's cybersecurity defenses.

Moreover, in line with the Company's Information Security Incident Management Policy and Offsite Backup Strategy, offsite backup and cybersecurity incident response drills were conducted in 2024 to ensure business continuity and organizational preparedness.

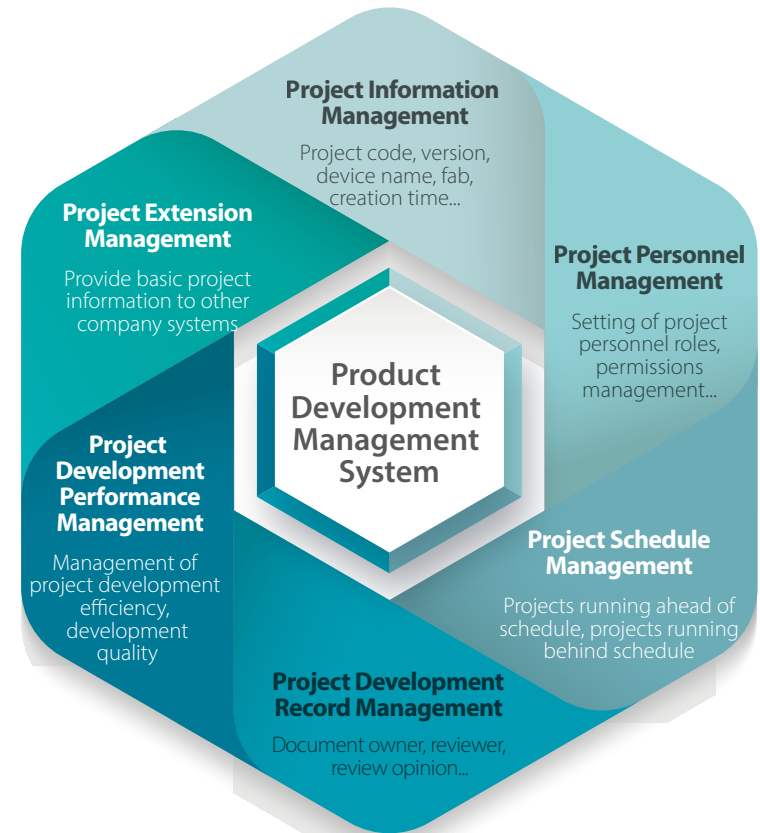
Information security controls and response measures:

Information Security Control Item	Risk Description	Mitigation Measures
Information Security Policy and Awareness Training	Whether the policy aligns with operational needs and legal requirements, and is approved and periodically reviewed by management.	The information security policy is reviewed and revised annually, approved by senior management, and reported to the Board of Directors. Through security bulletins, training, and social engineering drills, employee awareness is enhanced.
System Maintenance and Access Control	Whether access control effectively restricts system access to prevent unauthorized access.	Application system account and permission management mechanisms are in place to ensure proper authorization and prevent unauthorized access.
Physical, Environmental, and Communication Security	Loss, damage, or theft of assets may impact organizational operations.	Multi-layer firewall isolation reduces external threats and mitigates security risks. External DDoS protection and abnormal behavior monitoring help ensure communication security and business continuity.
Operational Security	Prevent malicious software and technical vulnerabilities from affecting information processing facilities.	Mechanisms such as firewalls, email filtering, malware detection, and multi-factor authentication are in place, along with regular vulnerability scanning and patching to ensure system security.
Information Security Incident Management	Whether a unified and effective information security incident management mechanism is in place.	An information security incident response policy has been established to ensure proper handling and reporting procedures.
Business Continuity Management – Information Security Aspects	Ensure availability of information systems and reduce operational disruption risk.	Local and offsite backups and redundancy for critical systems and data are in place, with encryption and integrity protections to reduce security risks.

2.6.4 Confidential Information Management

The Company places strong emphasis on the protection of confidential information. In addition to adhering to established management procedures for the proper handling of trade secrets and confidential data, the Company also provides comprehensive employee training to ensure the protection of stakeholder interests. To manage confidential information exchanged among the Company, customers, and suppliers, the following measures have been established in addition to the Company's existing information security policies:

1. Personnel Management Regulations: Confidentiality obligations are clearly defined for employees upon onboarding and departure. Strict access control systems are in place to manage physical entry.
2. Non-Disclosure Agreements (NDAs): The Company enters into NDAs or confidentiality declarations with customers and suppliers to ensure mutual compliance with confidentiality requirements.
3. Product Development Management: All product development follows standardized procedures supported by an internal Product Development Management System. Role-based access controls are applied at each stage to maintain process integrity and safeguard project-related information.
4. Highly Confidential Project Control: For projects involving particularly sensitive customer information, the Company has established the Customer Confidential Information Asset Management Guidelines. Dedicated control zones are set up to ensure complete isolation of personnel, IT equipment, and documents. Encrypted areas within these zones provide an additional layer of protection to prevent information leakage.



2.6.5 Information Security Management Performance

To ensure the appropriateness and direction of its information security policies, the Company has established a designated information security unit responsible for formulating information security policies and objectives, executing information operations security management plans, and regularly reviewing the policies. In addition, the Company continuously evaluates the implementation of its information security measures through internal and external audit mechanisms and makes necessary improvements accordingly. To date, no major deficiencies have been identified. In 2024, a total of nine information security-related regulations were revised in line with the Company’s information security policies. Since 2022, the execution status has been reported to the Board of Directors annually, with the most recent report delivered on August 6, 2024.

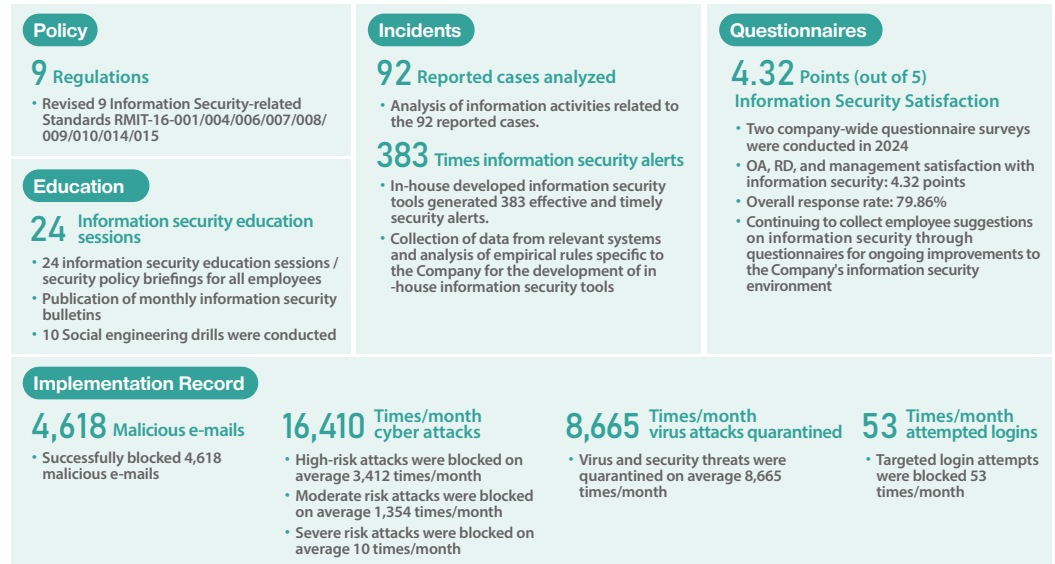
To enhance employees’ awareness of information security, in addition to regular awareness campaigns, the Company began conducting unannounced social engineering drills each quarter starting in 2023. The results of these drills are reviewed and used to implement improvements, thereby strengthening information security awareness across all departments and employees. In 2024, the Company did not experience any major information security incidents or incur any related losses.

2.7 Supervisory Mechanism

The Internal Audit Office is an independent unit that reports directly to the Board of Directors. In addition to submitting monthly audit reports and follow-up reports on deficiency remediation to the independent directors, the Chief Audit Executive also holds regular meetings with the independent directors at least once each quarter to present audit plans, results, and follow-up status. Each year, one-on-one communication sessions are arranged between the independent directors and the Chief Audit Executive — without the presence of management or related departments — to fulfill the transparency and oversight requirements of corporate governance.

For details of the 2024 communications between the independent directors and the Chief Audit

The results of information security measures implemented in 2024



Executive, please refer to the 2024 Annual Report, Section II “Corporate Governance Report” – 4. Corporate Governance Operations.

To address business activities and operations with higher inherent risks of unethical conduct, the Company has instituted comprehensive and effective control and oversight mechanisms within its accounting and internal-control systems. Through the annual routine Self-Assessment of Internal Control, each department is required to examine the design and execution of its controls to ensure their effectiveness. The 2024 Internal Control Statement reported no material deficiencies.