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DFI

2024 Annual Report

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Company Spokesperson

Name: Huang Li-Min
 Title: Chief Financial Officer
 Tel.: (02)2697-2986
 E-mail: milly.huang@dfi.com

Acting Spokesperson

Name: Tsui Chia-Chia
 Title: Manager
 Tel.: (02)2697-2986
 E-mail: judy.tsui@dfi.com

Headquarters and Factory

Headquarters: 10F, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan (R.O.C.)

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

Factory: 3rd Floor, No. 157, Shanying Road, Guishan District, Taoyuan City, Taiwan (R.O.C.)

Tel.: (03)216-5058 (Main Line)

Stock Transfer Agency

Name: KGI Securities Co., Ltd. Shareholder Services Department
 Address: 5th Floor, No. 2, Section 1, Chongqing South Road, Taipei City, Taiwan (R.O.C.)

Website: www.kgiworld.com.tw

Tel.: (02)2389-2999

CPAs auditing the financial report of the recent year

Name of CPAs: Kao Ching-Wen, Chang Hui-Cheng

Name of Firm: KPMG

Address: 68th Floor, No. 7, Section 5, Xinyi Road, Taipei City, Taiwan (R.O.C.)

Website: <http://www.kpmg.com.tw>

Tel.: (02)8101-6666

Overseas Securities Exchange Where Securities are Listed and Method of Inquiry:

None

Website: <https://www.dfi.com/tw/>

Shareholder Report

2024 Business Report

I. 2024 Operation Plan Implementation Results

In the first half of 2024, the global industrial computer industry underwent a market inventory adjustment. Although this adjustment was nearing completion in the second half of the year, the slump in market demand caused delays in the progress of new project developments. As a result, the overall industry momentum did not show significant recovery, and the annual revenue performance of Taiwanese industrial computer manufacturers remained below that of the same period last year. However, DFI maintained stable growth in the first three quarters of the year through its robust operational strategy. In the fourth quarter, its quarterly revenue rebounded, demonstrating strong market competitiveness. Additionally, the Company completed Proof of Concept (POC) for multiple edge AI projects in benchmark markets including the United States, Europe, Japan, South Korea, and India, laying the foundation for the global implementation of AI technology.

In 2024, integrating AI into sustainability, the Company launched the 'Multi-Functional Artificial Intelligence Retail Machine,' which earned the 2024 Taiwan Excellence Award by leveraging efficient AI edge computing and virtualization technology. This product can simultaneously run multiple AI functions on a single CPU, reducing hardware costs and energy consumption. It is also equipped with a self-developed Out-of-Band (OOB) remote management module, enhancing remote management capabilities to meet diverse edge computing requirements.

Through its technology-driven hardware strategy, DFI optimizes product performance while improving energy efficiency, thereby strengthening its market competitiveness. The introduction of Intel x86 architecture Slim Bootloader technology, which combines low-power standby and rapid recovery mechanisms, and reduces boot time and energy consumption. This ensures stable device operation in extreme environments, making it suitable for applications in military, aerospace, intelligent transportation, industrial automation, and remote monitoring. The Out-of-Band (OOB) remote management module provides up to 70% of server-grade Baseboard Management Controller (BMC) functionality, ensuring remote management and maintenance capabilities even during primary network failures, thereby enhancing system stability.

DFI has received the TCSA Taiwan Corporate Sustainability Report Award for three consecutive years, highlighting the Company's dedication to Environmental, Social, and Governance (ESG) principles and sustainable operations. In 2025, DFI will continue to track its product carbon footprints, aiming to achieve net-zero emissions by 2050. This includes adopting renewable energy in production processes, optimizing supply chains to reduce carbon footprints, and promoting environmentally friendly product design. Furthermore, DFI will continue to implement sustainable operations and actively participate in the realization of the global Sustainable Development Goals (SDGs).

In 2024, DFI's consolidated net revenue amounted to NT\$9.584 billion and grew by 4% compared to that of 2023. Consolidated operating income was NT\$0.658 billion and

consolidated net profit after tax was NT\$0.493 billion, of which net profit attributable to the owners of the parent company was NT\$0.397 billion, with basic earnings per share of NT\$3.46.

2. Financial revenues, expenditures, and profitability are analyzed as follows:

<div> <div>Year</div> <div>Analysis Items</div> </div>		Financial Analysis for the Last Five Years				
		2024	2023	2022	2021 (Restated)	2020
Financial Structure	Debt-to-Asset Ratio (%)	52.69	45.25	55.69	55.40	37.73
	Long-term capital as a percentage of property, plant and equipment (%)	253.01	171.50	192.48	214.95	170.20
Profitability	Return on Assets (%)	5.02	3.53	5.05	7.82	5.86
	Return on Equity (%)	9.11	6.49	10.52	14.81	9.19
	Ratio of Profit Before Tax to Paid-in Capital (%)	56.95	44.31	66.34	86.13	53.51
	Net Profit Margin (%)	5.14	3.82	3.69	5.89	5.72
	Earnings per share (NT\$)	3.46	3.16	4.61	5.38	3.54

2025 business and R&D plans are as follows:

(1) Business policies and R&D plan

1. Continue to develop edge artificial intelligence platforms ranging from low to high-end performance capabilities in response to artificial intelligence (AI) trends and the on-premises computing trend of large language models (LLM).
2. Deepen focus in six major application domains including intelligent automation, smart healthcare, transportation, energy, national defense and maritime affairs, and gaming. Develop vertical applications, layout the global smart application market, and increase product value and gross profit margin.
3. Continue to focus on developing high-performance, low-power micro-products.
4. Enhance the development of high-performance server-grade products.
5. Develop a remote management system and integrate it deeply with the products to meet the demands of the unmanned application market.
6. Collaborate with medical customers to meet needs with precise specification.
7. Cultivate the market for smart car-related applications.
8. Initiate green product development for ultra-low consumption, high-efficiency products in response to ESG demands.

(2) Important Business Policies

1. Deepening the technological needs of vertical application markets
Providing tailored solutions for clients in various fields. At the smart factory, we strive for real-time hardware data processing, multi-device integration, and industry standard compliance. In smart healthcare, we adhere to medical standards, safety, and integration of multiple devices to provide reliable medical solutions. In the Internet of Things, we emphasize low power consumption, multi-connectivity, and security to address the complexity of the IoT. Finally, in intelligent transportation, we focus on in-vehicle computing power, vibration and

earthquake-resistant, and vehicle-to-vehicle network security to support the development of smart transportation. This is the core of our operational plan, aiming to become a leader in the vertical application market through continuous innovation and technological upgrades.

2. Accelerating the implementation of AI edge computing in professional sectors through strategic alliances to establish a comprehensive AI ecosystem. This streamlines project implementation through one-stop Edge AIoT hardware platforms and services, facilitating agile development to rapidly capture market share.
3. Focusing on global deployment, enhancing the development of edge AI vertical applications. We gain insights into global edge AI demands and provide innovative solutions to help clients grow.

Looking ahead to 2025, DFI will intensify its technological research and development while strengthening its industry positioning. The Company will focus on key markets including smart manufacturing, energy, transportation, healthcare, retail, national defense, and intelligent automation, collaborating with AI hardware and software providers to promote edge intelligence applications and expand its global market presence. DFI will make its debut at the InnoTrans exhibition in Berlin showcasing a 5G and AI-powered smart edge computing platform and specialized railway systems. The Company has designated Japan, India, and the United States as core markets, while simultaneously expanding into strategic regions such as Germany, Spain, and Northern Europe to effectively attract and retain customers.

DFI is strengthening its market competitiveness through a core approach centered on "alliances," "value addition," and "operational optimization", accelerating the implementation of AI and edge computing applications. The Company aims to achieve steady revenue growth and create long-term value for all stakeholders through technological innovation, digital transformation, and sustainable development strategies. In 2025, DFI will adopt a more proactive stance to address challenges, pushing the application boundaries of embedded technology to become a significant catalyst and leader in the global market, creating greater value for shareholders and customers.

We wish you good health and all the best!

Chairman:
Chen Chi-Hong

President:
Tien Chih-Yin

Accounting Supervisor:
Huang Li-Min

Governance Report

I. Data of Directors, President, Vice President, Associate Managers, and Head of Each Department and Branch

(I) Information of directors

Date of ceasing share transfer: March 24, 2025; Unit: shares																			
Title	Nationality or Place of Incorporation	Name	Gender Age	Date of Selection (Appointment)	Term of office	Initial Appointment Date	Shares held at the time of appointment		Shares held at present		Shares currently held by the spouse and minor children		Shares held in the name of others		Main experience (educational background)	Positions concurrently held in the Company and other companies	Other officers, directors or supervisors who are spouse or second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Chairman	Republic of China	Qisda Corp.	-	2023.05.31	3	2017.12.28	51,609,986	45.08%	51,609,986	45.08%	-	-	-	-	Global Business and Technology Management Program, National Chengchi University MGM, Thunderbird School of Global Management (US) Electrical Engineering Department, National Cheng Kung University Technology Product Center EVP, BenQ Corp.	Chief Executive Officer of Qisda Corp. Chairman of BenQ Medical Technology Corp. Chairman of Partner Tech Corp. Director of Darfon Electronics Corp. Director of BenQ Corp. Director of BenQ Material Corp. Vice Chairman of Alpha Networks Inc. Director of Hitron Technologies Inc. Director of Darly Venture Inc. Director of Darly2 Venture, Inc. Director of Darly Consulting Corp. Director of BenQ Healthcare Consulting Corp. Director of BenQ Hospital Management Consulting (Nanjing) Co., Ltd. Director of Nanjing BenQ Hospital Co., Ltd. Director of Suzhou BenQ Hospital Co., Ltd. Director of Qisda (Hong Kong) Ltd. Director of BenQ BM Holding Corp. Director of BenQ BM Holding Cayman Corp. Director of Qisda (L) Corp. Director of Darly Venture (L) Ltd. Director of Phoenix Innovation Investment Corp. Director of Phoenix II Innovation Investment Corp. Director of Phoenix III Innovation Investment Corp. Director of Phoenix IV Innovation Investment Corp. Chairman of BenQ Foundations Director of Phoenix VI Innovation Investment Corp. Director of Dunpin No.1 Innovation Investment Co., Ltd. Director of Dunpin No.2 Innovation Investment Co., Ltd.			
		Representative: Chen Chi-Hong	Male 60-69				-	-	-	-	-	-							

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of Selection (Appointment)	Term of office	Initial Appointment Date	Shares held at the time of appointment		Shares held at present		Shares currently held by the spouse and minor children		Shares held in the name of others		Main experience (educational background)	Positions concurrently held in the Company and other companies	Other officers, directors or supervisors who are spouse or second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Chairman	Republic of China	Representative: Chen Chi-Hong	Male 60-69				-	-	-	-	-	-	-	-		Director of InnoFund V Co., Ltd. Director of Industrial Technology Research Institute			
Director	Republic of China	Qisda Corp.	-	2024.03.22	3	2024.03.22	51,609,986	45.08%	51,609,986	45.08%	-	-	-	-	Master of Electric Engineering, National Taiwan University Senior Director of Smart City Marketing Center, Intelligent Solutions Business Group, Qisda Corporation	President of Intelligent Solutions Business Group, Qisda Corp. Chairman of Metaage Corp. Director of AEWIN Technologies Co., Ltd. Chairman of Ace Pillar Co., Ltd. Chairman of EPIC CLOUD CO., LTD. Chairman of Metaguru Corporation Chairman of BenQ Guru Software Co., Ltd. Chairman of Partner Tech Corp. Director of APLEX Technology Inc. Director of EXPERT ALLIANCE SMART TECHNOLOGY CO. LTD Director of BenQ Guru (Hong Kong) Limited Director of WiXtar Corporation Director of Tekpak Corporation Director of Expert Alliance Systems & Consultancy (HK) Co., Ltd. Director of Expert Alliance Smart Technology Co., Ltd. Director of GLOBAL INTELLIGENCE NETWORK CO., LTD. Director of Grandsys inc. Director of AdvancedTEK International Corp. Director of COREX (PTY) LTD. Director of DSI Group Director of Brainstorm Corporation			
Director & President	Republic of China	Qisda Corp.	-	2024.11.04	3	2024.11.04	51,609,986	45.08%	51,609,986	45.08%	-	-	-	-	MBA, National Chengchi University COO of AEWIN Technologies Co., Ltd.	Director of Diamond Flower Information (NL) B.V. Director of DFI Co., Ltd. Director of DFI America, LLC. Director of Yan Tong Technology Ltd. Director of AEWIN Technologies Co., Ltd. Director of Ace Pillar Co., Ltd.			
		Representative: Tien Chih-Yin (Note 1)	Female 40-49						9,000	0.01%	-	-	-	-					
Director	Republic of China	Wei Ren-Yu (Note 2)	Male 50-59	2024.05.30	3	2024.05.30	-	-	-	-	-	-	-	-	MBA, National Chengchi University Partner of ILI Technology Corp.	Chairman of Digital Idea Multi-Media Co., Ltd. Independent Director of Entire Technology Co., Ltd. Independent Director of Newmax Technology Co., Ltd. Chairman of Qi-Fu Capital Co., Ltd. Chairman of Noah Green Technology Capital Management Co., Ltd. Chairman of Dayu Capital Investment Management Consultants Co., Ltd.			

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of Selection (Appointment)	Term of office	Initial Appointment Date	Shares held at the time of appointment		Shares held at present		Shares currently held by the spouse and minor children		Shares held in the name of others		Main experience (educational background)	Positions concurrently held in the Company and other companies	Other officers, directors or supervisors who are spouse or second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Director	Republic of China	Wei Ren-Yu (Note 2)	Male 50-59													Director of Tekpak Corporation Independent Director of GIGASTORAGE CORPORATION Director of Digital Innovation Co., Ltd. Director of Ruizhi Corporation Supervisor of Xin Zhi Medical Corporation			
Independent Director	Republic of China	Yeh Te-Chang	Male 60-69	2023.05.31	3	2017.12.28	-	-	-	-	-	-	-	-	Master of Economics, National Chengchi University Consultant of Wafer Works Corp.	Independent Director of KIAN SHEN CORP. Independent Director of CARNIVAL INDUSTRIAL CORP. Supervisor of Maxkit Technology Co., Ltd. Chairman of the Board of Wafer Works (Shanghai) Co., Ltd. Supervisor of Wafer Works Epitaxial Corp. Supervisor of Wafer Works (Zhengzhou) Corp. Director of Silicon Technology Investment (Cayman) Corp.			

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of Selection (Appointment)	Term of office	Initial Appointment Date	Shares held at the time of appointment		Shares held at present		Shares currently held by the spouse and minor children		Shares held in the name of others		Main experience (educational background)	Positions concurrently held in the Company and other companies	Other officers, directors or supervisors who are spouse or second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Independent Director	Republic of China	Chu Chih-Hao	Male 50-59	2023.05.31	3	2017.12.28	-	-	-	-	-	-	-	-	Master of Electric Engineering, National Taiwan University EMBA, National Taiwan University Founder of GIGM	Applied Ventures ITIC Innovation Fund GP. LLC (Cayman) Director Adjunct Professor, National Taiwan University National Science and Technology Council Technological Policy Advisory Committee Chairman of VSENSE CO., LTD. Director of VSense Medical Inc. VSense Medical Inc. (Cayman) Director Independent Director of INTUMIT INC. Director of Epoch Foundation Director of Chinese Strategy Development Association Independent Director of Simplo Technology Co., Ltd. Director of TEC BioWorks Co., Ltd. (Representative of Innovings Investment & Consulting Corporation) Acorn Campus Taiwan - General Partner Reizawa Capital - General Partner AMED Ventures - Venture Partner Sustainable New Energy Fund - Venture Partner Chief Financial Officer and Legal Representative Director of Taiwan Bio-Manufacturing Corporation Virtual Man Inc. (BVI) - Board Director CytoSite BioPharma (US) - Board Director Flat Medical, Inc. (BVI) - Board Director PicSee Inc. (BVI) - Board Director H3 Platform Inc. (BVI) - Chairman Flux Inc. (BVI) - Board Director Aidmics Biotechnology (Cayman) - Board Director			

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of Selection (Appointment)	Term of office	Initial Appointment Date	Shares held at the time of appointment		Shares held at present		Shares currently held by the spouse and minor children		Shares held in the name of others		Main experience (educational background)	Positions concurrently held in the Company and other companies	Other officers, directors or supervisors who are spouse or second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Independent Director	Republic of China	Luo Bing-Kuan	Male 60-69	2023.05.31	3	2023.05.31	-	-	-	-	-	-	-	-	Master of Laws, Fu Jen Catholic University	Chairman of the Chinese Independent Directors Association Chairman of Hua Xuan International Consultants Co., Ltd. Chairman of Kaida International Capital Corporation Independent Director of Hua Nan Commercial Bank, Ltd. Independent Director of Faraday Technology Corporation Vice Chairman of the Taiwan M&A and Private Equity Council (MAPECT) Director of Monte Jade Science & Technology Association of Taiwan			

Note 1: Su Chia-Hung, the corporate representative of Qisda Corporation, resigned on November 4, 2024, and was replaced by Tien Chih-Yin as the new representative.
Note 2: At the shareholders' meeting held on May 30, 2024, one director, Wei Ren-Yu, was elected in a by-election.

Major Shareholders of Institutional Shareholders

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders	
	Name	Shareholding ratio
Qisda Corporation (Note 1)	AU Optronics Corp.	12.20%
	Acer Inc.	4.21%
	Taishin International Bank acting as custodian for employee stock ownership trust of Qisda Corp.	3.89%
	Konly Venture Inc.	2.60%
	Darfon Electronics Corp.	2.07%
	Chunghwa Post Co., Ltd.	1.39%
	Standard Chartered, Business Department, acting as custodian of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.99%
	Citibank (Taiwan) Limited acting as custodian for Polunin Developing Countries Fund, LLC	0.95%
	JPMorgan Chase Bank N.A., Taipei Branch acting as custodian for Vanguard Emerging Markets Stock Index Fund, managed by the Vanguard Group	0.92%
	Eastern Wood Association	0.89%

Note 1: The data source of Qisda Corporation is the information of the Company's book closure date as of March 31, 2025.

Major shareholders of Institutional shareholders whose Major shareholder is a Juristic Person

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders	
	Name	Shareholding ratio
AU Optronics Corp. (Note 2)	Qisda Corp.	6.90%
	Bank SinoPac acting as custodian for ESOP Trust Management Committee of AU Optronics Corp.	5.08%
	Quanta Computer Inc.	4.61%
	CTBC Bank acting as custodian for Yuanta Taiwan Dividend Plus Securities Investment Trust Fund Special Account	2.99%
	Citibank acting as custodian for Overseas Depository Receipt Account of AU Optronics Corp.	2.44%
	New Labor Pension Fund	1.97%
	Nanshan Life Insurance Company	1.62%
	HSBC Bank acting as custodian for Morgan Stanley International Limited special account	1.35%
	JPMorgan Chase Bank N.A., Taipei Branch acting as custodian for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.93%
	JPMorgan Chase Bank N.A., Taipei Branch acting as custodian for J.P. Morgan Securities Limited	0.85%

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders	
	Name	Shareholding ratio
Acer Inc. (Note 2)	Yuanta Taiwan High Dividend Fund Special Account	4.72%
	Hung Rouan Investment Corp.	2.42%
	Taipei Fubon Commercial Bank Co., Ltd. acting as custodian for the Fu Hua Taiwan Technology Dividend ETF Securities Investment Trust Fund Account.	2.40%
	Stan Shih	1.15%
	New Labor Pension Fund	1.09%
	JPMorgan Chase Bank N.A., Taipei Branch acting as custodian for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.01%
	JPMorgan Chase Bank N.A., Taipei Branch acting as custodian for J.P. Morgan Securities Limited	0.96%
	Citibank (Taiwan) Limited acting as custodian for Acer overseas depositary receipts	0.91%
	Citibank acting as custodian for the Singapore Government Investment Account	0.65%
	JPMorgan Chase Bank N.A., Taipei Branch acting as custodian for Vanguard Emerging Markets Stock Index Fund, managed by the Vanguard Group	0.63%
Konly Venture Inc. (Note 3)	AU Optronics Corporation	100.00%
Darfon Electronics Corp. (Note 2)	Qisda Corp.	20.72%
	BenQ Corp. (New BenQ)	5.01%
	Taishin International Bank acting as custodian for employee stock ownership trust of Darfon Electronics Corp.	3.85%
	Mega International Commercial Bank	1.62%
	New Labor Pension Fund	1.60%
	Andy Su	1.45%
	JPMorgan Chase Bank, Taipei Branch, acting as custodian of the Japan Securities Finance Co., Ltd. investment account.	1.27%
	Chang Hwa Commercial Bank	1.21%
	Taiwan Cooperative Bank	1.16%
	HSBC Bank (Taiwan) Limited acting as custodian of the Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. proprietary trading investment account for securities trading units.	1.09%
Chunghwa Post Co., Ltd. (Note 3)	Ministry of Transportation and Communications	100.00%

Note 2: Data source is the Company's 2023 Annual Report

Note 3: Data sourced from the business registration of the Administration of Commerce, Ministry of Economic Affairs

Please refer to the information disclosure of professional qualification of directors and independence of the independent directors

Name \ Criteria	Professional Qualifications and Experience	Independence Criteria (Note 1)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Chairman Qisda Corporation Representative: Chen Chi-Hong	<ol style="list-style-type: none"> 1. International MBA, Thunderbird School of Global Management, USA; formerly President of BenQ Product Technology Center and President of Qisda Corporation. 2. Currently serving as the Chief Executive Officer of Qisda Corp., Chairman of Legal Representative of BenQ Medical Technology Corp. and Partner Tech Corp., and Chairman of BenQ Foundations. 3. With diversified industry experience and leadership, familiar with industry-related connections and attaching importance to public welfare, no matters stated in Article 30 of the Company Act. 	Not applicable.	0
Director Qisda Corporation Representative: Tseng Wen-Hsing	<ol style="list-style-type: none"> 1. MS in Mechanical Engineering, National Taiwan University. Former Senior Director of Intelligent Solutions Business Group, Qisda Corp. 2. Currently the President of Intelligent Solutions Business Group, Qisda Corp. 3. With business management, industrial knowledge and international market view, no matters stated in Article 30 of the Company Act. 	Not applicable.	0
Director & President Qisda Corporation Representative: Tien Chih-Yin (Note 2)	<ol style="list-style-type: none"> 1. MBA, National Chengchi University; former COO, AEWIN Technologies Co., Ltd. 2. Currently serving as the President of DFI Inc., and Director of AEWIN Technologies Co., Ltd. and Ace Pillar Co., Ltd. 3. With business management, industrial knowledge and international market view, no matters stated in Article 30 of the Company Act. 	Not applicable.	0
Director Wei Ren-Yu (Note 3)	<ol style="list-style-type: none"> 1. MBA, National Chengchi University; former President of Entire Technology Co., Ltd. and Associate Vice President of Investment Department of Warwick International Co., Ltd 2. Currently serving as Chairman of Digital Idea Multi-Media Co., Ltd., Qifu Capital Co., Ltd., Noah Green Technology Capital Management Co., Ltd., and Dayu Capital Investment Management Consultants Co., Ltd 3. Abundant financial analysis skills, investment management 	Not applicable.	3

Name \ Criteria	Professional Qualifications and Experience	Independence Criteria (Note 1)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Director Wei Ren-Yu (Note 3)	expertise, no matters stated in Article 30 of the Company Act.		
Independent Director Yeh Te-Chang	<ol style="list-style-type: none"> 1. M.Econ, National Chengchi University; former General Manager of USIFE Investment Co., Ltd. 2. Currently serving as Independent Director at KIAN SHEN CORPORATION and CARNIVAL INDUSTRIAL CORP., Director at Silicon Technology Investment (Cayman) Corp., Supervisor at Maxkit Technology Co., Ltd., and Chairman of the Supervisory Board of Wafer Works (Shanghai) Co., Ltd., Supervisor of Wafer Works Epitaxial Corp. and Wafer Works (Zhengzhou) Corp. 3. Expertise in accounting and financial analysis, information management, scientific and technological innovation and industrial development, no matters stated in Article 30 of the Company Act. 	In compliance	2
Independent Director Chu Chih-Hao	<ol style="list-style-type: none"> 1. Graduated from National Taiwan University with a master's degree in electrical engineering and an EMBA degree; the founder of GigaMedia Limited. 2. Currently serves as Chairman of VSENSE CO., LTD., Independent Director of INTUMIT INC. and SIMPLO TECHNOLOGY CO., LTD., Director of the Chinese Strategy Development Association, director of VSense Medical Inc., and a member of National Science and Technology Council Technology Policy Advisory Committee. 3. Expertise in accounting and financial analysis, information management, scientific and technological innovation and industrial development, no matters stated in Article 30 of the Company Act. 	In compliance	2
Independent Director Luo Bing-Kuan	<ol style="list-style-type: none"> 1. Master, Fu Jen Catholic University of Law 2. Current positions include Chairman of the Taiwan Independent Directors Association, Chairman of Huashan International Consultant, Chairman of Cassida international Capital Corp., Independent Director of Hua Nan Commercial Bank Co., Ltd. and Faraday Technology Corp., 	In compliance	2

Name	Criteria	Professional Qualifications and Experience	Independence Criteria (Note 1)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Independent Director Luo Bing-Kuan	3.	Vice President of Taiwan M&A and Private Equity Council (MAPECT) , and Director of Monte Jade Science & Technology Association of Taiwan. Expertise in accounting and financial analysis, information management, scientific and technological innovation and industrial development, no matters stated in Article 30 of the Company Act.		

Note 1: Items that meet the criteria are listed in the following Checklist for Professional Qualifications and Independence of Independent Directors

Note 2: Su Chia-Hung, the corporate representative of Qisda Corporation, resigned on November 4, 2024, and was replaced by Tien Chih-Yin as the new representative.

Note 3: At the shareholders' meeting held on May 30, 2024, one director, Wei Ren-Yu, was elected in a by-election.

Checklist for Professional Qualifications and Independence of Independent Directors

Evaluated Items	Yeh Te-Chang	Chu Chih-Hao	Luo Bing-Kuan
<u>I. Compliance with Article 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies":</u> Independent directors must possess one of the following professional qualifications and have at least five years of relevant work experience: <ol style="list-style-type: none"> Lecturers or above in public or private colleges and universities in fields related to business, law, finance, accounting, or company operations. Judges, prosecutors, lawyers, certified public accountants, or other professionals and technical personnel who have passed national examinations required for company operations and hold relevant certifications. Relevant work experience in business, law, finance, accounting, or company operations. Individuals who meet any of the following conditions are not eligible to serve as an independent director, and if already serving, shall be dismissed automatically: <ol style="list-style-type: none"> Having any of the circumstances stipulated in Article 30 of the Company Act. Elected as a government, legal entity, or its representative in accordance with Article 27 of the Company Act. Violating the qualifications for independent directors as stipulated in these regulations. 	In compliance	In compliance	In compliance

Evaluated Items	Yeh Te-Chang	Chu Chih-Hao	Luo Bing-Kuan
<p>2. <u>Compliance with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies":</u></p> <p>Independent directors must maintain their independence within the scope of their duties and must not have any direct or indirect interest with the Company. They should not meet any of the following conditions for two years prior to their appointment and during their tenure:</p> <p>I. Be an employee of the Company or its affiliated entities.</p> <p>II. Be a director or supervisor of the Company or its affiliated entities.</p> <p>III. The individual, along with their spouse, minor children, or in the name of others, holds more than 1% of the total issued shares of the Company or is among the top ten shareholders.</p> <p>IV. Be a spouse, relative within the second degree of kinship, or direct blood relative within the third degree of kinship of the managerial personnel mentioned in the first subparagraph, or of the personnel listed in the previous two subparagraphs.</p> <p>V. Be a director, supervisor, or employee of corporate shareholders who directly hold 5% or more of the Company's total issued shares, are among the top five shareholders, or who appoint representatives to serve as directors or supervisors of the Company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act.</p> <p>VI. Be a director, supervisor, or employee of a company where the majority of its board seats or voting share, as well as that of the Company, are controlled by the same person.</p> <p>VII. Be a director, supervisor or employee of another company or institution where the chairman, general manager or person holding equivalent position in the Company and in that company or institution are the same person or spouses.</p> <p>VIII. Be a director, supervisor, manager, or shareholder holding more than 5% of the shares of a company or institution that has financial or business dealings with the Company.</p> <p>IX. Be a professional, sole proprietor, partner, business owner, director, supervisor, managers, or their spouse, of a company or institution that provides audit services or has received cumulative compensation exceeding NT\$500,000 in the past two years for business, legal, financial, accounting, or other related services to the Company or its affiliated enterprises. However, this does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Merger and Acquisition Committee who are performing their duties in accordance with this Act or relevant provisions of the Business Mergers and Acquisitions Act.</p>	In compliance	In compliance	In compliance

Diversification and independence of the Board of Directors:

I. Diversity of the Board of Directors:

- (1) The Code of Governance formulated by the Company expressly set forth the diversification policies for the board members and the overall staff of the Board of Directors. Nomination and election of the members of the Board of Directors will be subject to candidate nomination system according to the provisions of the Articles of Association. In addition to the educational

background and work experience, the candidates will be also elected by reference to the opinion of the stakeholders in accordance with the Director Election Measures and the Code of Governance in order to guarantee diversification and independence of the board members.

In accordance with the Company's Code of Governance, members of the Board of Directors shall be diversified and an appropriate diversification policies shall be formulated in accordance with the Company operations, operating modes and development needs, including but not limited to the following two criteria:

- a. basic conditions and values: age and identity, etc. The Company emphasizes gender equality in the composition of the Board of Directors, aiming to increase the proportion of female directors to over 30%. Currently, the board comprises 86% male members (6 individuals) and 14% female members (1 individual). Moving forward, we will work diligently to increase the number of female directors to meet this objective.
- b. expertise and skills: professional background, professional skills and industry experience, etc.

(2) In 2024, the diversification of the board members of the Company is as follows:

Title	Name	Gender	Diversified industrial and professional capabilities					Term of office of Independent Directors
			Corporate Management	Industry knowledge	Venture Capital	Sustainable Development	Financial Accounting	
Chairman	Chen Chi-Hong	Male	V	V	V	V		
Director & President	Tien Chih-Yin (Note 1)	Female	V	V	V	V		
Director	Tseng Wen-Hsing	Male	V	V	V	V		
Director	Wei Ren-Yu (Note 2)	Male	V	V	V		V	
Independent Director	Yeh Te-Chang	Male	V	V	V	V	V	6 to 9 years
Independent Director	Chu Chih-Hao	Male	V	V	V	V	V	6 to 9 years
Independent Director	Luo Bing-Kuan	Male	V	V	V	V		Less than 3 years

Note 1: Su Chia-Hung, the corporate representative of Qisda Corporation, resigned on November 4, 2024, and was replaced by Tien Chih-Yin as the new representative.

Note 2: At the shareholders' meeting held on May 30, 2024, one director, Wei Ren-Yu, was elected in a by-election.

The number of directors in the capacity of employees accounts for 14%, while the independent directors account for 43%; as of the end of 2024, 2 independent directors have length of service for 6-9 years; 3 directors are between 60-69 years old; 3 directors are between 50-59 years old; 1 director is between 40-49 years old.

Management Objectives Achieved:

- a. The number of the directors who concurrently act as the managers shall not exceed one third of all directors; the number of the directors who are spouse or relatives within the second degree of kinship to each other does not exceed 50% of the total number of directors.
- b. Responsibilities of the Chairman and the President shall be expressly divided, and the Chairman and the President shall not be the same person. If the same person act as the Chairman and the President concurrently, or the Chairman and the President are spouse or immediate relatives, then, the independent director seat will be increased.

- (3) The Board of Directors as a whole shall have the following competences: 1. Operation judgment; 2. Accounting and financial analysis; 3. Operation management; 4. Crisis management; 5. Industry knowledge; 6. International market insights; 7. Leadership; 8. Decision-making ability.
2. Independence of the Board:
- There are seven current directors of the Company, including three independent directors (accounting for 43% of the directors), and more than one-third of the all directors. As of the end of 2024, all independent directors have met the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors, and there is no spouse or second-degree relationship between directors. Therefore, there are no circumstances under Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. In summary, the Board of Directors of the Company is independent.

(II) Information about President, Vice President, Associate Managers and Heads of Each Department and Branch

March 24, 2025; Unit: Shares

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Shares held by the spouse and minor children		Shares held in the name of others		Main experience (educational background)	Position concurrently held in the Company and other companies	Managers who are spouse or relatives within the second degree of kinship		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
President	Republic of China	Tien Chih-Yin	Female	2024.11.04	9,000	0.01%	-	-	-	-	MBA, National Chengchi University COO of AEWIN Technologies Co., Ltd.	Director of Diamond Flower Information (NL) B.V. Director of DFI Co., Ltd. Director of DFI America, LLC. Director of Yan Tong Technology Ltd. Director of AEWIN Technologies Co., Ltd. Director of Ace Pillar Co., Ltd.			
Senior Director	Republic of China	Huang Li-Min	Female	2013.12.13	26,050	0.02%	-	-	-	-	Institute of Finance, Taiwan University of Science and Technology LITE-ON TECHNOLOGY CORPORATION	Director of Diamond Flower Information (NL) B.V. Director of DFI Co., Ltd. Director of DFI America, LLC. Director of Yan Tong Technology Ltd. Supervisor of Yan Ying Hao Trading (ShenZhen) Co., Ltd Director of AEWIN Technologies Co., Ltd. Director of Ace Pillar Co., Ltd.			
Senior Director	Republic of China	Chang Chia-I	Male	2012.12.01	174,000	0.15%	-	-	-	-	Master of Business Administration at National Chengchi University ABIT Computer Corporation	Director of DFI Co., Ltd.			
Senior Director	Republic of China	Chan Hsin-Chung	Male	2016.01.06	-	-	-	-	-	-	University of Wisconsin, USA	None			
Managerial officers hold shares in the Company in the name of another person: None															
Managerial officers has a spouse or second-degree relatives serving as the supervisor of the Company: None															

The number of shares held is based on the actual number of shares held on the transfer closing date March 24, 2025.

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

I. Remuneration of Directors

2023.12.31; Unit: thousand NTD

Title	Name	Renumeration of Directors								Ratio of A+B+C+D to Net Income (Note 10)		Relevant Remuneration Received by Directors who Are Also Employees								Ratio of A+B+C+D+E+F+G to Net Income (Note 10)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 11)
		Salary (A) (Note 1)		Severance Pay and Pension (B) (Note 2)		Director's Remuneration (C) (Note 3)		Business Execution Expenses (D) (Note 4)				Salary, Bonus, and Allowance (E) (Note 5)		Severance Pay and Pension (F)		Employee Compensation (G) (Note 6)						
		The Company	All Companies in Consolidated Financial Statements (Note 7)	The Company	All Companies in Consolidated Financial Statements (Note 7)	The Company	All Companies in Consolidated Financial Statements (Note 7)	The Company	All Companies in Consolidated Financial Statements (Note 7)	The Company	All Companies in Consolidated Financial Statements (Note 7)	The Company	All Companies in Consolidated Financial Statements (Note 7)	The Company	All Companies in Consolidated Financial Statements (Note 7)	The Company	All Companies in Consolidated Financial Statements (Note 7)	The Company	All Companies in Consolidated Financial Statements (Note 7)			
																				Cash	Stock	
Director	Representative of the Qisda Corporation: Chen Chi-Hong Li Chang-Hung (Note 12)	5,885	9,179	-	-	2,617	2,617	260	395	8,762 (2.21%)	12,291 (3.07%)	4,906	4,906	111	111	1,003	-	1,003	-	14,782 (3.73%)	18,211 (4.59%)	59,368
	Tseng Wen-Hsing (Note 12)																					
	Su Chia-Hung (Note 13)																					
	Tien Chih-Yin (Note 13)																					
	Li Ming-Shan (Note 14)																					
	Wei Ren-Yu (Note 14)																					
Independent Director	Yeh Te-Chang	4,200	4,200	-	-	1,261	1,261	150	150	5,611 (1.41%)	5,611 (1.41%)	-	-	-	-	-	-	-	5,611 (1.41%)	5,611 (1.41%)	-	
Independent Director	Chu Chih-Hao																					
Independent Director	Luo Bing-Kuan																					
1. Please explain the independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and the considered factors such as their job responsibilities, risks, and working time: The remuneration to the Company's directors is paid by the Board of Directors as authorized in accordance with the of the Company's Articles of Incorporation based on each director's participation in the Company's operations and value of contribution while with reference to the Regulations on Remuneration of Directors and Functional Committee Members stipulated as per the domestic and foreign industry standards. Where the Company has earnings, the Board of Directors shall determine the amount of directors' remuneration through a resolution in accordance with the Company's Articles of Incorporation. Independent directors are ex officio members of the Audit Committee. In addition to the remunerations paid to directors, an amount of reasonable remuneration is determined as per each individual's responsibilities, risks assumed, and time spent. 2. Other than disclosures in the above table, remuneration paid to directors for providing services (e.g., providing consulting services as a non-employee) for all companies in financial reports in the most recent year: None																						

Remuneration Range Table

Range of Remuneration Paid to Directors	Name of Director			
	Sum of commissions for the first four items (A+B+C+D)		Sum of commissions for the first seven items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies in Consolidated Financial Statements (Note 9) H	The Company (Note 8)	Parent company and all reinvested businesses (Note 9)
Less than NT\$1,000,000	Chen Chih-Hong, Li Chang-Hung, Tseng Wen-Hsing, Su Chia-Hung, Li Ming-Shan	Chen Chih-Hong, Li Chang-Hung, Su Chia-Hung, Tien Chih-Yin, Li Ming-Shan	Chen Chih-Hong, Li Chang-Hung, Tseng Wen-Hsing, Tien Chih-Yin, Li Ming-Shan	Li Ming-Shan
NT\$1,000,000 (inclusive) - NT\$2,000,000 (excluding)	Wei Ren-Yu, Luo Bing-Kuan, and Chu Chih-Hao	Wei Ren-Yu, Luo Bing-Kuan, and Chu Chih-Hao	Wei Ren-Yu, Luo Bing-Kuan, and Chu Chih-Hao	Tien Chih-Yin, Wei Ren-Yu, Luo Bing-Kuan, and Chu Chih-Hao
NT\$ 2,000,000 (inclusive) - NT\$3,500,000 (excluding)	Yeh Te-Chang	Tseng Wen-Hsing, Yeh Te-Chang	Yeh Te-Chang	Qisda Corp., Yeh Te-Chang, Li Chang-Hung
NT\$ 3,500,000 (inclusive) - NT\$ 5,000,000 (excluding)				
NT\$ 5,000,000 (inclusive) - NT\$10,000,000 (excluding)	Qisda Corp.	Qisda Corp.	Qisda Corp., Su Chia-Hung	Su Chia-Hung
NT\$ 10,000,000 (inclusive) - NT\$15,000,000 (excluding)				Tseng Wen-Hsing
NT\$ 15,000,000 (inclusive) - NT\$ 30,000,000 (excluding)				
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)				
NT\$ 50,000,000 (inclusive) - NT\$ 100,000,000 (excluding)				Chen Chi-Hong
Over NT\$100,000,000				
Total	A total of 10 individuals, which includes 1 legal entity and 3 former directors.	A total of 11 individuals, which includes 1 legal entity and 3 former directors.	A total of 11 individuals, which includes 1 legal entity and 3 former directors.	A total of 11 individuals, which includes 1 legal entity and 3 former directors.

Note 1: Remuneration of directors for 2024 (including salary, post pay, severance pay, all kinds of bonuses, incentive payment of the director, etc.).

Note 2: It is the amount of appropriation and payments made in accordance with the law in 2024.

Note 3: Remuneration proposed to be paid to the directors under the earnings distribution proposal for 2024, as approved by the Board of Directors on February 25, 2025.

Note 4: It is the relevant business execution expenses of the directors in 2024 (including the difference between the remuneration of the subsidiaries to representatives of the corporate directors appointed for their subsidiaries and the salaries of the directors issued by their subsidiaries, traffic allowance, special expenses, various allowances, dormitories, vehicles and other provisions in kind).

Note 5: The difference between remuneration received by directors working as employees (including those concurrently serving as general manager, deputy general manager, other managers, and employees) in 2024 and the remuneration of the legal representative appointed by the Company for the subsidiary and the salary paid by the subsidiary to the directors, salary, position bonus, termination payment, various bonuses, rewards, traffic allowances, special expenses, various allowances, dormitories, vehicles, and other provisions in kind. Any salary listed under IFRS2 "Share-based Payment", including employee stock options, new restricted employee shares, and cash capital increase by stock subscription, shall be also included in the remuneration.

Note 6: Directors concurrently being the employees (including concurrently holding the office as General Manager, Deputy General Manager, other managers and employees) who have received the staff bonus dividends (including stock dividends and cash dividends) are entitled to the employee bonus to be allocated as approved at the board meeting date February 25, 2025.

Note 7: The amount of the remuneration paid to the Company's directors by all companies (including the Company) in the consolidated report shall be disclosed.

Note 8: If the remuneration paid by the Company to each director is within the remuneration range, the name of the director shall be disclosed.

Note 9: If the remuneration paid by all companies (including the Company) in the consolidated report to each director of the Company is within the remuneration range, the name of the director shall be disclosed.

Note 10: Post-tax net profits refer to the net profits after payment of the individual financial report tax in 2024.

Note 11: It is the compensation received by directors as directors, supervisors or managers of reinvested businesses other than the parent company or subsidiary in 2024, remuneration (including remuneration of employee, director and supervisor), business execution expenses and other related remuneration.

Note 12: Qisda Corp. Director of Legal Representative: Li Chang-Hung was relieved of his duties on March 22, 2024, and was replaced by representative Tseng Wen-Hsing.

Note 13: Su Chia-Hung, the corporate representative of Qisda Corporation, resigned on November 4, 2024, and was replaced by Ms. Tien Chih-Yin as the new representative.

Note 14: Director Li Ming-Shan was dismissed on January 26, 2024, due to his passing. At the shareholders' meeting held on May 30, 2024, one director, Wei Ren-Yu, was elected in a by-election.

2. Remuneration of the supervisor

From Dec. 28, 2018, the Company delegates the Audit Committee to exercise the functions and powers of the supervisor stipulated in the relevant regulations.

3. Remuneration of the President and the Vice President

2023.12.31; Unit: thousand NTD

Title	Name	Salary (A) (Note 1)		Severance Pay and Pension (B) (Note 2)		Bonus and Allowance (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of A+B+C+D to Net Income (%) (Note 8)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 9)
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements (Note 5)		The Company	All Companies in Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
President	Su Chia-Hung (Note 10)	3,404	3,404	111	111	1,502	1,502	1,003	-	1,003	-	6,020 (1.52%)	6,020 (1.52%)	-
	Tien Chih-Yin (Note 10)													

Remuneration Range Table

Range of Remuneration Paid to the General Manager and Deputy General Managers	Name of General Manager and Deputy General Manager	
	The Company (Note 6)	All Companies in Consolidated Financial Statements (Note 7) E
Less than NT\$1,000,000	Tien Chih-Yin (Note 10)	Tien Chih-Yin (Note 10)
NT\$1,000,000 (inclusive) -NT\$2,000,000(excluding)		
NT\$ 2,000,000 (inclusive)-NT\$3,500,000(excluding)		
NT\$ 3,500,000 (inclusive)-NT\$ 5,000,000 (excluding)		
NT\$ 5,000,000 (inclusive)-NT\$10,000,000 (excluding)	Su Chia-Hung (Note 10)	Su Chia-Hung (Note 10)
NT\$ 10,000,000 (inclusive)-NT\$15,000,000 (excluding)		
NT\$ 15,000,000 (inclusive)-NT\$ 30,000,000 (excluding)		
NT\$30,000,000 (inclusive)-NT\$50,000,000 (exclusive)		
NT\$ 50,000,000 (inclusive)-NT\$ 100,000,000 (excluding)		
Over NT\$100,000,000		
Total	2 in total	2 in total

Note 1: State the salary, post pay and severance pay of the President and the Vice President in 2024.

Note 2: It is the amount of appropriation and payments made in accordance with the law in 2024.

Note 3: State various bonuses, incentive payments, travel expenses, particular expenditures, allowances, accommodation fees, car fare, other physical supplies and other remuneration of the President and the Vice President in 2024.

Note 4: State employee bonus dividends (including stock dividends and cash dividends) allocated to the President and the Vice President under the proposal on distribution of earnings for 2024 as approved by the Board of Directors at the shareholders' meeting, subject to the amount of the bonus dividends allocated to the employees as approved by the Board of Directors on February 25, 2025.

Note 5: Total amount of the remuneration paid by all companies (including the Company) in the consolidated report to the Company's General Manager and Deputy General Manager shall be disclosed.

Note 6: Total amount of the remuneration paid by the Company to each General Manager and Deputy General Manager shall be disclosed in the corresponding range to the name of the General Manager and the Deputy General Manager.

Note 7: Total remuneration paid by all companies (including the Company) in the consolidated report to the Company's every General Manager and Deputy General Manager shall be disclosed in the corresponding range to the name of the General Manager and Deputy General Manager.

Note 8: Post-tax net profits refer to the net profits after payment of the individual financial report as in 2024.

Note 9: It is the compensation received by the President and the Vice President as directors, supervisors or managers of reinvested businesses other than subsidiaries in 2024, remuneration (including remuneration of employee, director and supervisor), business execution expenses and other related remuneration.

Note 10: Su Chia-Hung, the corporate representative of Qisda Corporation, resigned on November 4, 2024, and was replaced by Ms. Tien Chih-Yin as the new representative.

* The remuneration disclosed in this table is different from the income concept under the income tax law. Thus, this table is for information only but not for taxation purpose.

4. Name of the Manager receiving Employee Remuneration and Allocation:

Unit: thousand NTD

Title	Name (Note 1)	Amount of shares (Note 2)	Cash amount (Note 2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
President	Su Chia-Hung (Note 4)	-	2,749	2,749	0.69%
President	Tien Chih-Yin (Note 4)				
Senior Director	Chang Chia-I				
Senior Director	Chan Hsin-Chung				
Senior Director	Huang Li-Min				

Note 1: Managerial Officers in office as of the date of publication.

Note 2: The amount of the bonus dividends (including stock dividends and cash dividends) allocated to the managers under the proposal on allocation of earnings for 2024 as approved by the Board of Directors at the shareholders' meeting, which was estimated based on the amount of the bonus dividends approved by the Board of Directors to be allocated to the employees on February 25, 2025.

Note 3: Post-tax net profits refer to the net profits after payment of the individual financial report tax in 2024.

Note 4: Su Chia-Hung, the corporate representative of Qisda Corporation, resigned on November 4, 2024, and was replaced by Tien Chih-Yin as the new representative.

(IV) Separate comparison and description of the total remuneration, as a percentage of the post-tax net profits in the parent company-only financial reports or the individual financial reports, as paid by the Company and all other companies included in the consolidated statements during the past two fiscal years to the Company's directors, supervisors, the General Manager and the Deputy General Managers, with analysis and description of remuneration policies, standards and portfolios, procedure for determining remuneration, and relevance between operation results and future risks

- I. Analysis on percentage of total remuneration paid by the Company and all other companies included in the consolidated statements during the past two fiscal years to the Company's directors, supervisors, the President and the Vice President in the post-tax net profits of the parent company-only financial statements

Title	2024 total remuneration as a percentage of net profit after tax (%)		2023 total remuneration as a percentage of net profit after tax (%)	
	The Company	All Companies in the Consolidated Financial Statement	The Company	All Companies in the Consolidated Financial Statement
Remuneration of Directors	3.62%	4.49%	4.32%	5.23%
Remuneration of the President and the Vice President	1.52%	1.52%	1.55%	1.55%
Net Profit After Tax (in thousands of NT\$)	396,611	-	361,685	-

2. Remuneration payment policies, standards and portfolio, procedure for determining remuneration, and relevance between operation results and future risks

(1) Policy, standards, and composition of remuneration payments:

a. Renumeration of Directors

For director's remuneration of the Company, in accordance with the Article 21 of the Articles of Association, the Company shall withdraw not more than 1% of the profits as the director remuneration if the Company makes profits in the annual final accounts. The Company regularly evaluates director compensation in accordance with the "Board of Directors Performance Evaluation Method" and the "Director and Functional Committee Member Renumeration Method." The director's remuneration is calculated based on the Company's profits for the year. The estimated amount for director's remuneration in 2024 is NT\$3,878,000. The performance assessment and reasonableness of the remuneration have been reviewed by the Renumeration Committee and the Board of Directors.

b. Renumeration of the President and the Vice President:

The manager's remuneration of the Company is handled in accordance with the relevant regulations on salary management, including various work allowances and bonuses, in order to recognize and reward the efforts of employees in their work. The allocation of these bonuses is also based on the Company's annual operating performance, financial condition, operational status, and individual work performance. Additionally, in the event of profitability in a given year, in accordance with Article 21 of the Company's bylaws, five to twenty percent should be allocated for employee compensation. In addition, based on the 'Executive Renumeration Policy' and the salary level of the position in the industry market, the Company pays remuneration to the position within the Company's scope of responsibility and its contribution to the Company's operational goals. The remuneration is proposed by the Renumeration Committee and distributed after approval by the Board of Directors. The manager's performance evaluation project is divided into two parts: 1. Financial indicators: based on the Company's management income statement and the distribution of profit contribution to the Company, taking into account the manager's goal achievement rate. 2. Non-financial indicators: consisting of the practice of the Company's core values and operational management capabilities, as well as participation in sustainable operations. The remuneration for their operational performance is calculated, and the remuneration system is reviewed as needed based on the actual operational situation and relevant regulations. The remuneration of senior executives for the fiscal year 2024 has been approved by the Renumeration Committee on February 25, 2025, and has been endorsed by the Board of Directors.

(2) The Company regularly evaluates the remuneration of directors and executives based on the 'Board Performance Evaluation Measures,' 'Remuneration Measures for Directors and Functional Committee Members,' and 'Remuneration Policy for Senior Executives.' The performance criteria for the CEO and senior executives are based on key operational indicators (technological transformation, innovative contributions), operational performance, and financial results. These criteria are linked to the overall operational performance of the Company, industry future business risks and development, and also consider individual performance achievement rate and contribution to the Company's performance, in order to provide reasonable remuneration. The performance evaluation and reasonableness of remuneration are both reviewed by the Renumeration Committee and the Board of Directors.

(3) The Association between Business Performance and Future Risks:

a. According to the provisions of the Company's board performance evaluation method, the board performance evaluation is conducted regularly every year, and the evaluation results are included in the annual board report as a reference for review and

improvement. The evaluation results for the year 2024 were reported to the Board of Directors on February 25, 2025.

- b. The remuneration for directors, the general manager, and deputy general managers has been fully considered in terms of professional capability and the Company's operational and financial status. It also takes into account their ongoing education and other special contributions, linking it to both company performance and individual performance as the basis for calculating remuneration.
- c. The Company constantly reviews future operational risks to ensure that risks within its scope of responsibility can be managed and prevented, and ratings are granted based on actual performance. At the same time, we will connect all relevant human resources and related salary and compensation systems and policies, and review the remuneration system in a timely manner according to the business situation and relevant laws and regulations, in order to seek a balance between sustainable operation and risk management.

II. Operations of Corporate Governance

The Company has set up independent directors, audit committee and remuneration committee in accordance with relevant regulations to maintain a more sound decision-making and execution organization, continuously improve the operating efficiency of the Company and implement corporate governance with practical actions.

(I) Operation of the Board of Directors

In 2024, the Board of Directors held 5 meetings (A). Attendance of the directors is as follows:

Title	Name	Actual attendance (presence) times (B)	Number of attendances by proxy	Actual attendance (presence) rate (%) (B/A)	Remarks
Chairman	Qisda Corp. Representative: Chen Chi-Hong	5	0	100%	
Vice Chairman	Qisda Corp. Representative: Li Chang-Hung (Note 1)	1	0	100%	
Director	Qisda Corp. Representative: Tseng Wen-Hsing (Note 1)	4	0	100%	
Director	Qisda Corp. Representative: Su Chia-Hung (Note 2)	5	0	100%	
Director	Wei Ren-Yu (Note 3)	3	0	60%	Newly appointed on May 30, 2024
Independent Director	Yeh Te-Chang	5	0	100%	
Independent Director	Chu Chih-Hao	5	0	100%	
Independent Director	Luo Bing-Kuan	5	0	100%	

Note 1: Qisda Corp. Director of Legal Representative: Li Chang-Hung was dismissed on March 22, 2024, and was replaced by representative Tseng Wen-Hsing.

Note 2: Su Chia-Hung, the corporate representative of Qisda Corporation, resigned on November 4, 2024, and was replaced by Ms. Tien Chih-Yin as the new representative.

Note 3: At the shareholders' meeting held on May 30, 2024, one director, Wei Ren-Yu, was elected in a by-election.

Other matters:

I. In case of any following circumstances, please state the date, session, and resolution contents of the board meeting, the opinion of all independent directors, and the Company's treatment on the opinion of the independent directors:

- (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee, and the provisions of Article 14-3 are not applicable. For the explanation of the matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the Operations of the Audit Committee (P. 29-30).
- (2) Apart from the above matters, other resolutions for which the independent directors have objections or hold qualified opinion with record or written statement at the board meeting: None

2. Regarding recusals of independent directors from voting due to conflicts of interests, the names of the independent directors, contents of resolutions, reasons for recusal, and results of voting shall be specified:

Board of Directors Date	Name of Director	Content of motion	Reasons for recusal	Participation in voting
2024.03.04	Representative of Qisda Corporation directors Chen Chi-Hong, Li Chang-Hung, Su Chia-Hung, and independent director Chu Chih-Hao	Approval on discharging noncompetition restriction for the incumbent directors and their representatives	Director and their representatives exempted from non-compete restrictions.	Not participating in discussions and voting
	Representative of Qisda Corporation director Su Chia-Hung	Approval of the distribution of remuneration for senior managers for 2023	Serving as a managerial officer of the Company.	Not participating in discussions and voting
	Representative of Qisda Corporation director Su Chia-Hung	Approval of the remuneration guidelines for senior managers for the year 2024	Serving as a managerial officer of the Company.	Not participating in discussions and voting
	Representative of Qisda Corporation director Su Chia-Hung	Approval of the bonus and salary adjustment policy for senior managers for the year 2024	Serving as a managerial officer of the Company.	Not participating in discussions and voting
	Representative of Qisda Corporation directors Chen Chi-Hong, Su Chia-Hung	Approval of the investment in V-Tech Technology Co., Ltd. common stock by the Company	Serving as Director of Legal Representative of Qisda Corp.	Not participating in discussions and voting
	Representative of Qisda Corporation director Li Chang-Hung		Serving as Director of Legal Representative of Qisda Corp. and APLEX Technologies Inc.	Not participating in discussions and voting
2024.06.24	Director Wei Ren-Yu and Independent Director Chu Chih-Hao	Approval of the investment in Tekpak Corporation ordinary shares by the Company	The director has a conflict of interest	Not participating in discussions and voting
2024.08.05	Representative of Qisda Corporation director Tseng Wen-Hsing, Su Chia-Hung	Approval of the selling of the ordinary shares of AEWIN Technologies Co., Ltd.	Serving as Director of Legal Representative of a Subsidiary	Not participating in discussions and voting
	Representative of Qisda Corporation director Tseng Wen-Hsing, Su Chia-Hung	Approval of the selling of the ordinary shares of Ace Pillar Co., Ltd.	Serving as Director of Legal Representative of a Subsidiary	Not participating in discussions and voting
2024.11.04	Representative of Qisda Corporation director Tseng Wen-Hsing (Director)	Approval of the investment in V-Tech Technology Co., Ltd. common stock by the Company	Serving as Director of Legal Representative of APLEX Technology Inc.	Not participating in discussions and voting
	Representative of Qisda Corporation director Su Chia-Hung (Director)	Approval of the Change in the Company's President	Serving as the President of the Company.	Not participating in discussions and voting

3. Implementation of Assessments on the Board of Directors

The Company's Board of Directors approved the "Measures on Performance Appraisal of the Board of Directors" on Nov. 7, 2019, stipulating that the Board of Directors shall implement internal performance appraisal once a year, and evaluation shall be made by the external professional independent body or external expert and scholar team at least once every three years.

- (1) In 2021, the Company appointed Taiwan Corporate Governance Association, an external independent evaluation organization, to evaluate the performance of the Board of Directors of the Company, and assess the composition, guidance, authorization, supervision, communication, self-discipline, internal control and risk management of the Board. In addition to the written review of the Company's statements of KPIs and related documents, a field visit was conducted on September 19, 2022, and the objects included the chairman, the General Manager, the convener of functional committees, the corporate governance supervisor and the audit supervisor, and the results of the evaluation were reported to the board meeting held in November 2022.
- (2) At the end of 2024, the Company completed the performance assessment of the Board of Directors, and reported the evaluation results of the board meeting on February 25, 2025. In measurement indicators of the Board of Directors, the board members and the two functional committees, the scores were 90 points or more ("Excellent"), which is enough to show that the functions and operations of the Board of Directors and the functional committees of the Company are good.

(3) Relevant implementations:

Frequency	Assessment Period	Scope	Method	Assessment Content
Implemented once every three years	August 2021 to July 2022	Performance of the Board of Directors	Written review and field visit by an independent external institution	Composition, guidance, authorization, supervision, communication, self-discipline, internal control and risk management
Once a year	January 2024 to December 2024	Board of Directors and board members	Internal self-assessment of the Board of Directors and directors	<ol style="list-style-type: none"> 1. Grasp of the Company's goals and missions 2. Participation in the Company's operations 3. Internal relations management and communication 4. Improvement to the decision-making quality of the Board of Directors 5. Composition and structure of the Board of Directors 6. Recognition of directors' responsibilities 7. Election of directors and their professional and continuing education 8. Internal control

Frequency	Assessment Period	Scope	Method	Assessment Content
Once a year	January 2024 to December 2024	Audit Committee	Self-assessment of Audit Committee	1. Participation in the Company's operations 2. Recognition of the Audit Committee's responsibilities 3. Improvement to the Audit Committee's decision-making quality 4. The composition of the Audit Committee and member selection 5. Internal control
		Remuneration Committee	Self-assessment of Remuneration Committee	1. Participation in the Company's operations 2. Recognition of the Remuneration Committee's responsibilities 3. Improvement to the Remuneration Committee's decision-making quality 4. The composition of the Remuneration Committee and member selection

4. Evaluation on objectives to strengthen the functions of the Board of Directors (such as establishment of the Audit Committee and improvement of information transparency, etc.) and implementation in the year then ended and the recent years:
- (1) The Company set up the Remuneration Committee in 2011, and set up the Audit Committee in 2017 to exercise the functions and powers vested by the Securities and Exchange Act, the Company Act and other decrees so as to intensify the Company's governance. In 2018, the Board of Directors appointed the Finance Management Division Head Huang-Li Min as the Company's Governance Head responsible for the governance related affairs.
 - (2) DFI has formulated "Rules of Procedure of the Board of Directors Meetings", convenes at least one board meeting per quarter. The content, operating procedures, minutes and announcements of the board meetings and other matters shall be handled in accordance with the rules.

(II) Operation of the Audit Committee

In 2024, the Audit Committee of the Company has held 5 meetings (A), and the attendance (presence) of independent directors is as follows:

Title	Name	Actual attendance times (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director (Convener)	Yeh Te-Chang	5	0	100%	
Independent Director	Chu Chih-Hao	5	0	100%	
Independent Director	Luo Bing-Kuan	5	0	100%	

Other matters:

- I. If any of the followings occurs in the operation of the Audit Committee, the date of board meeting, the session, the content of proposal, the results of resolution by the Audit Committee and the Company's handling of the opinions of the Audit Committee shall be stated clearly.

- (1) Matters specified under Article 14-5 of the Securities and Exchange Act: With the consent of more than half of all members of the Audit Committee, it shall be submitted to the Board of Directors for approval, without any circumstances that have not been approved by the Audit Committee, and with the consent of more than two-thirds of all directors.

Date	Content of motion	Results of the Audit Committee's Resolutions and the Company's Response to the Audit Committee's Opinions
2024.03.04	1. 2023 Statement on Internal Control and self-assessment result report 2. 2023 Business Report, Financial Statements, and 2024 Business Plan 3. 2023 Profit Distribution Table 4. CPA service fees for 2024 5. Proposal to invest in V-Tech Technology Co., Ltd. common stock by the Company	1. The members of the Audit Committee unanimously agreed to pass the motion. 2. Company's Handling of the Audit Committee's Opinions: None.
2024.05.06	1. Consolidated Financial Report for 2024 Q1	
2024.06.24	1. Investment in Tekpak Corporation ordinary shares by the Company	
2024.08.05	1. 2024 Q2 Consolidated Financial Report 2. Selling of the ordinary shares of AEWIN Technologies Co., Ltd. 3. Selling of the ordinary shares of Ace Pillar Co., Ltd.	
2024.11.04	1. Revision of the 'Internal Control System' and the 'Implementation Regulations for Internal Audits' 2. Establishment of the Internal Audit Plan for 2025 3. 2024 Q3 Consolidated Financial Report 4. Appointment of CPAs for the Company's 2025 financial statements 5. Revision of the Company's Pre-Approval Non-Assurance Service Policy	

(2) In addition to the previous matters, other matters that have not been approved by the Audit Committee and agreed by more than two-thirds of all directors.

2. Regarding recusals of independent directors from voting due to conflicts of interests, the names of the independent directors, contents of resolutions, reasons for recusal, and results of voting shall be specified:

Date of Audit Committee Meeting	Independent Director	Content of motion	Reasons for recusal	Participation in voting
2024.06.24	Independent Director Chu Chih-Hao	Approval of the investment in Tekpak Corporation ordinary shares by the Company	The director has a conflict of interest	Not participating in discussions and voting

3. Communication between independent directors and internal auditors and accountants (including major matters, methods and results of communication on the financial and business conditions of the Company): The Audit Committee of the Company convenes and discusses regularly on a quarterly basis, and invites accountants, internal auditors, financial accounting and other departments to report or discuss the audit results of latest financial statement (including the responsibilities and independence of the accountant in charge, the scope and method of audit or review, the results of quarterly or annual financial report audit or review, important accounting treatment, important regulatory updates and other related issues), internal audit results (including the audit report for the current period, the report on tracking matters after the current period and the update of important audit laws and regulations), financial business summary and other information. All independent directors communicate well with internal auditors and accountants. All independent directors, internal audit supervisors, and accountants communicated well.

4. Annual focus of work and operation:

(1) Annual focus of work

- Communicate the results of the audit report to the Internal Audit Supervisor on a regular basis in accordance with the Annual Audit Plan.
- Regularly communicate with the Company's CPAs about the results of the review or audit of the financial statements.
- Review financial reports.
- Evaluate the effectiveness of the internal control system.
- Review of the appointment, dismissal, remuneration and services of the CPA.
- Review of regulations for handling of assets, derivatives, loans to others and endorsements/guarantees and major transactions of assets, loans to others and endorsements/guarantees.
- Regulatory compliance.

- (2) Operations in 2024: The Audit Committee's proposals have been reviewed or approved by the Audit Committee, and there is no objection from the independent directors.

(III) Governance of the Company and deviations from the Governance Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof

Evaluation item	Operations			Deviations from the Governance Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Abstract	
I. Does the Company formulate and disclose the Code for Governance Practice in accordance with the "Governance Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company adopted formulation of the Code for Governance Practice at the board meeting dated Nov. 1, 2018, and made disclosure at the Company's official website. In response to the subsequent amendments to the relevant regulations, they have been updated in a timely manner; and after the latest amendment, they have been disclosed on the Market Observation Post System (MOPS) and the Company's website.	No deviation
II. Equity structure and shareholders' equity				No deviation
(I) Does the Company formulate the internal procedures to deal with the shareholders' suggestions, doubts, disputes and litigation, and implement according to the procedures?	V		1. The Company has a spokesperson and a deputy spokesperson, as well as channels such as an investor mailbox and a corporate investor relations website, to handle shareholder suggestions or disputes.	
(II) Does the Company actually hold the list of the	V		2. The Company fully knows and controls the major shareholder structure through the service agency, and regularly reports any movement of the directors and managers, with favorable outcome.	

Evaluation item	Operations			Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof
	Yes	No	Abstract	
major shareholders actually controlling the Company and the ultimate controller of the major shareholders?				
(III) Does the Company establish and execute the risk control and firewall mechanism with the affiliated enterprises?	V		3. Operation, business and financial powers and responsibilities of the Company and the affiliated enterprises shall be expressly divided and independently operated. The Company has formulated the "Subsidiary Management Procedure", the "Procedure on Management of the Related Party Transactions", the "Procedure on Self-Evaluation of Internal Control System", and other relevant measures to control and audit the above powers and responsibilities, eliminate unconventional transactions and prohibit benefit transfer, and implement risk control mechanism and firewall management of the affiliated enterprises.	
(IV) Does the Company formulate the internal codes to prohibit insider trade of the securities by making use of the non-public information?	V		4. The Company adopted abolishment of the original "Procedure on Prevention of Insider Trade", and formulated the new "Procedure on Major Information Treatment and Insider Trade Prevention" at the board meeting dated Nov. 10, 2020. Educate directors, managers and employees at least once a year, and strictly require insiders to comply. This year, on May 23, 2024, the related educational training and promotion of a one-hour course were completed for all 491 employees of native origin. An online test was conducted for all colleagues. The course outline was as follows: I. Basic Concepts of Insider Trading II. Regulations on prohibiting insider trading (§ 157- I, Securities and Exchange Act) III. Elements of insider trading (person, event, time, things, and behaviors) IV. Legal effects of insider trading (criminal, civil liabilities, and adverse effects) V. How to launch an investigation on insider trading. It has been promoted during the closed period of financial statements that, directors and insiders shall not trade their stocks	

Evaluation item	Operations			Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof
	Yes	No	Abstract	
			during the period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.	
III. Composition and Responsibilities of the Board of Directors				No deviation
(I) Does the Board of Directors formulate and implement diversified policies and specific management objectives?	V		1. For the formulation and implementation of the diversification policy of the Board of Directors of the Company, please refer to the Diversification and independence of the Board of Directors (P. 15-17).	
(II) Does the Company voluntarily set up other functional committees than the Remuneration Committee and the Audit Committee?	V		2. A Risk Management Committee has been established. See the chapter of Risk Management in the Annual Report (P. 119-121) for details of the operation. In addition, although the Company does not currently have a Nomination Committee, in practice, the election of directors (including independent directors) of the Company adopts a candidate nomination system. The list of candidates for the current directors (including independent directors) is proposed by the shareholders or the Board of Directors holding more than 1% of the total number of shares of the Company, and reported to the board of shareholders for election after the Board of Directors reviews the list of candidates according to law.	
(III) Does the Company formulate the measures and methods for evaluation of the Board of Directors, organize performance	V		3. On November 7, 2019, the Board of Directors of the Company approved the "Measures on Performance Appraisal of the Board of Directors". For the performance evaluation methods and performance conditions, please refer to the chapter Implementation of Assessments on the Board of Directors (P. 27-28). In accordance with Article 21 of the Articles of Association, the remuneration of the directors of the Company shall not exceed 1% of the annual profit. The Remuneration Committee and the Board of Directors shall determine the remuneration of directors and consider the nomination for renewal in accordance with the operating results of	

Evaluation item	Operations		Abstract	Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof
	Yes	No		
evaluation every year and regularly, submit the performance evaluation results to the Board of Director, and apply the same for remuneration and nomination for reappointment of the individual directors?			the Company and the Regulations on the Remuneration of Directors and Functional Committee Members, taking into account the results of the performance assessment.	
(IV) Does the Company regularly evaluate independence of the CPAs?	V		<p>4. The independence and suitability of the Company's CPAs are evaluated annually by the Audit Committee and the Board of Directors. In addition to requiring auditors to provide independence statements and Audit Quality Indicators (AQIs), the evaluation is conducted based on the criteria for auditor independence and 13 AQI indicators.</p> <p>After confirming, the CPAs and the Company have no other financial interests and business relationships except for the audit and review fees of the financial information of the investment target company. The accounting firm (CPA and its CPA team members) also comply with the requirement of independence and refer to the AQI index information to evaluate based on the five dimensions (professionalism, quality control, independence, supervision, and innovation capability). Confirm that the CPA and the firm have superior audit experience and training hours compared to industry averages. The results of the most recent annual evaluation were discussed and approved by the Audit Committee on November 4, 2024, and subsequently reported to the Board of Directors on the same day for a resolution approving the independence assessment of the CPAs.</p>	

Evaluation item	Operations			Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof																											
	Yes	No	Abstract																												
			Accountant Independence Assessment Results: <table><tr><th>Evaluation item</th><th>Evaluation Results</th><th>Compliance with Independence Requirements</th></tr><tr><td>1. Does the CPA have direct or significantly indirect financial interest relationship with the Company</td><td>No</td><td>Yes</td></tr><tr><td>2. Does the CPA have financing or guarantee behaviors with the Company or the Company's directors</td><td>No</td><td>Yes</td></tr><tr><td>3. Does the CPA have close commercial relationship and potential employment relationship with the Company</td><td>No</td><td>Yes</td></tr><tr><td>4. Do the CPA and its audit team members act as director or manager or hold any other office having significant influence on audit in the Company currently or during the past two fiscal years</td><td>No</td><td>Yes</td></tr><tr><td>5. Has the CPA provided non-audit service items to the Company that might directly affect the audit</td><td>No</td><td>Yes</td></tr><tr><td>6. Does the CPA act as broker for the shares or other securities issued by the Company</td><td>No</td><td>Yes</td></tr><tr><td>7. Does the CPA act as defender for the Company or coordinate the conflict with other third parties for and on behalf of the Company</td><td>No</td><td>Yes</td></tr><tr><td>8. Does the CPA have the kinship with the Company's directors, managers or other personnel who have significant influence on the audit case</td><td>No</td><td>Yes</td></tr></table>	Evaluation item	Evaluation Results	Compliance with Independence Requirements	1. Does the CPA have direct or significantly indirect financial interest relationship with the Company	No	Yes	2. Does the CPA have financing or guarantee behaviors with the Company or the Company's directors	No	Yes	3. Does the CPA have close commercial relationship and potential employment relationship with the Company	No	Yes	4. Do the CPA and its audit team members act as director or manager or hold any other office having significant influence on audit in the Company currently or during the past two fiscal years	No	Yes	5. Has the CPA provided non-audit service items to the Company that might directly affect the audit	No	Yes	6. Does the CPA act as broker for the shares or other securities issued by the Company	No	Yes	7. Does the CPA act as defender for the Company or coordinate the conflict with other third parties for and on behalf of the Company	No	Yes	8. Does the CPA have the kinship with the Company's directors, managers or other personnel who have significant influence on the audit case	No	Yes	
Evaluation item	Evaluation Results	Compliance with Independence Requirements																													
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7. Does the CPA act as defender for the Company or coordinate the conflict with other third parties for and on behalf of the Company	No	Yes																													
8. Does the CPA have the kinship with the Company's directors, managers or other personnel who have significant influence on the audit case	No	Yes																													
IV. Does the listed company allocate suitable and appropriate governance officers, and designate the	V		The Company adopted an resolution at the board meeting in 2018, appointing Huang-Li Min as the Company's governance supervisor responsible for guiding and planning the Company's governance, the qualification of whom conforms to the provisions regarding the chief governance office under Paragraph 1,Article 3-1 of the Governance Practice Principles for TWSE/TPEx Listed Companies. The functions and powers of the corporate governance supervisor: provide data required by the directors and the Audit Committee to	No deviation																											

Evaluation item	Operations			Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof
	Yes	No	Abstract	
chief governance officer responsible for governance related affairs (including but not limited to providing data required by the directors and supervisors to execute the business, assisting the directors and supervisors to comply with the laws and decrees, conducting the matters related to the board meeting and the shareholders' meeting, and preparing the minutes of the board meeting and the shareholders' meeting)?			<p>perform the duties, and the latest laws and regulations related to the Company's operation, assist the directors and the Audit Committee to comply with the laws and decrees, regularly report the governance to the Board of Directors every year, conduct the matters related to the board meeting and the shareholders' meeting, prepare the minutes of the board meeting and the shareholders' meeting, and assist the directors and the members of the Audit Committee to take office and continue further education, etc.</p> <p>Implementation of business for 2024:</p> <ol style="list-style-type: none"> 1. Assist the independent directors and general directors to perform the duties, provide required data and arrange further education for the directors. 2. Regularly inform the board members of the latest laws, decrees and regulations in relation to the Company's operation field and governance. 3. Review the confidentiality level of relevant information and provide the Company information required by the directors to maintain smooth communication between the directors and each business director. 4. Inspect publishing of the major information about the important resolutions of the board meeting, to guarantee legitimacy and accuracy of the important information, and guarantee consistence between the investor's transaction and information. 5. All members of the Board of Directors have completed refresher courses of at least 6 credits. 6. In 2024, the Company held 5 board meetings and 5 Audit Committee meetings in total. 7. In 2024, the Company held one annual shareholders' meeting. 8. The Company insured its directors and key employees with liability insurances, which was renewed and reported to the Board of Directors in August 2024. 9. An external performance assessment of the Board of Directors was conducted in 2022, and reported the completion to the board in the November 2022; an internal performance assessment of the board was also conducted in 2024 with a result of "Excellent", and reported the completion to the board in February 25, 2025. 10. The result of the 10th Corporate Governance Assessment of the Company in 2023 was 21-35%. 11. In 2024, the result of professional development for corporate governance supervisors is as follows, with a total of 15 hours of 	

Evaluation item	Operations			Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof																				
	Yes	No	Abstract																					
			<div>training.</div> <table><thead><tr><th>Organizer</th><th>Course Name</th><th>Date</th><th>Hours</th></tr></thead><tbody><tr><td>Independent Director Association Taiwan</td><td>Introduction to IFRS Sustainability Disclosure Standards and an Overview of Domestic and International Trends in Carbon Neutrality.</td><td>2024/06/13</td><td>3</td></tr><tr><td>Taiwan Institute of Directors</td><td>Short and Long Term Economic Trends Business Managers Need to Know</td><td>2024/11/13</td><td>3</td></tr><tr><td>Accounting Research and Development Foundation</td><td>Latest Compilation of Regulations Pertaining to "Annual Reports, Sustainability Information, and Financial Report Preparation" and Effective Internal Control Management</td><td>2024/11/27</td><td>6</td></tr><tr><td>Taiwan Corporate Governance Association</td><td>Design of Executive Compensation and ESG Performance System</td><td>2024/12/27</td><td>3</td></tr></tbody></table> <div>Note:As of the end of 2024.</div>	Organizer	Course Name	Date	Hours	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards and an Overview of Domestic and International Trends in Carbon Neutrality.	2024/06/13	3	Taiwan Institute of Directors	Short and Long Term Economic Trends Business Managers Need to Know	2024/11/13	3	Accounting Research and Development Foundation	Latest Compilation of Regulations Pertaining to "Annual Reports, Sustainability Information, and Financial Report Preparation" and Effective Internal Control Management	2024/11/27	6	Taiwan Corporate Governance Association	Design of Executive Compensation and ESG Performance System	2024/12/27	3	
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Taiwan Corporate Governance Association	Design of Executive Compensation and ESG Performance System	2024/12/27	3																					
V. Does the Company establish channels for communication with the stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up special stakeholder area at the Company's website, and properly respond to important corporate social responsibility	V		The Company has set up the "Relationship with Investor" Special Area at the Company website, to disclose communication of the issues of the stakeholder concern and annual report to the Board of Directors; there is also spokesman’s e-mail address to provide the latest information and smooth communication channel, so that different entities (including stakeholders) may communicate with the Company as appropriate. Communication with stakeholders in 2024 has been reported to the Board of Directors on February 25, 2025.	No deviation																				

Evaluation item	Operations			Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof
	Yes	No	Abstract	
issues of stakeholder concern?				
VI. Does the Company appoint a professional agency to deal with the affairs of the Board of Shareholders?	V		The Company has appointed a service agency "KGI Securities Corporation" to deal with the affairs of the Board of Shareholders.	No deviation
VII. Public information (I) Does the Company set up a website to disclose the financial affairs and governance related information?	V		<p>1. The Company has set up the Chinese and English website http://www.dfi.com.tw, and may link to Market Observation Post System (MOPS) to access to the Company's information. The information about the investors is published at the Company's website, and is updated at any time.</p> <p><u>Disclosure of Business Information:</u> The Company's website features introductions and technical descriptions of products, providing real-time information on various product services.</p> <p><u>Disclosure of Governance Information:</u> The Company has established a governance section, which includes information on corporate governance structure, Board of Directors, committees, and regulations.</p>	No deviation
(II) Does the company employ alternative methods of information disclosure (such as setting up English website, appointing specially assigned persons to collect and	V		<p>2. The collection and disclosure of company information are handled by dedicated personnel: The collection and disclosure of information by the Company are carried out by designated personnel, who periodically disseminate the latest and accurate information to the public through press releases. The spokesperson system has been implemented in the Company, with Huang Li-Min, the Chief Financial Officer, serving as the spokesperson, and Tsui Chia-Chia, Manager of Digital Marketing Department, serving as the acting spokesperson. Information on Corporate Briefing Sessions Available on Company Website: The Company regularly (at least once every quarter) holds corporate briefings and uploads presentation materials and audio files of the proceedings to the Investor Relations section of the Company's website for public access. The company also complies with</p>	

Evaluation item	Operations		Abstract	Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof
	Yes	No		
disclose the Company information, publishing the spokesperson system, and corporate orientation meeting process at the Company's website)?			regulations by uploading the information to the MOPS.	
(III) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the first, second and third quarter financial reports and the operation of each month before the prescribed deadline?	V		3. The consolidated and individual financial statements for the fiscal year 2024 of the Company were completed and disclosed on February 25, 2025. The financial statements for the first, second, and third quarters of 2024, as well as monthly revenue information, were announced and filed before the deadline at the MOPS and uploaded to the Company's website	
VIII. Does the Company have other important information that helps to understand the operation of				No deviation

Evaluation item	Operations			Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof
	Yes	No	Abstract	
(I) corporate governance: Employee Rights & Interests and Employee Care	V		1. The company adheres to the concept of creating a happy and healthy workplace, has planned diversified employee benefits, and allows all colleagues to experience a high-quality work environment and a healthy and happy corporate culture. The Company has established various welfare plans and a Welfare Committee composed of colleagues of the Company. For employee rights and interests, please refer to the chapter of Labor-Management Relationship (P. 105-112).	
(II) Investor Relations	V		2. The Company discloses various information at the MOPS according to the laws and regulations, in order to protect rights and benefit of the investors. The "Investor News" is set out at the Company's website, for the investor to know the relevant information of the Company.	
(III) Supplier Relations	V		3. The Company maintains good and interactive cooperation relationship with the suppliers and stakeholders, and provides good and valid communication channels and information transmission to lay a solid foundation for long-term close relationship, collaboration, mutual trust and benefits, and sustainable and win-win growth. The Company's internal control system procurement cycle rules are regularly evaluated according to the evaluation procedure as the basis for the Company to select the partners. The Company shall maintain channels for smooth communication with the suppliers, and shall adhere to the principal of good faith.	
(IV) Rights of Stakeholders	V		4. The Company conducts an annual survey on issues related to stakeholders. At least once a year, it is required to report to the Board of Directors on major issues and the communication with stakeholders, in order to fully understand the concerns of stakeholders. The stakeholder negotiation results for the year 2024 have been reported to the Board of Directors on February 25, 2025.	
(V) Further Education of Directors and Supervisors	V		5. From time to time, the Company notifies directors and independent directors to attend relevant professional knowledge training courses. In June and November 2024, directors were arranged to participate in courses organized by the Taiwan Investor Relations Association and the Taiwan Independent	

Evaluation item	Operations		Abstract	Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof
	Yes	No		
(VI) Implementation of Risk Management Policies and Risk Measurement Criteria	V		<p>Directors Association on “Introduction to ESG Sustainability Disclosure Standards and Global Net-Zero Carbon Emission Trends” and “Short- and Long-Term Economic Trends That Business Executives Should Know.” Please refer to the chapter of Further Education of Directors and Managers in Recent Fiscal year (P.77-78) for relevant information.</p> <p>6. The Company has set up a Risk Management Committee to formulate risk management policies and periodically assess the Company's risks to reduce enterprise risks. For relevant information, please refer to the chapter of Risk Management (P. 119-121).</p>	
(VII) Execution of Customer Policy	V		<p>7. The results of the annual customer satisfaction survey show that the Net Promoter Score (NPS) is 56 points, an increase of 3 points from last year. This survey encompasses various aspects, including products, services, order delivery times, technical support, and maintenance services. Notably, order delivery times have improved compared to the previous year, indicating that the Company's enhancements in supply chain management and production scheduling have been acknowledged by customers. However, the satisfaction level regarding technical maintenance services has decreased compared to last year, reflecting customers' higher expectations for the cost, processing speed, and information transparency of the RMA services. In response to the improvement suggestions put forth by customers, the Company will conduct a comprehensive review of each aspect of the service process, continuously optimizing it to enhance the overall customer experience and strengthen its market competitiveness.</p>	
(VIII) Purchase of Liability Insurance for Directors and Supervisors	V		<p>8. The Company purchases liability insurance for directors and independent directors to enable them to conduct their business prudently with the interests of investors in mind without concerns. In August 2024, the Board of Directors reported on the liability insurance coverage of directors and supervisors.</p>	
<p>(IX) Please state the improvement based on the governance evaluation results published by the Governance Center of Taiwan Stock Exchange Corporation in the recent fiscal year, and put forward improvement priorities and measures against the matters far from perfect.</p> <p>I. The Company's corporate governance evaluation results from 2020 to 2022 consistently fell within the</p>				

Evaluation item	Operations			Deviations from the Governance Practice Principles for TWSE/TPE x Listed Companies and the reasons thereof
	Yes	No	Abstract	
top 36% to 50%.The 2023 governance evaluation result were within 21% to 35%.				
2. The Company has set up a special area for the stakeholders at the Company's website to know and respond to the important enterprise social responsibility issues of the stakeholder concern, and continues making improvement with respect to protection of shareholders' rights and interest, fair treatment of shareholders, intensified structure and operation of the Board of Directors, improvement of the information transparency, and implementation of the enterprise social responsibility.				
3. The Company has won the “Mid-Market M&A Award” at the 2024 M&A MAPECT Taiwan M&A Awards.				

Note: The governance of the Company's subsidiaries AEWIN Technologies Co., Ltd. and ACE PILLAR Co., Ltd. is set out in the 2024 Annual Report.

(IV) If the Company has set up the Remuneration Committee, please disclose the composition, responsibilities and operation of the Committee.

1. Data of the members of the Remuneration Committee on

Position	Name	Criteria	Professional Qualifications and Experience	Independence Criteria (Note 1)	Number of Other Public Companies where the Individual Concurrently Serves as a Remuneration Committee Member
Independent Director (Convener)	Yeh Te-Chang	Please refer to the information disclosure of professional qualification of directors and independence of the independent directors (P. 12-15)		In compliance	2
Independent Director	Chu Chih-Hao			In compliance	2
Independent Director	Luo Bing-Kuan			In compliance	0

Note 1: Compliant with requirements for independence: Please specify conformity of the members of the Remuneration Committee with independence, including but not limited to whether the members or their spouse or relatives within the second degree of kinship hold the office as director, supervisor or employee in the Company or its affiliated enterprises; number and percentage of the shares held by the members or their spouse or relatives within the second degree of kinship (or in the name of others); whether holding the office as director, supervisor or employee in other companies having particular relationship with the Company (by reference to the provision of Paragraphs 5-8 of Section I of Article 6 of the Measures on Setting and Function Exercise of Remuneration Committee of the Listed Companies or the Securities Brokers); and amount of remuneration received from commercial, legal, financial and accounting services provided to the Company or its affiliated enterprises during the past two fiscal years.

2. Responsibilities of Remuneration Committee

The Remuneration Committee shall, with the attention of a good manager, faithfully perform the following functions and submit its recommendations to the Board for discussion:

- (1) Develop and periodically review policies, systems, standards and structures for directors' and managers' performance assessment and Remuneration.
- (2) Regularly evaluate and determine the remuneration of directors and managers.

3. Operation Status of the Remuneration Committee

- (1) The Company's Remuneration Committee is composed of 3 members.
- (2) Term of office: From May 31, 2023 to May 30, 2026; in 2024, the Remuneration Committee held 2 meetings (A), and the membership and attendance are as follows:

Title	Name	Actual attendance times (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Yeh Te-Chang	2	0	100%	
Member	Chu Chih-Hao	2	0	100%	
Member	Luo Bing-Kuan	2	0	100%	

- (3) The content of the Remuneration Committee's resolutions in 2024, the resolution results, and the Company's treatment of the Remuneration Committee's opinions.

Date	Term and session	Proposal content and follow-up	Resolution Results	Company's Handling of the Remuneration Committee's Opinions
2024.03.04	1st meeting, 2024	1. Distribution of 2023 employees and directors' remunerations 2. Distribution of 2023 senior managers' remunerations 3. Proposal to adjust the Employee and Director Compensation Allocation Ratio 4. Remuneration index recommendations for senior managers in 2024 5. Bonus and remuneration adjustment policy for senior managers for 2024	All members of the Remuneration Committee present agreed.	Submitted to the Board of Directors and approved by all the directors present.
2024.11.04	2nd meeting, 2024	Proposed remuneration package for the appointment of the new President.	All members of the Remuneration Committee present agreed.	Submitted to the Board of Directors and approved by all the directors present.

Other matters:

- I. If the Board of Directors do not accept or revise the suggestions of the Remuneration Committee, please specify the date and session of the board meeting, the contents of the motion, the resolution results and the Company's treatment on the opinion of the Remuneration Committee (if the remuneration adopted by the Board of Directors precedes the suggestion of the Remuneration Committee, please specify the deviation and the reasons): None.
- II. If the members oppose or have qualified opinion on the resolutions of the Remuneration Committee with records or written statements, please specify the date and session of the meeting of the Remuneration Committee, the contents of the motion, opinion of all members and treatment on the opinion: None.

(V) Promotion of sustainable development, deviation from the Sustainable Development Practice Principles for TWSE/TPEX Listed Companies and reasons:

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Abstract	
I. Does the Company establish a governance structure to promote sustainable development, and set up full-time (parttime) body for promoting sustainable development, and does the Board of Directors authorize and urge the senior executives to take actions?	V		(I) Since 2022, the Company has officially established the "Sustainability Development Committee," responsible for proposing and implementing corporate social responsibility policies, systems, or related management guidelines and specific action plans. This committee is chaired by Mr. Chen Chi-Hong, the Chairman of the Board, and consists of senior executives from various departments serving as members for different aspects. The Secretary-General is responsible for coordinating and promoting cross-departmental sustainable development affairs within the Company, integrating goals and KPIs related to green products, green operations, green supply chain, social responsibility, and financial performance across the relevant departments. "The Sustainable Development Committee" serves as a cross-departmental communication platform for vertical integration and horizontal coordination. It also establishes task forces based on different issues or strategies to implement sustainable development action plans and integrate them into the Company's daily operations. Additionally, to effectively disclose sustainability information in the ESG report, a Sustainability Report Execution Task Force has been established to track the performance of each unit. The Sustainability Risk Management Department compiles the results and reports them annually to the Board of Directors. The implementation status for 2024 was reported and completed on February 25, 2025, and sustainability-related strategies and objectives were developed in accordance with the Board's supervision and the group's directives.	No deviation
II. 2. Does the Company evaluate risks for environment, society and governance issues related to the Company's operation, and formulate the relevant risk management policies or strategies based on the materiality principle?	V		(I) To ensure timely communication with stakeholders and incorporate their major concerns into our corporate sustainability policies, as well as to establish an effective and transparent response mechanism, in order to facilitate our business's sustainable development and the formulation of risk-related plans and decisions. DFI adopts the "AA1000 Accountability Principle Standard (AA1000 APS)" Type I moderate assurance. The evaluation scope covers the operational control of the Xizhi headquarters, the Taoyuan factory, and all the R&D facilities in Xindian. It adheres to four main principles: inclusivity, materiality, responsiveness, and impact. These principles assist us in identifying and responding to sustainability information and enhance the	No deviation

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof						
	Yes	No	Abstract							
			<p>rigor of sustainability disclosures. Following the GRI Standards 2021 version, we further assess the significance of material issues in economic, environmental, and human rights impacts, which serve as the basis for planning our sustainability strategy, as detailed in the 2024 Sustainability Report.</p> <p>(II) For the significant themes identified during that year, the impact and relevance to DFI are reviewed, and annual management goals are set and controlled. Each year, these goals are evaluated, and the outcomes of the management objectives are disclosed. This process ensures that DFI continuously addresses and manages its sustainability impacts effectively, aligning with broader corporate responsibility and environmental stewardship commitments. The disclosed data covers the period from January 1, 2024, to December 31, 2024. The material topics include environmental aspects such as sustainable supply chain management, waste management, and climate mitigation and adaptation; social aspects including occupational safety and health, employee benefits, and compensation; and economic aspects focusing on taxation and innovation in green product research and development.</p> <p>(III) Based on the assessed risks, the following risk management policies or strategies are established:</p> <table><tr><th>Material topics</th><th>Risk Assessment Items</th><th>Risk Management Strategy</th></tr><tr><td>Economy/ Governance</td><td>Green Product Research and Development Innovation</td><td><p>1. To promote the concept of product life cycle thinking, it is required that green design thinking be incorporated in the early stages of product development. This involves assessing the potential environmental impacts and risks of the designed product/components at each stage of its life cycle, and striving for streamlined design to minimize environmental impact from the outset.</p><p>2. The three major strategies for green design are waste reduction, non-toxic substances, and energy</p></td></tr></table>	Material topics	Risk Assessment Items	Risk Management Strategy	Economy/ Governance	Green Product Research and Development Innovation	<p>1. To promote the concept of product life cycle thinking, it is required that green design thinking be incorporated in the early stages of product development. This involves assessing the potential environmental impacts and risks of the designed product/components at each stage of its life cycle, and striving for streamlined design to minimize environmental impact from the outset.</p> <p>2. The three major strategies for green design are waste reduction, non-toxic substances, and energy</p>	
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Economy/ Governance	Green Product Research and Development Innovation	<p>1. To promote the concept of product life cycle thinking, it is required that green design thinking be incorporated in the early stages of product development. This involves assessing the potential environmental impacts and risks of the designed product/components at each stage of its life cycle, and striving for streamlined design to minimize environmental impact from the outset.</p> <p>2. The three major strategies for green design are waste reduction, non-toxic substances, and energy</p>								

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Abstract	
				conservation.
			Taxation	<ol style="list-style-type: none"> 1. Implement the principles of regular transactions among stakeholders to ensure a reasonable allocation of profits. 2. Regarding the taxation of Taiwan and overseas subsidiaries, all planning is conducted in accordance with local regulations and tax treaties, and declarations are made in a timely manner as required. 3. In accordance with regulations, the country-by-country report shall be filed before the end of the year and subsequently submitted to the tax authorities by the parent company.
			Sustainable Supply Chain Management	<ol style="list-style-type: none"> 1. Suppliers are required to comply with local national regulations, social standards, and environmental plans, and to conduct investigations and audits. 2. By conducting written surveys and on-site audits, we examine the environmental responsibility practices and performance of the supply chain. 3. Completion of the signing of the new versions of the "Sustainability Self-Assessment Questionnaire" and the "Sustainability Risk Assessment Questionnaire" by the top 100 suppliers is expected by the end of 2024. <p>The response rate was 30%.</p>
			Society	Work Safety and Health
				<ol style="list-style-type: none"> 1. Enhance the occupational safety and health management system, improve disaster prevention measures, conduct

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Abstract	
				<p>disaster drills, and collect and analyze data on work-related injuries and occupational diseases, including statistics on incidents and fatalities, to prevent accidents.</p> <p>2. Completed 100% external verification of ISO 45001 by 2024, with more than 2 emergency response drills conducted.</p>
			Employee Benefits and Salary	<p>1. Provide employees with competitive remuneration and benefits; attract and retain talented individuals.</p> <p>2. Continue to implement the employee stock trust system, and conduct system promotion and explanation when employees join the Company and after 3 months of employment.</p> <p>3. As of the end of 2024, the average percentage of employee shareholders by job level is 77.58%, while the percentage of shares held by the stockholding association is 0.69%. Employee satisfaction for 2024 is 76%.</p>
			Environment	<p>1. Reducing operational waste and improving recycling rates.</p> <p>2. In 2024, there were a total of five instances of hazardous waste treatment tracking, and responsible tracking was conducted in accordance with the law, including the issuance of triplicate forms and proper documentation of handling records.</p>
			Climate Mitigation and Adaptation	<p>1. Starting from 2021, every year, verification organizations are requested to verify the inventory results of ISO 14064-1. The results will serve</p>

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Abstract	
			<p>as a reference for the Company's greenhouse gas reduction strategy.</p> <p>2. Following the implementation of various energy-saving and carbon reduction measures within the Company in 2024, total carbon emissions—including direct greenhouse gas emissions from Scope 1 and indirect greenhouse gas emissions from energy inputs in Scope 2—have decreased by 413.16 tons (approximately 13%) compared to 2023, and by 635.25 tons (approximately 18%) compared to 2022.</p> <p>3. Introduce TCFD to deepen climate risk management and response.</p>	
III. (I) Environmental Issues Does the Company establish suitable environmental management system based on its industry features?	V		(I) The Company is engaged in low-pollution, waterless manufacturing processes. We have obtained ISO 14001 environmental management system certification and conduct regular internal and external audits in each manufacturing area to ensure compliance with environmental management standards. In addition, starting from 2023, we have obtained ISO 50001 energy management system certification. We have also obtained Green Partner certification for our Green products, which are made using low-pollution green materials. We comply with domestic regulations for the treatment of air, water, waste, toxins, and noise, and we also respond to the requests of stakeholders in good faith. Every year, greenhouse gas inventories are conducted in accordance with ISO 14064-1 to improve energy performance and further reduce greenhouse gas emissions. The reduction achievements are tracked and disclosed in the sustainability report on the Company's website. The ISO 14001 certificate is valid until December 26, 2025; The ISO 50001 certificate is valid until March 21, 2027.	No deviation
(II) Does the Company devote to improving energy efficiency of the resources, and use renewable materials	V		(II) In order to reduce the impact of energy use on climate warming, DFI follows and is certified by ISO 14064-1 and continues to carry out greenhouse gas reduction related programs; in the plan to reduce greenhouse gas emissions, we, through engineering improvement and administrative	No deviation

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof								
	Yes	No	Abstract									
with low impact on the environment?			<div>improvement, realizes the energy conservation, in order to achieve the goal of reducing greenhouse gas emissions.</div> <table> <tr> <td rowspan="3">Engineering improvement</td> <td>(1) Energy-saving lighting a. Fully Utilize Energy-saving Lighting Fixtures b. Increase the use of natural light and reduce the use time and number of lighting fixtures</td> </tr> <tr> <td>(2) Energy-saving air conditioning a. Improving the efficiency of the cooling tower and continuously monitoring and measuring power consumption to optimize usage efficiency. b. Using high-performance pumps.</td> </tr> <tr> <td>(3) Additional Measures a. Taoyuan Plant - Ongoing Optimization of the Solar Power Generation System for the Interview Building</td> </tr> <tr> <td rowspan="3">Administration</td> <td>(1) Personnel a. Office energy-saving activities and promotions</td> </tr> <tr> <td>(2) Equipment a. Air compressor capacity utilization and demand regulation b. Operation and management of water-cooling equipment temperature in summer and winter c. Increasing process efficiency</td> </tr> <tr> <td>(3) Methods a. Area-specific air conditioning demand management b. Energy management at night c. Optimize production scheduling to increase equipment utilization. d. Operation and Shutdown of Public Facilities in Coordination with Production</td> </tr> </table> <div>The Company is committed to improving the utilization efficiency of various resources, actively implementing resource recycling classification in source management, significantly reducing waste generation and increasing resource recycling. In terms of water resources management, there is no wastewater generated in the manufacturing process, and each manufacturing plant only generates domestic sewage, so there is extremely low risk</div>	Engineering improvement	(1) Energy-saving lighting a. Fully Utilize Energy-saving Lighting Fixtures b. Increase the use of natural light and reduce the use time and number of lighting fixtures	(2) Energy-saving air conditioning a. Improving the efficiency of the cooling tower and continuously monitoring and measuring power consumption to optimize usage efficiency. b. Using high-performance pumps.	(3) Additional Measures a. Taoyuan Plant - Ongoing Optimization of the Solar Power Generation System for the Interview Building	Administration	(1) Personnel a. Office energy-saving activities and promotions	(2) Equipment a. Air compressor capacity utilization and demand regulation b. Operation and management of water-cooling equipment temperature in summer and winter c. Increasing process efficiency	(3) Methods a. Area-specific air conditioning demand management b. Energy management at night c. Optimize production scheduling to increase equipment utilization. d. Operation and Shutdown of Public Facilities in Coordination with Production	
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	Yes	No	Abstract	
			<p>of water supply failure and water pollution. .At the product level, from the product development and design to the manufacturing, the concept of green products is taken as the starting point to consider the extension of product life cycle, energy conservation, easy-to-recycle, low toxicity, reduction of environmental hazards and carbon footprint, etc.</p> <p>In accordance with international regulations and customer requirements, the "Control List of Hazardous Chemical Substances" has been formulated. Through the strict control of the recognition of parts and materials and the inspection of finished products, a systematic management mechanism ensures that the products can meet international regulations and customer requirements. It is expected that the use of hazardous chemicals will be reduced year by year, and at the same time, the harm to human beings and the environment caused by the transportation, use and disposal of products will be avoided. The Company ensures that all raw materials used comply with the RoHS regulations of the European Union. We educate and guide our suppliers in conducting self-assessments on direct materials, indirect materials, resource utilization, waste emissions, and transportation energy consumption. This enables our suppliers to understand the calculation methods for the life cycle of their products and the potential ecological impacts.</p>	
(III) Does the Company evaluate the present or future potential risks and opportunities caused by the climate change on the enterprise, and take appropriate actions?	V		<p>(III) As a design and manufacturing company of electronic products, the Company has established a Sustainable Development Committee to examine the potential impacts of climate change on our operations. This is in line with our commitment to promoting corporate sustainability. Additionally, we have established a Risk Management Committee to identify and manage risks. In 2023, the TCFD principles will be implemented to identify climate risks and opportunities across four key frameworks: governance, strategy, risk management, and metrics and targets. Please refer to the Company's official website sustainability report for the climate strategy and carbon management section. Through sustainable development, the Company will implement and promote green products and green supply chains in terms of environment. Besides, the Company not only pays attention to the organizational greenhouse gas emission for carbon management, but also analyzes and manages the environmental impact of the products in order to live up to the relevant international standards, such as organizing carbon footprint (ISO 14064-1) to manage the organization's internal energy conservation</p>	No deviation

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof																												
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			<p>based on the key performance indicators (KPI), promoting water saving and consumption reduction as well as energy consumption, and reducing operating costs.</p> <p>The Company follows the Group's Joint Initiative RE100 and sets the short, medium and long-term objectives as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Benchmark year</th><th rowspan="2">Completion Year</th><th colspan="3">Goal</th></tr> <tr> <th>Ratio of renewable energy and carbon offset:</th><th>Reduce water usage by:</th><th>Recovery rate of recycling:</th></tr> </thead> <tbody> <tr> <td>2022</td><td>2023</td><td>1%</td><td>0%</td><td>80%</td></tr> <tr> <td>2023</td><td>2030</td><td>60%</td><td>5%</td><td>90%</td></tr> <tr> <td>2030</td><td>2040</td><td>100%</td><td>1%</td><td>100%</td></tr> <tr> <td>2040</td><td>2050</td><td>Net-zero emissions</td><td>1%</td><td>100%</td></tr> </tbody> </table> <p>2024 Implementation Plan:</p> <ol style="list-style-type: none"> 1. Introduce RE60 energy-saving measures and develop internal carbon pricing to meet future demands. 2. Introduce the development of low-energy consumption products. 3. Review the energy baseline according to ISO 50001 and make timely adjustments and updates. 4. In alignment with the Group's objective of achieving a 30% reduction in energy consumption by 2030, the Energy Management Task Force was established to promote energy-saving strategies. In 2024, energy savings of approximately 1.35% was achieved through management measures. 	Benchmark year	Completion Year	Goal			Ratio of renewable energy and carbon offset:	Reduce water usage by:	Recovery rate of recycling:	2022	2023	1%	0%	80%	2023	2030	60%	5%	90%	2030	2040	100%	1%	100%	2040	2050	Net-zero emissions	1%	100%	
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(IV) Does the Company make statistics about the greenhouse gas emissions, water consumption and total waste weight in the past two years, and formulate policies for greenhouse gas reduction, water consumption reduction or other waste management?	V		<p>(IV) The company has been conducting a greenhouse gas inventory since 2019 and included it in the annual ISO 14064-1 greenhouse gas inventory integration verification of the group in 2020. It has been verified and meets the standards by Bureau Veritas Certification (Taiwan)</p> <p>The Company is committed to improving human information life through its products and services, as well as promoting social responsibility, energy management, and other practices and concepts. It has formulated the 'DFI Social Responsibility and Environment, Safety, and Health Policy', which specifies pollution prevention and waste reduction, energy conservation and water saving, safety and health, prevention before it happens, and continuous improvement as its main policies.</p> <p>The data for the Company's greenhouse gas emissions, water consumption, electricity consumption, and total</p>	No deviation																												

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			<p>waste weight for the past two years are as follows: (Categories one and two include the operations control scope of DFI Xizhi Headquarters, Taoyuan Plant, and Xindian R&D all factory areas, while category three only includes employee travel and commuting transportation).</p> <p>1. Greenhouse Gas Emissions (metric tons):</p> <table><tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 1+2</th><th>Scope 3</th></tr><tr><td>2023</td><td>150.26</td><td>3,114.43</td><td>3,264.69</td><td>1,108.62</td></tr><tr><td>2024</td><td>140.23</td><td>2,711.31</td><td>2,851.54</td><td>2,187.65</td></tr></table> <p>According to ISO 14064-1:2018 international standard, greenhouse gas emissions inventory certification is conducted, and the total emissions are verified by a certified verification company. In 2024, the emissions reduction of Category 1 and Category 2 reached 413.16 metric tons (a decrease of approximately 13%); the calculation of carbon emissions for Category 3 to 6 is temporarily not comparable due to changes in verification methodology (changes in boundary checks and coefficient conversion). In addition to increasing the proportion of renewable energy through the use of solar power generation systems, replacing energy-consuming equipment with variable frequency energy-saving devices, and continuously implementing energy-saving measures through administrative management, the goal of reducing greenhouse gas emissions is achieved.</p> <p>Intensity of greenhouse gas emissions from products (Category 1+2) (metric tons)</p> <table><tr><th>Year</th><th>Production volume (100 million)</th><th>Production quantity (1000 units)</th><th>Carbon emissions per hundred million production value.</th><th>Carbon emissions per thousand units of production.</th></tr><tr><td>2023</td><td>48.7052</td><td>748</td><td>67.03</td><td>4.36</td></tr><tr><td>2024</td><td>21.0943</td><td>602</td><td>135.18</td><td>4.74</td></tr></table> <p>2. Water consumption (tons)</p> <table><tr><th>Year</th><th>Total water consumption</th></tr><tr><td>2023</td><td>22,453.35</td></tr><tr><td>2024</td><td>20,074.53</td></tr></table> <p>To implement water resource management, every DFI site continuously monitors the usage of tap water. None of the DFI sites extract groundwater in their operations. The water pollution prevention and control equipment at the Taoyuan plant is operated and maintained by professionals from Qisda Corp., as the</p>	Year	Scope 1	Scope 2	Scope 1+2	Scope 3	2023	150.26	3,114.43	3,264.69	1,108.62	2024	140.23	2,711.31	2,851.54	2,187.65	Year	Production volume (100 million)	Production quantity (1000 units)	Carbon emissions per hundred million production value.	Carbon emissions per thousand units of production.	2023	48.7052	748	67.03	4.36	2024	21.0943	602	135.18	4.74	Year	Total water consumption	2023	22,453.35	2024	20,074.53	
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			<p>plant is leased from the parent company Qisda Corp. The equipment utilizes the contact aeration method to treat domestic wastewater, and the treated wastewater is discharged into the government-managed sewage system. Rerform better than the wastewater inlet standard in the Gueishan Industrial Zone in terms of sewage water quality testing.</p> <p>3. Electricity consumption (units)</p> <table><tr><th>Year</th><th>Total electricity consumption (units)</th></tr><tr><td>2023</td><td>6,093,556</td></tr><tr><td>2024</td><td>5,270,630</td></tr></table> <p>In 2024, in alignment with the Group's energy-saving objectives and in accordance with the ISO 50001 management system, the Taoyuan plant increased the proportion of renewable energy usage by implementing solar power generation, optimizing the management of electricity-consuming equipment, and replacing outdated equipment. This initiative is projected to result in total electricity savings of 822,926 kWh (approximately 14%).</p> <p>4. Total weight of waste (Category D and E only):</p> <table><tr><th>Year</th><th>hazardous waste</th><th>non-hazardous waste</th><th>Total Weight of Waste</th></tr><tr><td>2023</td><td>6.119</td><td>75.53</td><td>81.649</td></tr><tr><td>2024</td><td>4.828</td><td>72.09</td><td>76.920</td></tr></table> <p>The Company effectively manages the production, removal, and disposal of waste by dedicated personnel in accordance with regulations on pollution prevention equipment. In addition to proactively managing waste and promoting energy-saving and waste reduction activities, we actively implement resource recycling and classification from the source, significantly reducing waste generation and increasing resource recycling to achieve waste reduction goals. In addition, source management measures such as reducing the amount of raw materials, managing waste at the design, manufacturing, and distribution stages, and reducing waste generation, are implemented to achieve waste reduction. Furthermore, active promotion of waste resource utilization, such as reusing packaging materials, replaces existing disposal methods through recycling and reuse, transforming garbage into useful resources. This not only achieves true resource circulation but also reduces the energy consumption and cost of waste disposal. The Company adheres to the concept of responsible production and annually monitors waste</p>	Year	Total electricity consumption (units)	2023	6,093,556	2024	5,270,630	Year	hazardous waste	non-hazardous waste	Total Weight of Waste	2023	6.119	75.53	81.649	2024	4.828	72.09	76.920	
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			<p>contractors. If a contractor breaches the contract or violates government regulations, appropriate measures such as counseling or replacement will be taken. In the fiscal year 2024, DFI did not experience any significant breaches or violations of contract with waste disposal contractors. The types of waste generated in the Company's various factory areas can be divided into general industrial waste, waste solvents, and unclassified waste electronic components. These hazardous waste materials, as defined by the Basel Convention, are not generated during our operations and production processes.</p> <p>The impact on the environment, in addition to being addressed through equipment improvement and replacement, is also being mitigated through energy-saving and carbon reduction initiatives. A comparison of electricity consumption at the Xizhi headquarters, which has remained unchanged in recent years, shows a decreasing trend in total electricity consumption from 2017 to 2024 (excluding shared electricity consumption for the building). Effective energy management is not only beneficial for businesses, but also a standard. The project promotes energy management and implements ISO 50001 through systematic and third-party verification. To assist in confirming the effectiveness of energy conservation, reducing costs, and complying with environmental regulations, according to this international standard. DFI invested NT\$5.77 million in 2023 to establish an 80.8KWH solar power facility at the Taoyuan plant. In 2024, the total electricity generated reached 85,269 kWh, further increasing the proportion of renewable energy usage.</p> <p>To further implement the greenhouse gas inventory, DFI expanded the scope of inventory to Category 3 starting from 2022. This includes the carbon emissions generated by all employees' commuting. We continuously promote using public transportation to the employees.. In 2024, we will also improve our internal business travel reimbursement system to synchronously record the carbon footprint of employees' domestic and international business trips. We will expand the scope of inspection to include Category 3 employee travel and also calculate Category 4 electricity, tap water usage, and waste disposal, in order to have a more comprehensive understanding of the organization's greenhouse gas</p>	

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			inventory. We will continue to cooperate with the group's energy-saving, carbon-reducing, and sustainable development policies.	
IV. Social Issues (I) Does the Company formulate the relevant management policies and procedures according to the relevant laws and regulations, and the international covenants of human rights?	V		<p>(I) In order to implement the corporate social responsibility and protection of human rights, DFI declares that it protects the rights and interests of employees, complies with national labor laws and regulations in human rights management, and follows the principles enshrined in international human rights conventions such as the United Nations Universal Declaration of Human Rights and the International Labour Organization Conventions, in addition to providing a reasonable and safe workplace, and building an inclusive and friendly workplace. The Company declares its commitment to safeguarding employee rights and has established multiple communication channels. In response to internal employee complaints, a 'Communication Management Procedure' has been developed. If employees encounter any incidents of sexual harassment or inappropriate treatment, they can directly report to the Human Resources department in accordance with the 'Reporting and Complaint Handling Procedures', and the Company ensures the confidentiality of the whistleblower's identity. If any external stakeholders have any concerns regarding this issue, they can file a complaint through the CSR mailbox on the Company's official website.</p> <p><u>The summary of the Company's human rights management policy and specific plans are as follows:</u></p> <ol style="list-style-type: none"> <u>Workplace Safety and Health</u> Personnel rules and regulations are formulated in accordance with the provisions of the national labor standard laws to protect the rights and interest of the employees and the Company. The Company has passed the audits and verifications conducted by Bureau Veritas Certification (Taiwan), obtaining certifications for the Environmental Management System ISO 14001 (valid until December 26, 2025) and the Occupational Health and Safety Management System ISO 45001 (valid until November 30, 2025), thereby ensuring a safe working environment for employees. <u>Employee Remuneration and Benefits</u> New entry-level employees, regardless of gender, will receive a starting salary that is consistent and not lower than the minimum wage required by law. They will also have access to a complete and unobstructed 	No deviation

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			<p>promotion pathway. In addition, the Company adheres to the regulations and systems of social insurance in various countries around the world to safeguard the basic rights of employees.</p> <p>3. <u>Employee Wellness Management</u> Our Company has a lactation room to meet the needs of our female employees. In accordance with the regulations of the Labor Health Protection Act, we have hired dedicated nursing staff to provide on-site health services for our employees. We have also engaged physicians who specialize in labor health services to provide on-site medical services. The Company provides regular employee health checks and occasional workplace health promotion lectures and activities. Employees with high-risk factors identified during the health checks are tracked and their privacy is ensured. The tracking rate reached 88% by 2024. At the same time, we periodically provide electronic newsletters related to health to remind colleagues of the importance of health.</p> <p>4. <u>Eliminate illegal discrimination and ensure equal employment opportunities.</u> According to the Employment Service Act and the Company's hiring principles, recruitment is conducted openly based on actual business needs, with a focus on matching the right talent to the right positions. The Company recruits employees through job posting based on the actual business needs, and appoint appropriate talents based on the employment principles. The Company has zero tolerance on any unfair treatment due to race, ethnicity, ethnic group, class, color, age, gender, sexual orientation, sex identification or expression, nationality or region, disability, pregnancy, religion, political stand, the group background, family responsibility, veteran status, genetic information, or marital status, and other factors expressly stipulated by laws.</p> <p>5. <u>Prohibition of Forced Labor and Use of Child Labor</u> Child labor is prohibited. The Company shall not employ any children who are under the minimum working age. Any forms of slave labor are prohibited. To protect and safeguard the working environment, conditions, premises, and rights of workers, ensuring consistent conditions for workers in terms of health and safety, job security, and remuneration. Additionally, the contract with the supplier includes provisions that</p>	

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			<p>mandate compliance with human rights standards, social responsibility, and a code of business ethics. The Company complies with the legal requirements for working hours and overtime system, and pays at least the minimum wage as stipulated by the regulations. Implement the vacation system to encourage colleagues to pay attention to work-life balance.</p> <p>In 2024, a total of 2,171 employees and new recruits attended courses related to regulatory compliance, accumulating a total of 2,221.5 hours. Course materials are uploaded in the online learning system and made available for all employees' reference to complete training related to human rights protection. The course content includes the prohibition of forced labor, the prohibition of child labor, anti-discrimination measures, anti-harassment policies, prevention of insider trading, anti-trust regulations, a code of conduct for integrity, information security protocols, personal data protection, and privacy rights, among others. Regarding the "Privacy Protection Policy," DFI adheres to the Personal Data Protection Act, establishing rigorous management and protective measures for personal data privacy and security. This ensures that access to and sharing of data are properly governed and protected. Additionally, this includes the protection of relevant personal data collection and usage during the recruitment and hiring process, which encompasses, but is not limited to, all job applicants and subsequent personnel reporting. In 2024, DFI did not encounter any instances of personal data protection violations.</p> <p><u>Employee Personal Data Protection Training Course</u></p> <p>On December 13, 2024, DFI conducted a one-hour training and awareness program for all 665 employees. The pass rate for the post-training assessment was 100%.</p>	
(II) Does the Company formulate and implement reasonable employee benefits (including remuneration, vacation and other benefits), and appropriately reflect the operation results or achievements in the employee's remuneration?	V		(II) The Company has always valued human dignity and cared for our employees as one of our guiding principles. The company has always taken respect for humanity and care for employees as one of its business philosophies. In order to fully take care of the physical and mental health of colleagues and their families and establish a living security system, the Company specially provides annual bonuses, performance bonuses, operating dividends, vacation, group insurance, health examinations, dormitories and employee training plans, and stipulates regulations for remuneration, leaves and various benefits in the work rules, so that colleagues can be open-minded and devoted to their work.	No deviation

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			<p>1. <u>Employee Remuneration</u> In order to attract and retain outstanding talents, DFI strictly abides by the labor law, provide remuneration not less than the basic salary specified by the law which is not differentiated based on genders, religions, races, nationalities and political parties. In order to provide employees with a remuneration policy that is competitive in the market, the remuneration will be adjusted based on personal academic experience, professional skills, and employee performance, to ensure that the remuneration of employees is in line with market conditions and fairness principle. Each year, we mainly refer to the salary survey reports from third-party independent remuneration consulting companies and the Company's operation status, and check whether we have achieved the objectives at the end of the year. In the salary committee meeting, the annual performance indicators for executive compensation were reviewed and the annual compensation was regulated.</p> <p>2. <u>Employee benefits</u> The Company has established an Employee Welfare Committee that allocates welfare funds on a monthly basis. In 2024, the total number of participants in the activities organized by the Employee Welfare Committee reached 7,057. Additionally, for information regarding the various benefits provided to employees each year, please refer to the Employee Benefits Measures in the Labor-Management Relations chapter (P. 105-112).</p> <p>3. <u>Diversity and Equal Opportunity</u> DFI is committed to providing employees with a respectful and safe working environment. We uphold the principles of diversity in employment, fairness in compensation and promotion opportunities, and ensure that employees are not discriminated against, harassed, or treated unfairly based on race, gender, religion, age, political beliefs, or any other protected status under applicable laws and regulations.</p> <table border="1"> <thead> <tr> <th rowspan="2">Indicators of employment equality</th><th colspan="2">2024</th><th colspan="2">2023</th></tr> <tr> <th>Number</th><th>Percentage (%)</th><th>Number</th><th>Percentage (%)</th></tr> </thead> <tbody> <tr> <td>Female employees in total workforce</td><td>349</td><td>54.5</td><td>343</td><td>54.5</td></tr> <tr> <td></td><td></td><td></td><td></td><td></td></tr> </tbody> </table>	Indicators of employment equality	2024		2023		Number	Percentage (%)	Number	Percentage (%)	Female employees in total workforce	349	54.5	343	54.5						
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			<table><tr><td>Female managers in total managers</td><td>23</td><td>26.4</td><td>17</td><td>22.4</td></tr><tr><td>Female senior managers</td><td>6</td><td>31.3</td><td>5</td><td>26.3</td></tr></table> <p>Note:The definition of a senior manager refers to individuals holding managerial positions at the level of director or above.</p> <table><tr><th rowspan="2">Indicators of salary equality</th><th colspan="2">2024</th><th colspan="2">2023</th></tr><tr><th>Median pay gap ratio</th><th>Mean pay gap ratio</th><th>Median pay gap ratio</th><th>Mean pay gap ratio</th></tr><tr><td>Direct Staff Male and Female Remuneration</td><td>19.4</td><td>13.9</td><td>12.1</td><td>15.3</td></tr><tr><td>Indirect Staff Male and Female Remuneration</td><td>25.1</td><td>22.4</td><td>30.6</td><td>29.0</td></tr></table> <p>4. <u>Operating performance is reflected in employee remuneration</u></p> <ul style="list-style-type: none">Article 21 of the Articles of Association: If the Company makes profit over a year, 5% to 20% of the profit shall be appropriated as employee remuneration, which shall be distributed in the form of stocks or in cash with the resolution of the Board of Directors. Such appropriated amount may be also distributed to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions. In addition, no more than 1% of the profit shall be appropriated as directors' remuneration with the approval of the Board of Directors by resolution. The proposal for paying remuneration to employees and directors shall be presented at the shareholders' meeting. Nonetheless, in case of accumulated deficit in the Company, a proportion of the profit shall be reserved for recovering the loss before an amount is appropriated at the aforementioned ratio as remuneration to employees and directors.Overall Remuneration Policy: The Company participates in market salary surveys every year. Based on market salary levels, economic trends, and individual performance, we adjust salaries to maintain overall competitiveness. In	Female managers in total managers	23	26.4	17	22.4	Female senior managers	6	31.3	5	26.3	Indicators of salary equality	2024		2023		Median pay gap ratio	Mean pay gap ratio	Median pay gap ratio	Mean pay gap ratio	Direct Staff Male and Female Remuneration	19.4	13.9	12.1	15.3	Indirect Staff Male and Female Remuneration	25.1	22.4	30.6	29.0	
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			<p>2024, the average annual salary increase for both managerial and non-managerial positions in our Taiwan region is 3%.</p> <p>The Remuneration Committee of the Company holds at least two meetings per year and may convene additional meetings as needed. The Remuneration Committee shall, with the attention of a good manager, faithfully perform the following functions and submit its recommendations to the Board for discussion: The distribution of employee and director remuneration by the Company is reported to the shareholders' meeting after being approved by the Remuneration Committee and the Board of Directors. This can be used as a measure of the management performance of the Company's highest management unit. The remuneration information of the Board of Directors and senior management is appropriately disclosed in the Company's annual report, allowing all stakeholders to fully understand the relationship between executive remuneration and company performance.</p>	
(III) Does the Company provide the employees with a safe and healthy work environment, and regularly implement safety and health education for the employees?	V		<p>(III) The Company has established a occupational safety and health management unit in accordance with the law, and has appointed occupational safety and health management personnel, special operation supervisors, and first aid personnel. The Company has set up leisure and sports facilities in the factory area for employees to exercise, and has arranged for doctors to be stationed for medical consultations. Every year, regular employee health checks and occasional health activities are conducted to maintain the physical and mental health of employees.</p> <p>The various plants of the Company conduct occupational safety and health education and training in accordance with the requirements and frequency specified by national laws and regulations. We carry out autonomous inspections of production equipment and operations, monitor the working environment, conduct fire system inspections, perform emergency response drills, and the occupational safety unit conducts regular or random checks and inspections to confirm the performance of each responsible unit. Additionally, we undergo annual external verification through ISO 45001 for auditing purposes. In terms of construction safety management, the contractor has established standard operating procedures and inspection record forms for various stages, including entry application, hazard notification, construction application, hazardous operation application, and pre, during, and post-</p>	No deviation

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			<p>operation inspections. In terms of chemical management, it is the focus of occupational safety and health management work. The Company follows the operating procedures 'Chemical Management Regulations' to store, transport, use, dispose, and manage chemicals. It also verifies and reports the monthly declaration numbers through the Chemical Cloud System administered by the central government.</p> <p>In the area of site safety, access control is managed through card permissions, supplemented by the patrols of security personnel to enhance safety management. Fire safety equipment and elevators are maintained by qualified organizations in accordance with regulations. In addition to conducting fire inspections every six months, employees are also designated to obtain fire management licenses. Every year, a fire and evacuation drill is conducted for all employees in all factory areas to enhance their knowledge of safety evacuation. In addition, periodic environmental sanitation and disinfection operations are carried out, and relevant promotional activities are conducted in response to the government's announcement of major epidemics. In 2024, there were no workplace safety incidents within factories. All of our facilities have passed the audit and certification of the Occupational Health and Safety Management System ISO 45001 (valid until November 30, 2025). Please refer to the Labor Relations Special Chapter on Workplace Safety Facilities (P. 109-110).</p>	
(IV) Does the Company establish effective career development training plan for the employees?	V		<p>(IV) The relationship between employee learning and development and the growth of the Company is closely intertwined. Therefore, in response to the Company's future strategic development direction, we will continue to develop relevant courses, including but not limited to professional knowledge in key components, healthcare, and smart networking. This initiative aims to provide the organization with the talent it will need in the future while maintaining the momentum for learning to align with the company's developmental needs. In 2024, DFI will continue to adhere to its "Employee Learning and Development Strategy." Through the four key dimensions of "Management Competencies," "Professional Competencies," "Self-Development," and "Onboarding for New Employees," we will consistently build upon and expand the learning opportunities at DFI. We encourage all colleagues to engage in continuous learning and self-improvement. The primary training content for each dimension is outlined as follows:</p> <ul style="list-style-type: none"> Management Functions: Introduction of Qisda Group 	No deviation

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			<p>Supervisor Training (SLP,ALP) to enhance the leadership and interpersonal communication skills of supervisors across all levels of management. In 2024, a total of seven training sessions were conducted, with 19 individuals trained and a total of 133 training hours.</p> <ul style="list-style-type: none">• Professional Competence: By closely collaborating with suppliers and customers, we arrange seminars and courses to provide all employees with an understanding of industry and product development trends. In 2024, a total of 19 focus sessions were held, with a cumulative attendance of 1,372 participants and a total of 2,031.5 training hours completed.• Self-Development: The Company encourages employees to actively enroll in external courses to enhance their relevant skills. This not only contributes to improved work performance but also provides opportunities for employees to apply these skills in their daily lives, thereby generating a positive impact on society. In 2024, a total of 85 participants applied for external training programs, accumulating 1,385.17 training hours.• New Employee Orientation: In addition to conducting introductory courses for new employees, the 'Operations Management Center (OMC) Training' is also organized. This training guides new employees through the manufacturing department's production line to understand the Company's product production process. In 2024, a total of 102 participants completed training, accumulating 352.8 training hours. <p>Average total training hours per employee at DFI (Unit: Hours/person)</p> <table><tr><th>Categories</th><th colspan="2">Direct Employees (DL)</th><th colspan="2">Indirect Employees (IDL)</th></tr><tr><th>Average training hours</th><th>Male</th><th>Female</th><th>Male</th><th>Female</th></tr><tr><td></td><td>7.83</td><td>7.54</td><td>20.58</td><td>20.05</td></tr></table> <p>Average training hours per employee based on different functions (Unit: Hours/person)</p> <table><tr><th>Categories</th><th>Managerial position</th><th>Non-managerial position</th></tr><tr><td>Average training hours</td><td>22.59</td><td>16.03</td></tr></table> <p>In line with its “Employee Learning and Development Strategy,” the Company has formulated four key areas—“Managerial Competency,” “Professional Competency,” “Self-Development,” and “New Employee Onboarding”—to continuously and effectively broaden the learning scope for</p>	Categories	Direct Employees (DL)		Indirect Employees (IDL)		Average training hours	Male	Female	Male	Female		7.83	7.54	20.58	20.05	Categories	Managerial position	Non-managerial position	Average training hours	22.59	16.03	
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			all employees. In 2024, the total training hours for all employees amounted to 11,229.5 hours, including 11,008.5 hours related to talent development and 221 hours on occupational safety and health. The total number of training participants reached 8,593.	
(V) Does the Company comply with the relevant laws, regulations and international standards, and formulate the relevant policies and complaint procedures for protection of the rights and interest of the consumers or customers with respect to the customer's health and safety, privacy, marketing, marking and other issues of the products and services?	V		(V) The Company's marketing and labeling of the products and services conform to the relevant laws and regulations, as well as the international standards, and shall not contain any behaviors that cheat, mislead, fenagle or otherwise damage the customer's trust, and prejudice the rights and interest of the consumers. In accordance with international regulations and customer requirements, the "Control List of Hazardous Chemical Substances" has been formulated. Through the strict control of the recognition of parts and materials and the inspection of finished products, a systematic management mechanism ensures that the products can meet international regulations and customer requirements. The Company's products have passed the QC 080000 and Green Product audits conducted by the Electronics Industry Research Institute of the Industrial Technology Research Institute, as well as audits from several international major factories. Our suppliers have also obtained certifications for the prohibition of substances and have successfully provided materials. WEEE has also been registered and entrusted to local operators for future product recycling in several countries in Europe. Based on the fundamental principles and common legal requirements of the General Data Protection Regulation (GDPR) under global personal data protection regulations, the Company has established a personal data protection management system and policy, and has set up a personal data protection project team to manage and protect customer privacy. Through internal data audits, external verification, crisis prevention, and education and training, we ensure the security of customer data. For the customer rights and complaints section, DFI conducts regular customer satisfaction surveys to ensure that customer needs are understood and met. Customers can also use this questionnaire to make complaints and provide feedback on areas where DFI can improve or assist. Every December, DFI conducts a comprehensive customer service satisfaction survey and sends a notification letter to customers' designated contact persons through the Marketing Department, requesting them to rate and fill out the survey.	No deviation
(VI) Does the Company	V		(VI) Suppliers of the Company are required to sign the "DFI	No deviation

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formulate the supplier management policies, demand the suppliers to comply with the relevant specifications in relation to environmental protection, occupational health and safety or labor human rights, and implement the same?			<p>Supplier Code of Conduct for Sustainable Development," which entails full compliance with the laws and regulations of their respective operating countries/regions. In addition, the code sets standards for business conduct in areas such as labor rights, health and safety, environment, corporate ethics, and management systems, aiming to establish sustainable procurement practices. Suppliers are also expected to communicate these requirements to their own downstream suppliers and monitor their compliance. Suppliers of raw materials are required to complete an ESG sustainability risk assessment questionnaire that covers regulatory compliance, sustainable management, supplier management, conflict mineral management, environmental protection, health and safety, labor rights, and human rights. This is done to understand the sustainability risks of the suppliers. If necessary, on-site audits will be conducted to ensure that the sustainability of the suppliers meets our standards. At the same time, we expect suppliers to continuously improve their sustainability performance. Therefore, we require/encourage both existing and new suppliers to obtain relevant international certification standards such as ISO 9001, IATF 16949, ISO 14001, ISO 45001, ISO 14064-1, and others.</p> <table><tr><td>Procedures for Supplier Promotion</td><td><ol style="list-style-type: none">1. Holding ISO 9001 verification and other registration letter of company, factory, or business.2. Assessment of suppliers in terms of quality, price, innovative technology, process capability and service.3. New suppliers are required to sign the Supplier Parts/Materials Quality Agreement during the assessment.4. If the assessment result is qualified and approved, the supplier will be listed in the qualified supplier list.</td></tr><tr><td>Supplier Assessment</td><td><ol style="list-style-type: none">1. Regularly assess raw material suppliers semiannually.2. Suppliers are assessed in terms of incoming quality, delivery date, price, etc.3. Dispose of suppliers according to assessment scores, etc.</td></tr><tr><td>Supplier On-site Audit and Support</td><td><ol style="list-style-type: none">1. Regular and irregular supplier audits are arranged each year according to the quality of supply.2. Audit covers quality system, manufacturing</td></tr></table>	Procedures for Supplier Promotion	<ol style="list-style-type: none">1. Holding ISO 9001 verification and other registration letter of company, factory, or business.2. Assessment of suppliers in terms of quality, price, innovative technology, process capability and service.3. New suppliers are required to sign the Supplier Parts/Materials Quality Agreement during the assessment.4. If the assessment result is qualified and approved, the supplier will be listed in the qualified supplier list.	Supplier Assessment	<ol style="list-style-type: none">1. Regularly assess raw material suppliers semiannually.2. Suppliers are assessed in terms of incoming quality, delivery date, price, etc.3. Dispose of suppliers according to assessment scores, etc.	Supplier On-site Audit and Support	<ol style="list-style-type: none">1. Regular and irregular supplier audits are arranged each year according to the quality of supply.2. Audit covers quality system, manufacturing	
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			<div> <div></div> <div>process, hazardous substances, and corporate social responsibility.</div> <div>3. Determine whether it needs to conduct coaching and re-audit based on audit results.</div> </div> <div> <div>Supplier Risk Management</div> <div> 1. Continuous operation risk assessment and sustainable management, signing the DFI Supplier Sustainable Management Self-Assessment Questionnaire and the DFI Supplier Social Responsibility and Business Ethics Declaration. 2. Major risk investigations. 3. Investigation on accounts payable. 4. In accordance with the current lists of sanctioned countries and regions issued by international trade organizations, the Company regularly screens its ERP system's trading counterparties (customers/suppliers) against these lists. The system automatically notifies designated personnel through alerts, thereby mitigating transaction risks. </div> </div>	
V. Does the Company prepare the sustainability report and other reports that disclose the Company's non-financial information by reference to the international generally accepted report preparation standard or guidelines? Has the Company obtained confirmed or secured opinion on the foregoing reports from the thirdparty verification agency?	V		The Company prepared the "2022 DFI Sustainability Report" in accordance with the globally recognized GRI Standards. The report received Type I Moderate Assurance under the AA1000 standard from Bureau Veritas Certification (Taiwan). The 2023 Sustainability Report was published in August 2024 and made available on the Company's official website and the Market Observation Post System (MOPS). The annual report for 2024 is expected to be published in August 2025.	No deviation
VI. If the Company has established its own Sustainable Development Guidelines pursuant to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the implementation status and any material differences from the said Principles: The Company adopted its "Corporate Social Responsibility Policy" in March 2011. The overall implementation is largely consistent with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," with no material differences.				
VII. Other important information for understanding the implementation of sustainable development: Environmental Conservation (E)				

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Abstract	
1.			In March 2024, the Company collaborated with “Direct Purchase from Farmers” to host the “Grow a Tableful” project – Koshihikari Rice Field Fertilizing Activity. A total of 27 participants joined the volunteer event at “Heartfelt Rice Store” in Miaoli, working side by side with farmers to lay fertilizing beds using eco-friendly farming practices. Through hands-on participation in the production process, employees gained a deeper understanding of natural variability and agricultural risks, while also experiencing the positive environmental impact of sustainable agriculture and enhancing their knowledge of eco-friendly farming methods.	
2.			In October 2024, the Company once again joined force with “Direct Purchase from Farmers” to organize the “Grow a Tableful” project – Koshihikari Rice Harvesting Activity. A total of 50 participants joined the volunteer event at “Heartfelt Rice Store” in Miaoli, taking part in the Koshihikari rice harvesting process. Through assisting with farm work, employees witnessed firsthand the farmers' dedication to sustainable farming practices, gaining a deep appreciation for the value of food.	
Social Care and Employee Health (S)				
1.			In March 2024, to prevent the transmission of COVID-19 in the workplace, the Company invited the Xizhi District Health Office to conduct a centralized COVID-19 vaccination for employees, safeguarding their health.	
2.			In May 2024, the Company hosted the DFI Sports Fest, organizing internal sports competitions featuring regular events such as volleyball, badminton, and basketball. A total of 18 teams participated, with 117 individuals taking part in the activities.	
3.			In July 2024, the Group Sports Day featured team competitions among employees from various affiliated enterprises in regular events such as volleyball, badminton, and basketball. This event aims to promote sports participation among all employees and to foster positive sports habits.	
4.			The Group Singing Competition in August 2024 offers a platform for employees to showcase their individual talents through singing contests. This initiative encourages employees to express themselves in areas beyond their professional responsibilities, promoting a balance of physical and mental well-being.	
5.			In August 2024, the Eden Foundation invited visually impaired massage therapists to provide stress-relieving massages for employees at the Company. A total of 117 people participated to support visually impaired individuals in providing professional massage services to the public, contributing to society and promoting employee health.	
6.			In October 2024, the Group hosted a Family Day event titled “With You by the Sea, Together in Happiness,” inviting employees to participate alongside their families. Through engaging marine science exhibitions, employees and their families not only enjoyed quality parent-child time, but also deepened their understanding of the marine environment and raised awareness of its protection. This event encourages employees to achieve a balance between work and family, thereby enhancing their sense of well-being and corporate belonging.	
7.			In November 2024, to prevent the spread of influenza in the workplace, DFI invited the Neihu Sunshine Clinic to collaborate in administering influenza vaccinations for employees. This initiative aims to safeguard employee health and enhance health management among staff.	
8.			In December 2024, DFI hosted a one-day event titled “PLAY WITH US & DFI.” The event included a fitness assessment station that employs “Technological Fitness” testing, which encompasses grip strength tests, a three-minute step test, and a seated forward bend test. This will enable participants to gain a clearer understanding of their physical fitness levels. This event also encouraged everyone to develop a habit of regular exercise, contributing positively to a healthy lifestyle.	
9.			In 2024, four health screening events were held, covering basic health assessments and professional medical consultations. These initiatives aim to assist employees in the early detection of potential health issues and to enhance health management awareness. With regular health check-ups, the Company demonstrates its	

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof																														
	Yes	No	Abstract																															
			commitment to employee health and further fosters a safe and healthy work environment.																															
10.			In 2024, a series of traveling agri-support lectures was held in collaboration with "Direct Purchase from Farmers" to support and give back to smallholder farmers. Through these lectures, the Company aimed to raise employee awareness on environmental issues, extreme climate conditions, and food and agriculture concepts.																															
10.1			March: Passion Fruit Mini Talk × Pangolin Conservation — Supported Taichung young farmer Chung Min-Feng, who continues to practice pesticide-free, grass-covered cultivation and promotes pangolin conservation.																															
10.2			May: Farmer Mini Talk × What's Keeping Mangoes Busy — Supported Pingtung young farmer Chen Fu-Yu, who continues to adopt grass-covered cultivation and gradually reduce pesticide use year by year.																															
10.3			September: Farmer Mini Talk × The All-Round Treasure – Pomelos — Supported professional farmers Chia-Yuan, Tsai-Huang, and Chen Zhen-Wei, who continue organic and reduced-pesticide farming. The session also introduced ways to utilize pomelo peels in everyday life, aiming to reduce waste and enhance resource efficiency.																															
10.4			December: Farmer Mini Talk × The Citrus Treasure Box — Supported farmer Vincent and his father Mr. Liao Ming-De, who continue to promote eco-friendly farming practices and inspire more farmers to adopt pesticide-free cultivation. The session also introduced methods for recycling citrus peels to reduce waste.																															
<table><tr><th>Time</th><th>Purchased agricultural products</th><th>Direct Procurement Volume (kg)</th><th>Producers and Farmers Supported</th><th>Expenditure Amount (NT\$)</th></tr><tr><td>2024Q1</td><td>Taichung Golden Passion Fruit</td><td>132</td><td>12位</td><td>20,712</td></tr><tr><td>2024Q2</td><td>Pingtung Aiwen Mango</td><td>264</td><td>9位</td><td>33,709</td></tr><tr><td>2024Q3</td><td>Tainan and Hualien Red and White Pomelos</td><td>375</td><td>3位</td><td>71,500</td></tr><tr><td>2024Q4</td><td>Nantou Chungliao Assorted Citrus</td><td>144</td><td>3位</td><td>15,558</td></tr><tr><td colspan="2">Total</td><td>915</td><td>27位</td><td>141,479</td></tr></table>					Time	Purchased agricultural products	Direct Procurement Volume (kg)	Producers and Farmers Supported	Expenditure Amount (NT\$)	2024Q1	Taichung Golden Passion Fruit	132	12位	20,712	2024Q2	Pingtung Aiwen Mango	264	9位	33,709	2024Q3	Tainan and Hualien Red and White Pomelos	375	3位	71,500	2024Q4	Nantou Chungliao Assorted Citrus	144	3位	15,558	Total		915	27位	141,479
Time	Purchased agricultural products	Direct Procurement Volume (kg)	Producers and Farmers Supported	Expenditure Amount (NT\$)																														
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2024Q4	Nantou Chungliao Assorted Citrus	144	3位	15,558																														
Total		915	27位	141,479																														
Note: This is calculated based on purchasing directly from farmers.																																		
11.	Proportion of Local Talent Employed by the Company:																																	
2024 Local Employees		Entry-level Employees		Junior and Senior Management																														
Region		Number	Proportion	Number	Proportion																													
Taiwan		405	67.2%	78	12.9%																													
China		21	100.0%	0	0.0%																													
Japan		5	31.3%	2	12.5%																													
USA		13	81.3%	3	18.8%																													
Europe		7	77.8%	2	22.2%																													

Corporate Governance (G)

1.

The ISO 14064-1 greenhouse gas inventory for 2024 was verified by Bureau Veritas Certification (Taiwan) from February 11 to February 13, 2024, as part of the Company's commitment to responsible carbon emissions management.

2.

The Company's 2023 Corporate Sustainability Report participated in the 17th Taiwan Corporate Sustainability Awards (TCSA) in 2024 and won the Gold Award for Category 1 in the Electronics Information Manufacturing Industry.

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Abstract	
3.			In 2024, DFI received the Sports Enterprise Certification from the Sports Administration, Ministry of Education, and the Health Promotion Badge under the Healthy Workplace Certification from the Health Promotion Administration, Ministry of Health and Welfare. These recognitions reflect DFI's strong commitment to employee well-being and workplace welfare, as well as its dedication to fostering a healthy work environment and actively fulfilling its corporate social responsibility.	
4.			DFI was honored with the "Mid-Market M&A Award" at the 2024 M&A MAPECT Taiwan M&A Awards in recognition of its outstanding achievement in the successful investment in Tekpak Corporation, in collaboration with its subsidiary ACE PILLAR.	
5.			The innovative "Multifunctional AI Retail Machine" has been awarded the 2025 Taiwan Excellence Award.	

(VI) Climate-related Information of Listed and OTC Companies

I. Climate-Related Information Implementation Status

Item	Implementation
1. The supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	We following the framework of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in disclosing climate-related risks through governance, strategy, risk management, indicators, and targets. The recent climate governance achievements are disclosed in the ESG Report. The Risk Management Committee focuses on the relevant risks of the Company and conducts annual risk identification and assessment. Following approval by the Board of Directors and the Audit Committee, risk management decisions are implemented. The General Manager, head of the Sustainable Risk Management Department, and other senior executives will conduct tracking and discussions during quarterly meetings and will report to the Board of Directors annually.
2. The impact of identified climate risks and opportunities on the business, strategy, and finances of the Company (short-term, medium-term, long-term).	<p>The Company has identified climate-related transition and physical risks, as well as opportunities. The key items that significantly impact the Company's business are as follows:</p> <p>The domestic and international regulations and laws concerning transition risks (medium to long term) have resulted in an increase in carbon fees, consequently raising operational costs.</p> <p>The focus on low-carbon product development (long-term) will lead to an increase in R&D expenditures. In terms of market risks (mid-term), new carbon reduction policies or regulations may restrict the export of the Company's products to target markets. To align with customers' carbon reduction goals, the Company is conducting comprehensive carbon footprint assessments and pursuing relevant certifications.</p> <p>Physical risks (short-term) such as increased severity of extreme weather events may lead to reduced or disrupted production capacity (e.g., shutdowns, transportation difficulties, supply chain interruptions), resulting in higher operating</p>

Item	Implementation
	<p>costs. The rising average temperature (long term) will lead to increased demand for air conditioning and insufficient electricity supply. This situation has resulted in a crisis characterized by power outages and restrictions.</p> <p>In terms of transformation opportunities (mid-term), the Company continues to develop ERP Lot 3 energy-efficient products and implement its green power initiatives. In 2023, a solar photovoltaic system was installed at the Taoyuan plant. The use of renewable energy is expected to reduce greenhouse gas emission costs, generating a positive and long-term financial impact.</p>
<p>3. The impact of extreme weather events and transition actions on finance.</p>	<p>In response to extreme weather events, the Company's facility has implemented disaster prevention measures and established a Business Continuity Plan (BCP) to address flooding. Additionally, we have transferred risks through insurance to mitigate the financial impact of heavy rainfall on the Company.</p> <p>The costs associated with the transition initiatives will primarily include the replacement of high-energy-consuming equipment, research and development costs for energy-saving products, the purchase of green electricity, and the installation of solar energy systems. Although this will increase costs and expenses, it will also generate positive benefits.</p>
<p>4. The integration of the process for identifying, assessing, and managing climate risks into the overall risk management system.</p>	<p>In alignment with the framework set forth in the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company discloses climate-related risks through four key areas: governance, strategy, risk management, and metrics and targets. The Company reports recent progress in climate governance in its sustainability report, identifies climate change as a material topic in its sustainability agenda, and includes it as a key item in stakeholder surveys. In accordance with the Risk Management Committee's evaluation of the RA factors for each unit, risk factors will be managed and controlled on a quarterly basis. Through the committee's execution of operational planning, product management, and supply chain management measures, response strategies have been established, including the Business Continuity Plan (BCP).</p>
<p>5. If using scenario analysis to assess resilience to climate change risks, the context, parameters, assumptions, analysis factors, and major financial impacts should be explained.</p>	<p>The headquarters of the Company is located in the Xizhi District of New Taipei City, while the plant is in the Guishan District of Taoyuan City. According to the 3D Disaster Potential Map from the National Center for Disaster Prevention and Response Technology, neither the Company headquarters nor the Taoyuan factory is directly located within areas of rainfall potential or rockfall potential. Furthermore, there are no landslide potential streams or slopes in the vicinity of the Company. Therefore, the risk of flooding or landslides disrupting the Company's operations is minimal. However, for risk management purposes, the Company continues to assess the potential financial losses associated with property damage in the unfortunate event of climate-related incidents that lead to work stoppages in the short term. Given that our products are produced based on customer demand, any work stoppage would primarily result in losses concentrated in fixed costs and financial expenses.</p>
<p>6. If there is a transition plan for managing climate-related risks, please explain the content of the plan, as well as the indicators and objectives used to</p>	<p>The Company has established short, medium, and long-term goals and carbon reduction strategies to mitigate climate risks associated with greenhouse gas emissions. By promoting energy-saving initiatives, implementing renewable energy solutions, and conducting product carbon footprint assessments, the Company aims to achieve a 60% share of renewable energy by 2030, meet RE100 requirements for renewable energy ratios by 2040, and reach net-zero emissions by 2050.</p>

Item	Implementation																		
identify and manage physical risks and transition risks.																			
7. If using internal carbon pricing as a planning tool, the basis for price determination should be explained.	Not yet established.																		
8. If climate-related goals are set, the activities covered, greenhouse gas emissions scope, planning schedule, annual progress, and other information should be explained. If carbon offsetting or renewable energy certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsetting or the quantity of RECs should be specified.	<div>DFI has joined RE100, with the aim of achieving 100% renewable energy usage by 2040 and reaching net-zero emissions by 2050. The progress made in 2024 and the recent planning schedule are summarized in the table below. For further details, please refer to the Sustainability Report.</div> <table><tr><th>Climate Target</th><th>2023</th><th>2024</th><th>2025</th><th>2030</th><th>2024 Results</th></tr><tr><td>The scope of Climate Goal 1 is based on the greenhouse gas emissions from DFI's individual operations in 2021, with Scope 1 and Scope 2 emissions totaling 3,301.66 metric tons CO2e.</td><td>5% reduction in GHG emissions.</td><td>10% reduction in GHG emissions.</td><td>20% reduction in GHG emissions.</td><td>50% reduction in GHG emissions.</td><td>10% reduction in GHG.</td></tr><tr><td>The scope of Climate Target 2 is based on DFI's organizational boundary, focusing on the proportion of renewable energy usage.</td><td>0%</td><td>0%</td><td>0%</td><td>30%</td><td>Renewable energy (self-generated solar energy) accounts for 1%. Energy-saving measures will be prioritized before 2030, and from 2030 onwards, the purchase of certificates will be conducted.</td></tr></table>	Climate Target	2023	2024	2025	2030	2024 Results	The scope of Climate Goal 1 is based on the greenhouse gas emissions from DFI's individual operations in 2021, with Scope 1 and Scope 2 emissions totaling 3,301.66 metric tons CO2e.	5% reduction in GHG emissions.	10% reduction in GHG emissions.	20% reduction in GHG emissions.	50% reduction in GHG emissions.	10% reduction in GHG.	The scope of Climate Target 2 is based on DFI's organizational boundary, focusing on the proportion of renewable energy usage.	0%	0%	0%	30%	Renewable energy (self-generated solar energy) accounts for 1%. Energy-saving measures will be prioritized before 2030, and from 2030 onwards, the purchase of certificates will be conducted.
Climate Target	2023	2024	2025	2030	2024 Results														
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The scope of Climate Target 2 is based on DFI's organizational boundary, focusing on the proportion of renewable energy usage.	0%	0%	0%	30%	Renewable energy (self-generated solar energy) accounts for 1%. Energy-saving measures will be prioritized before 2030, and from 2030 onwards, the purchase of certificates will be conducted.														
9. Inventory and Confirmation of Greenhouse Gas Emissions, Reduction Targets, Strategies, and Action Plans (to be filled in Sections I-1 and I-2).																			

I-1 Company Greenhouse Gas Inventory and Verification Status in the Past Two Years

I-1-1 Greenhouse Gas Inventory Information

The emissions (tCO₂e), intensity (in tCO₂e per NT\$million), and data coverage of greenhouse gases in the past two years are presented.

2023

Direct emissions (Scope 1) were 150.2631 tCO₂e, energy indirect emissions (Scope 2) were 3,114.4308 tCO₂e, and other indirect emissions (only surveyed Scope 3 categories including employee commuting, employee travel, upstream of Category 4 energy resources, waste transportation) were 1,108.6164 tCO₂e; the combined emissions of Scope 1 and Scope 2 totaled 3,264.6939 tCO₂e. The standalone revenue was NT\$4,009.122 million, with an intensity of 0.8143 tCO₂e/NT\$million. All emissions data were verified by a third-party verification company, Bureau Veritas Certification (Taiwan) Co., Ltd., from January 29, 2024, to January 31, 2024, in accordance with ISO 14064-1:2018 standards. Categories 1 and 2 received reasonable assurance, while Categories 3 and 4 received limited assurance.

The boundary-setting method verified above is the "Operational Control Method." Within the scope of the Company, all emission sources disclosed by floor are fully owned, and the greenhouse gas emissions and removals at the facility level are aggregated using this method. The organizational site includes the Xizhi headquarters, Taoyuan factory, and Xindian research and development office. The site encompasses the Taoyuan factory dormitories and the external materials warehouse. The total emissions are calculated for the period from January 1 to December 31.

2024

Direct emissions (Category 1) amounted to 140.2321 tCO₂e, energy indirect emissions (Category 2) were 2,711.3064 tCO₂e, other indirect emissions (Category 3, including employee commuting and business travel) totaled 904.0312 tCO₂e, and upstream resources and waste transportation emissions (Category 4) were 1,283.6191 tCO₂e. The combined emissions for Categories 1 and 2 were 2,851.5385 tCO₂e, with individual revenue of NT\$3,222.248 million and an intensity of 0.8850 tCO₂e per million NTD. Total emissions were verified by a third-party verification company (Bureau Veritas Certification (Taiwan) Co., Ltd.) from February 11, 2025, to February 13, 2025, according to ISO 14064-1:2018. Categories 1 and 2 received reasonable assurance, while Categories 3 and 4 had limited assurance.

The boundary-setting method verified above is the "Operational Control Method." Within the scope of the Company, all emission sources disclosed by floor are fully owned, and the greenhouse gas emissions and removals at the facility level are aggregated using this method. The organizational site includes the Xizhi headquarters, Taoyuan factory, and Xindian research and development office. The site encompasses the Taoyuan factory dormitories and the external materials warehouse. The total emissions are calculated for the period from January 1 to December 31.

- Note 1: Direct emissions (Category 1, i.e., emissions directly from emission sources owned or controlled by the Company), energy indirect emissions (Category 2, i.e., indirect greenhouse gas emissions resulting from the use of purchased electricity, heat, or steam), and other indirect emissions (Category 3, i.e., emissions generated by company activities that are not energy indirect emissions but rather come from emission sources owned or controlled by other companies).
- Note 2: The scope of direct emissions and indirect emissions from energy should be handled in accordance with the schedule specified in Article 10, Paragraph 2 of these guidelines. Other information on indirect emissions may be disclosed voluntarily.
- Note 3: Greenhouse Gas Inventory Standard: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue, but at least the data should be presented in terms of revenue (in NT\$ million).

I-1-2 Greenhouse Gas Assurance Information

Explanation of the confirmed situation for the two most recent fiscal years as of the date of printing of the annual report, including the scope of confirmation, confirming institutions, confirming criteria, and confirming opinions.
<p>The greenhouse gas inventory results for the fiscal years 2023 and 2024 are believed to cover the entire year from January 1 to December 31, within the organizational boundaries under operational control. The verification of the institutions was conducted by Bureau Veritas Certification (Taiwan) Co., Ltd. The verification criteria were based on ISO 14064-1:2018 inventory, with evidence generated through on-site visits and examination of documents. The verification level for direct greenhouse gas emissions and removals, as well as for indirect greenhouse gas emissions from energy sources, is reasonable assurance. The verification level for other indirect greenhouse gas emissions is limited assurance. The materiality threshold is set at 5%.</p> <p>2023 Assurance Statement: Based on the verification process and procedures conducted by Bureau Veritas Certification (Taiwan), sufficient evidence indicates that the greenhouse gas statement of DFI Inc. for Category 1 and Category 2 emissions is materially accurate and fairly presents the greenhouse gas data and related information. It was prepared in accordance with ISO 14064-1:2018 and meets the criteria for a reasonable level of assurance as specified in the verification agreement. There is no evidence to suggest that DFI Inc.'s Category 3 and Category 4 greenhouse gas statements are materially inaccurate, unfairly presented, or not prepared in accordance with ISO 14064-1:2018, or that they do not meet the limited assurance level of the verification agreement.</p> <p>2024 Annual Assurance Opinion: Based on the verification process and procedures conducted by Taiwan Wesley International Certification Co., Ltd., there is sufficient evidence to indicate that the declarations of category 1 and category 2 greenhouse gases by DFI are materially correct and fairly present the greenhouse gas data and related information, and are prepared in accordance with ISO 14064-1:2018 to meet the level of reasonable assurance required by the verification protocol. There is no evidence to suggest that DFI Inc.'s Category 3 and Category 4 greenhouse gas statements are materially inaccurate, unfairly presented, or not prepared in accordance with ISO 14064-1:2018, or that they do not meet the limited assurance level of the verification agreement.</p>

Note 1: The process should be carried out in accordance with the schedule specified in the order as stipulated in Article 10, Section 2 of these guidelines.

I-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Explanation of the base year and data, reduction targets, strategies, specific action plans, and the achievement of reduction targets for greenhouse gas emissions.
<p>In 2024, the direct emissions (Scope 1) were 140,232 tCO₂e, energy indirect emissions (Scope 2) were 2,711,306 tCO₂e, and other indirect emissions (including only Scope 3 categories such as employee commuting and business travel, and Scope 4 categories such as upstream energy and waste disposal) were 2,187,650 tCO₂e. The total emissions amounted to 5,039,188 tCO₂e.</p> <p>Together with its parent company Qisda Group, the Company jointly supports the RE100 initiative, with reduction targets set to achieve 60% renewable energy and carbon offsets by 2030, and 100% renewable energy and net-zero carbon emissions by 2040 and 2050, respectively.</p> <p>2024 Greenhouse Gas Reduction Measures:</p> <ol style="list-style-type: none"> Policies and Promotion: Promote ISO 50001 energy management international certification; implement office environmental protection and energy-saving activities; encourage employees to choose public transportation for commuting.

II. Environment and Equipment: Continuously evaluate the introduction of energy-saving equipment; improve the energy efficiency of plant and process facilities; evaluate the introduction of alternative energy technologies.

III. Execution, Products: Conduct education and training on greenhouse gas inventory for subsidiary companies; implement product lifecycle management; promote product carbon footprint.

In 2024, the total electricity consumption was 5,720,056 kWh, down approximately 6.13% compared to 6,093,556 kWh in 2023. To achieve the RE60 target by 2030, the Company continues to implement energy-saving, carbon reduction, and green electricity initiatives.

Note I: The process should be carried out in accordance with the schedule specified in the order as stipulated in Article 10, Section 2 of these guidelines.

(VII) Company's Integrity Management Situation and Measures

Evaluation item	Operations			Differences and reasons compared to the integrity management codes of publicly listed companies
	Yes	No	Abstract	
I. Establishing a Code of Conduct Policy and Program				No deviation
(I) Does the Company have a code of conduct approved by the Board of Directors, and is it clearly stated in the regulations and external documents? Are the Board of Directors and senior management actively implementing the business policy?	V		(I) The Company has mentioned the Honest Management in the personnel management regulations, the Code of Ethical Conduct for the directors, the supervisors and the senior executives, and the white paper of the enterprise social responsibility, which has been approved by the management and the Board of Directors. It is prohibited to accept kickbacks or other illegal benefits by conduct of duty or conducts against the duty.	
(II) Does the Company establish a mechanism for assessing the risk of dishonest behavior, regularly analyzing and evaluating business activities with a higher risk of dishonest behavior within the scope of operations, and formulating measures to prevent dishonest behavior, at least covering the preventive measures for the behaviors specified in Article 7, Section 2 of the Code of Conduct for Listed and OTC Companies?	V		(II) The Company shall implement any promotional activities, advertising, sponsorship materials and funds according to the Company's internal control procedures and authority table, and prevent operating activities causing dishonest behavior risks.	
(III) Does the Company have established operating procedures, codes of	V		(III) The prevention measures are distributed in each internal control operation procedure, and punishment and appeal system are set forth in the Personnel Management	

Evaluation item	Operations			Differences and reasons compared to the integrity management codes of publicly listed companies
	Yes	No	Abstract	
conduct, disciplinary measures, and complaint mechanisms within its program to prevent dishonest behavior? Are these measures implemented and regularly reviewed and revised?			Regulations.	
II. Implementing Integrity in Business Operations				No deviation
(I) Has the Company evaluated the integrity records of its business partners and included provisions for ethical behavior in the contracts signed with them?	V		(I) The Company has the supplier review management procedure. Before procurement and marketing, the Company will inquire about the operation status of the cooperative manufacturers through the website of the Ministry of Economic Affairs or other channels, or demand such manufacturers to provide the relevant data providing their legal operation, and pay special attention to the integrity related clauses while examining the contractual clauses.	
(II) Does the Company establish a dedicated unit under the Board of Directors to promote business integrity and regularly (at least once a year) report its integrity management policy, measures to prevent dishonest behavior, and the implementation and supervision to the Board of Directors?	V		(II) The Company has established a part-time unit under the Board of Directors to promote business integrity (the Company's administrative management department), and reports to the Board of Directors regularly every year. The execution status for 2024 was reported to the Board of Directors on February 25, 2025.	
(III) Does the Company have a policy in place to prevent conflicts of interest, provide appropriate channels for disclosure, and ensure implementation?	V		(III) For conflicts of interest, the Company has developed the Integrity Handbook, the Code of Ethical Conduct for Directors and Managers, the Ethical Corporate Management Principles and the personnel management rules, which are implemented in all aspects of the code of conduct, misconduct prevention, reporting and investigation.	
(IV) Has the Company established effective accounting and internal control systems to implement ethical business practices? Does the internal audit unit develop relevant audit plans based on the assessment of dishonest	V		(IV) The Company continues to revise its internal control system in accordance with legal requirements and conducts audits and evaluations of the effectiveness of the internal control system. The Audit Department will develop relevant audit plans and conduct regular audits based on the risk assessment results of dishonest behavior. All required items are included in the annual audit items, and the relevant audit results and improvement status are reported to the Audit	

Evaluation item	Operations			Differences and reasons compared to the integrity management codes of publicly listed companies
	Yes	No	Abstract	
<p>behavior risks and use them to verify compliance with the anti-dishonesty program, or does it engage accountants to conduct audits?</p> <p>(V) Does the Company regularly hold integrity management education and training internally and externally?</p>	V		<p>Committee and the Board of Directors every quarter. The Company's accounting system is established in accordance with legal requirements. The CPA also conducts audits or reviews of the Company's financial statements on a quarterly basis and issues a report, regularly reporting the audit or review results to the Audit Committee.</p> <p>(V) The Company implements integrity education and training for all colleagues every year, and 100% completes the training courses.</p>	
<p>III. Operation of the Company's Whistleblowing System</p> <p>(I) Does the Company have a specific reporting and reward system in place, as well as a convenient reporting channel, and assign appropriate personnel to handle reported cases?</p> <p>(II) Does the Company have established standard operating procedures for handling reported matters, procedures to be taken after completing the investigation, and relevant confidentiality mechanisms?</p> <p>(III) Does the Company take measures to protect whistleblowers from improper treatment as a result of their reports?</p>	V		<p>(I) In accordance with the Company's integrity manual, whistleblowing will be submitted to the personnel department, and punishment shall be set forth in the personnel management rules; appeal shall be subject to the internal appeal channel.</p> <p>(II) The Company has formulated the standard investigation operation procedure. At present, the personnel department will work together with the relevant supervisors to review and investigate the relevant matters.</p> <p>(III) The personnel department will work together with the relevant supervisors to review the whistle-blowing matters, and protect the informer from and against improper disposal due to whistle-blowing?</p>	No deviation
<p>IV. Enhancing Information Disclosure</p> <p>Does the Company disclose the content and effectiveness of its integrity management code of conduct on its website and the MOPS?</p>	V		<p>The Company has disclosed the relevant contents of the ethical corporate management principles and the honest management status of the Company at the website (www.dfi.com) and the annual report for reference of the stakeholders. Please access to the Company's website for the relevant development. Please refer to the Company website for details: Investor Relations/Stakeholder Zone.</p>	No deviation
<p>V. If the Company has established its own integrity management code in accordance with the 'Integrity Management Guidelines for Listed Companies', please describe the operation and the differences from the established code: On November 10, 2020, the Company revised the 'Code of Conduct' and abolished the 'Code of Conduct Operation Procedures and Behavioral Guidelines'. In addition, we established the 'Integrity Manual' as the standard</p>				

Evaluation item	Operations			Differences and reasons compared to the integrity management codes of publicly listed companies
	Yes	No	Abstract	
and guideline for the integrity and ethical conduct of all employees.The overall operation is consistent with the 'Code of Conduct for Listed and OTC Companies'.				
VI. Other important information that helps understand the Company's integrity operation situation: (such as the Company's review and revision of its established code of conduct for integrity operation) In 2024, the 1-hour online training course "Integrity Management" was attended by 665 employees across the Company.The course content is as follows:				
§1 Corruption and Bribery		§9 Information Security		§17 Reporting Negative Information
§2 Conflict of interest		§10 Privacy Rights		§18 Laws and Regulations Related to International Trade
§3 External Part-Time Employment		§11 Intellectual Property Rights		§19 Media Interview
§4 Fair Trade and Antitrust		§12 Human rights		§20 Contract Signing and Electronic Signatures
§5 Insider Trading and Money Laundering		§13 Health and Safety		§21 The Authenticity and Accuracy of Information Disclosure and Company Records
§6 Political Donations and Activities		§14 Environment		§22 Maintenance of Company Resources
§7 Lobbying		§15 Diverse, Equitable, and Inclusive Work Environment		§23 Whistleblowing Process (DFI)
§8 Charitable Donations		§16 Alcohol and Drugs		

(VIII) Other important information sufficient to enhance understanding of the Company's governance operations:

1. The Company resolved revision of the Procedure on Major Information Treatment and Insider Trade Prevention and abolishment of the Procedure on Prevention of Insider Trade at the board meeting dated Nov. 3, 2022, and made an announcement to the managers and employees in the special area for rules and systems at the internal public website.
2. The Company resolved appointment of the governance personnel to protect the shareholders' rights and interest and intensify the functions of the Board of Directors at the board meeting dated Nov. 1, 2018.
3. The new directors of the Company will be distributed the advocacy manual prepared by the Company when they take office, including various decrees (including the foregoing Procedure on Major Information Treatment and Insider Trade Prevention) and the cautions, so that the new directors could comply with such rules.

(IX) Recent Annual Continuing Education for Directors and Managers

Title	Name	Date	Organizer	Course Name	Hours
Chairman	Chen Chi-Hong	2024/06/13	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards and an Overview of Domestic and International Trends in Carbon Neutrality.	3
		2024/09/30	Taiwan Stock Exchange	Strengthening the Taiwan Capital Market Summit	3
Director & President	Su Chia-Hung (Note 3)	2024/06/13	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards and an Overview of Domestic and International Trends in Carbon Neutrality.	3
		2024/11/13	Taiwan Institute of Directors	Short and Long Term Economic Trends Business Managers Need to Know	3
Director	Tseng Wen-Hsing	2024/06/13	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards and an Overview of Domestic and International Trends in Carbon Neutrality.	3
		2024/11/13	Taiwan Institute of Directors	Short and Long Term Economic Trends Business Managers Need to Know	3
Director	Wei Ren-Yu	2024/06/13	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards and an Overview of Domestic and International Trends in Carbon Neutrality.	3
		2024/11/13	Taiwan Institute of Directors	Short and Long Term Economic Trends Business Managers Need to Know	3
Independent Director	Yeh Te-Chang	2024/06/13	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards and an Overview of Domestic and International Trends in Carbon Neutrality.	3
		2024/07/18	Accounting Research and Development Foundation	How to Analyze Key Financial Information of Enterprises to Strengthen Crisis Early Warning Capabilities	6
		2024/11/13	Taiwan Institute of Directors	Short and Long Term Economic Trends Business Managers Need to Know	3
Independent Director	Chu Chih-Hao	2024/08/07	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
		2024/11/13	Taiwan Institute of Directors	Short and Long Term Economic Trends Business Managers Need to Know	3
Independent Director	Luo Bing-Kuan	2024/03/14	Independent Director Association Taiwan	How the Board of Directors Manages Corporate Financial Risks: Case Studies	3
		2024/04/11	Independent Director Association Taiwan	Legal Responsibilities and Case Studies for Directors (Independent Directors)	3

Title	Name	Date	Organizer	Course Name	Hours
Independent Director	Luo Bing-Kuan	2024/04/30	Independent Director Association Taiwan	Innovative Thinking and Transformation Strategies of Global Top Enterprises' Boards of Directors	3
		2024/05/21	Independent Director Association Taiwan	The Business Implications of ESG Rating Analysis and Sustainability Assessment in Capital Markets	3
		2024/06/13	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards and an Overview of Domestic and International Trends in Carbon Neutrality.	3
		2024/07/17	Independent Director Association Taiwan	Anti-Money Laundering and Case Studies: Recent Developments and Best Practices in Anti-Money Laundering and Countering Terrorism Financing	3
		2024/08/02	Independent Director Association Taiwan	Family Business Succession and Taxation	3
		2024/09/03	Independent Director Association Taiwan	From ESG Transformation to Impact Investing and Opportunity Management	3
		2024/09/10	Independent Director Association Taiwan	Applications and Challenges of Generative AI from the Perspective of ChatGPT	3
		2024/09/20	Independent Director Association Taiwan	Gender Equality, Prevention of Workplace Bullying and Illegal Infringement, and Utilizing AI Guidelines to Enhance the Development of Taiwan's Financial Industry	3
		2024/09/26	Independent Director Association Taiwan	Introduction to the Carbon Pricing Trading Mechanism and the Latest International Sustainability Standards (IFRS S1 & S2)	3
		2024/10/17	Independent Director Association Taiwan	Embracing AI and Sustainable Transformation: Executive Compensation Management and Talent Development	3
Accounting Supervisor	Huang Li-Min	2024/11/21~2024/11/22	Accounting Research and Development Foundation	Continuing Education Program for Accountants of Issuers, Securities Firms, and Stock Exchanges	12

Note 1: All directors has completed specified hous of further education.

Note 2: The accounting supervisor has completed specified hours of further education.

Note 3: Su Chia-Hung, the corporate representative of Qisda Corporation, resigned on November 4, 2024, and was replaced by Ms. Tien Chih-Yin as the new representative.

(X) Status of Internal Control System Execution

I. Statement on Internal Control System

DFI Inc.

Statement on Internal Control System

Date: February 25, 2025

Based on the self-evaluation results of the internal control system for 2024, the Company hereby states as follows:

1. The Company acknowledges that the establishment, implementation, and maintenance of internal control systems are the responsibility of the Company's Board of Directors and management. The Company has already established such a system. The purpose is to achieve the effectiveness and efficiency of operations (including profitability, performance, and asset security), report reliability, timeliness, transparency, and compliance with relevant regulations and laws, and provide reasonable assurance.
2. Internal control systems have inherent limitations. Regardless of how well-designed they are, effective internal control systems can only provide reasonable assurance for achieving the three objectives mentioned above. Moreover, the effectiveness of internal control systems may change due to changes in the environment and circumstances. The Company has established a mechanism for self-supervision in its internal control system. Once a deficiency is identified, the Company takes corrective action.
3. The Company assesses the effectiveness of its internal control system based on the criteria specified in the 'Guidelines for Establishing Internal Control Systems for Publicly Listed Companies' (hereinafter referred to as the 'Guidelines'). The assessment evaluates the design and implementation of the internal control system to determine its effectiveness. The internal control system determination items adopted in the 'Processing Guidelines' are divided into five components according to the process of management control: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. Each component consists of several items. Please refer to the provisions of the 'Processing Guidelines' for the aforementioned items.
4. The Company has evaluated the effectiveness of design and execution of the internal control system based on the above judgment items of the internal control system.
5. Based on the foregoing evaluation results, the Company has concluded that the Company's internal control system as at Dec. 31, 2024 (including supervision and management of the subsidiaries) can reasonably guarantee achievements of the above objectives, including understanding of the extent to which the effect and efficiency objectives of the operation are achieved, and that design and execution of the internal control system related to reliability, timeliness, transparency and compliance with the relevant specifications and laws are effective.
6. This statement will serve as the main content of the Company's annual report and public disclosure statement, and will be made available to the public. The above-mentioned public information, if found to be false or concealed, may incur legal liabilities under Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. This statement has been adopted at the board meeting dated February 25, 2025. All 7 present directors agree with the contents of this statement, and hereby make such declaration.

DFI Inc.

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

2. The CPA entrusted to review the internal control system should disclose the CPA's review report: not applicable.

(XI) In the recent fiscal year and up until the date of printing of the annual report, important resolutions of the shareholders' meeting (including the implementation status) and the Board of Directors.

Date	Meetings in 2024	Content
2024.05.06	2nd Board Meeting	I. Approval on the 2024 Q1 Consolidated Financial Report II. Approval on the revision of the 'Organizational Regulations of the Audit Committee' III. Approval on amendment to the Rules of Procedure for the Board of Directors IV. Approval on renewal of bank limit
2024.05.30	Annual Shareholders' Meeting	I. By-election of 1 director Execution: Wei Ren-Yu was elected The term of office shall commence on the date of election at the 2024 Annual Shareholders' Meeting and shall conclude on May 30, 2026. II. Acknowledge of the business report and financial statements for 2023 Implementation: The resolution was approved. III. Acknowledge of the Distribution of Earnings in 2023 Implementation: The resolution was approved. IV. Approval on discharging non-competition restriction for the incumbent directors and their representatives Implementation: The resolution was approved.
2024.06.24	3rd Board Meeting	I. Approval of the investment in Tekpak Corporation ordinary shares by the Company
2024.08.05	4th Board Meeting	I. Approval on 2024 Q2 Consolidated Financial Report II. Approval on addition and renewal of bank limit III. Approval of the 2023 Sustainability Report IV. Approval of the revision of "Regulations on Financial and Business Transactions between Related Parties." V. Approval of the selling of the ordinary shares of AEWIN Technologies Co., Ltd. VI. Approval of the selling of the ordinary shares of Ace Pillar Co., Ltd.
2024.11.04	5th Board Meeting	I. Approval of the "Sustainable Information Management Procedures" II. Approval of the "Procedures for the Preparation and Verification of the Sustainability Reports" III. Approval of the revision of the 'Internal Control System' and the 'Implementation Regulations for Internal Audits' IV. Approval on Internal Audit Plan for 2025 V. Approval on 2024 Q3 Consolidated Financial Report VI. Approval on renewal of bank limit VII. Approval on appointment of CPAs for the Company's 2025 financial statements VIII. Approval of the revision of the Pre-Approval Non-Assurance Service Policy IX. Approval of the investment in V-Tech Technology Co., Ltd. common stock by the Company X. Approval of the Change in the Company's President

Date	Meetings in 2025	Content
2025.02.25	1st Board Meeting	I. Approval on the 2024 Statement on Internal Control and self-assessment result report II. Approval on the 2024 allocation of remuneration to the employees and directors III. Approval on 2024 Business Report, Financial Statements, and 2025 Business Plan IV. Approval on the Proposal for Distribution of Earnings in 2024 V. Approval on the allocation of cash dividends out of the earnings in 2024 VI. Approval of the definition for entry-level employees VII. Approval of the amendment to the Articles of Association VIII. Approval of the amendment to the "Internal Control System" IX. Approval on discharging non-competition restriction for the incumbent directors and their representatives X. Approval of proposed determination of the date and agenda of the general shareholders' meeting for 2025 XI. Approval on addition and renewal of bank limit XII. Approval on the CPA service fees for 2025 XIII. Distribution of 2024 senior managers' remunerations XIV. Approval on the remuneration index for senior managers in 2025 XV. Approval of the bonus and remuneration adjustment policy for senior managers for 2025 XVI. Approval of the pension plan for appointed managerial officers XVII. Approval on donation of BenQ Foundations

(XII) In the most recent annual report and up until the date of printing, directors or supervisors have expressed differing opinions on important resolutions passed by the Board of Directors, and there are records or written statements to support this. The main content of these opinions is: none.

III. CPA Public Expense Information

Unit: thousand NTD

Name of accounting firm	Name of CPAs	Audit Period	Audit Public Expenses	Non-Audit Public Expenses	Total	Remarks
KPMG Taiwan	Kao Ching-Wen Chang Hui-Cheng	2024.1.1~ 2024.12.31	2,485	1,392	3,877	

Note: Non-audit fees are for the tax compliance audit service, transfer pricing service and the service for filing relevant information to competent authorities.

- (I) 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 change, and the reasons shall be disclosed
- (II) If the audit fees are reduced by up to 10% compared with that of the previous fiscal year, the reduced amount, percentage and reasons of the audit fees shall be disclosed

IV. Information on accountant change:

If the Company replaces the accountant during the most recent two fiscal years and subsequently, the following matters shall be disclosed:

(I) Regarding the former CPA.

Change Date	Not applicable.		
Reasons for Replacement and Explanation	None		
Explanation of the termination or non-acceptance of appointment by the appointee or accountant.	Party involved	CPA:	Appointee
	Situation		
	Voluntary Termination of Appointment	Not applicable.	Not applicable.
	Cessation of Appointment	Not applicable.	Not applicable.
Audit report opinions and reasons issued within the past two years, excluding unqualified opinions.	None		
Different opinions with the issuer	None		
Other Disclosures (Article 10, Paragraph 6, Items 4 to 7 of these guidelines should be disclosed)	None		

(II) Regarding the former CPA.

Name of Firm	Not applicable.
Name of CPAs	Not applicable.
Date of appointment	Not applicable.
Consultation matters and results regarding the accounting treatment methods or accounting principles for specific transactions before appointment, as well as the opinions that may be issued on financial reports.	None
The written opinion of the succeeding CPA on their disagreement with the predecessor CPA	None

(III) The former CPA's response to the matters to be disclosed in the annual report of a publicly traded company, as stipulated in Article 10, Section 5, Subsections 1 and 2, Item 3 of the Guidelines for the Preparation of Annual Reports: Not applicable.

V. The Chairman, General Manager, and managers responsible for finance or accounting of the Company have not worked for any affiliated accounting firms or related enterprises in the past year.

VI. Recently, the annual and year-end reports have been printed. The changes in the transfer of shareholder equity and the pledge of equity by directors, supervisors, managers, and shareholders with a stake exceeding ten percent are recorded.

(I) Directors, supervisors, executives, and shareholders with a stake exceeding ten percent

Title	Name	For the year ended March 31, 2025		2024	
		Change in Number of Shares Held	Increase (decrease) in pledged shares	Change in Number of Shares Held	Increase (decrease) in pledged shares
Corporate Director	Qisda Corp.	0	0	0	0
Director of Legal Representative and Chairman	Chen Chi-Hong	0	0	0	0
Director of Legal Representative and Vice Chairman	Li Chang-Hung (Note 1)	0	0	0	0
Director of Legal Representative	Tseng Wen-Hsing (Note 1)	0	0	0	0
Director of Legal Representative and President	Su Chia-Hung (Note 2)	0	0	0	0
Director of Legal Representative and President	Tien Chih-Yin (Note 2)	7,000	0	2,000	0
Director	Wei Ren-Yu (Note 3)	0	0	0	0
Independent Director	Yeh Te-Chang	0	0	0	0
Independent Director	Chu Chih-Hao	0	0	0	0
Independent Director	Luo Bing-Kuan	0	0	0	0
Senior Director	Chang Chia-I	0	0	0	0
Senior Director	Chan Hsin-Chung	0	0	0	0
Senior Director	Huang Li-Min	0	0	0	0

Note: It is an annual newspaper published on the day of the referee.

Note 1: Qisda Corp. Director of Legal Representative: Li Chang-Hung was relieved of his duties on March 22, 2024, and was replaced by representative Tseng Wen-Hsing.

Note 2: Su Chia-Hung, the corporate representative of Qisda Corporation, resigned on November 4, 2024, and was replaced by Tien Chih-Yin as the new representative.

Note 3: At the shareholders' meeting held on May 30, 2024, one director, Wei Ren-Yu, was elected in a by-election.

(II) There are no related parties involved in the equity transfer.

(III) There are no related parties involved in the equity transfer.

VII. Information on shareholders who hold a proportion of shares among the top ten shareholders and have relationships with each other or are relatives within the second degree of consanguinity.

Information on the relationships among the top ten shareholders by shareholding ratio

Date of ceasing share transfer: March 24, 2025

Name (Note 1)	Shares held by themselves		Shares held by the spouse and minor children		Total shares held in the name of others		Among the top ten shareholders, those who are related parties, spouses, or relatives within the second degree of kinship, their names and relationships. (Note 2)	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship
Qisda Corporation	51,609,986	45.08%	0	0.00%	0	0.00%	None	None
Qisda Corporation Representative: Chen Chi-Hong	0	0.00%	0	0.00%	0	0.00%	None	None
British Virgin Islands GORDIAS INVESTMENTS LIMITED	13,155,997	11.49%	0	0.00%	0	0.00%	None	None
British Virgin Islands GORDIAS INVESTMENTS LIMITED Representative: Wang Li-Wei	0	0.00%	0	0.00%	0	0.00%	None	None
Darly2 Venture, Inc.	9,175,109	8.01%	0	0.00%	0	0.00%	None	None
Darly2 Venture, Inc. Representative: Hung Chiu-jin	0	0.00%	0	0.00%	0	0.00%	None	None
Lin Chih-Hung	4,364,000	3.81%	0	0.00%	0	0.00%	None	None
BVI Hyllus Investments Limited	2,506,836	2.19%	0	0.00%	0	0.00%	None	None
BVI Hyllus Investments Limited Representative: Wang Li-Wei	0	0.00%	0	0.00%	0	0.00%	None	None
Darly Venture Inc.	2,293,778	2.00%	0	0.00%	0	0.00%	None	None
Darly Venture Inc. Representative: Hung Chiu-jin	0	0%	0	0.00%	0	0.00%	None	None
Citibank acting as custodian for UBS Europe SE investment account	1,069,555	0.93%	0	0.00%	0	0.00%	None	None
Huang Mu-Jhen	1,031,000	0.90%	0	0.00%	0	0.00%	None	None
Huang Mu-Chen	1,031,000	0.90%	0	0.00%	0	0.00%	None	None
Taishin International Bank acting as custodian for employee stock ownership trust of DFI Inc.	855,644	0.75%	0	0.00%	0	0.00%	None	None

Note 1: All the ten largest shareholders shall be listed, and those who are corporate shareholders shall be listed with their names and the names of their representatives separately.

Note 2: Relationship among the foregoing shareholders including corporate shareholder and natural person shareholder shall be disclosed according to the issuer's financial report preparation standards.

VIII. The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same invested enterprise shall be combined and calculated as the comprehensive shareholding ratio.

As of December 31, 2024 / Unit: shares; %

Investment Project (Note 1)	The Company's investment		Directors, supervisors, managers, and investments in businesses directly or indirectly controlled		Integrated Investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Yan Tong Technology Ltd.	1,100,000	100.00%	-	-	1,100,000	100.00%
Diamond Flower Information (NL) B.V	12,001	100.00%	-	-	12,001	100.00%
DFI AMERICA, LLC.	1,209,000	100.00%	-	-	1,209,000	100.00%
DFI Co., Ltd. (DFI-Japan)	6,200	100.00%	-	-	6,200	100.00%
AEWIN Technologies Co., Ltd.	30,376,000	51.38%	-	-	30,376,000	51.38%
Ace Pillar Co., Ltd.	52,436,069	46.71%	-	-	52,436,069	46.71%
TEKPAK CORPORATION	373,333	31.65%	-	-	373,333	31.65%

Note 1: It is the investment of the Company using the equity method.

Fundraising Status

I. Capital and Shares

(I) Source of Capital

March 31, 2025 unit: NT\$

Year and month	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares (1000 shares)	Amount (NT\$ 1000)	Number of shares (1000 shares)	Amount (NT\$ 1000)	Capital source (in NT\$)	Offsetting the share capital with assets other than cash	Others
1981.07	10	100	1,000	100	1,000	Incorporation	-	Jian-Yi-Zi No.105329 dated July 14, 1981
1983.04	10	250	2,500	250	2,500	Cash capital increase	-	Jian-Yi-Zi No.139643 dated April 29, 1983
1986.01	10	1,000	10,000	1,000	10,000	Cash capital increase	-	Jian-Yi-Zi No.139021 dated January 13, 1986
1987.03	10	3,000	30,000	3,000	30,000	Cash capital increase	-	Jing (76) Shang No. 12592 dated March 20, 1987
1987.12	10	6,000	60,000	6,000	60,000	Cash capital increase	-	Jing (76) Shang No. 63692 dated December 15, 1987
1989.09	10	12,000	120,000	12,000	120,000	Cash capital increase	-	Jing (78) Shang No. 127396 dated September 7, 1989
1990.12	10	15,600	156,000	15,600	156,000	Capital increase from earnings	-	Jing (79) Shang No. 126104 dated December 29, 1990
1991.08	10	19,600	196,000	19,600	196,000	Cash capital increase	-	Jing (80) Shang No. 117275 dated August 23, 1991
1995.07	10	40,000	400,000	40,000	400,000	Cash capital increase by NT\$106,000,000 Capital increase from earnings by NT\$98,000,000	-	84 Tai-Cai-Zheng (Yi) No. 39295 dated July 6, 1995 Jing (84) Shang No. 116255 dated October 24, 1995
1998.07	10	52,000	520,000	52,000	520,000	Cash capital increase by NT\$40,000,000 Capital increase from earnings by NT\$40,000,000 Capital increase from capital surplus by NT\$40,000,000	-	Jing(087)Shang-Zi No. 087120446 dated July 24, 1998 87 Tai-Cai-Zheng (Yi) No. 59370 dated July 14, 1998
1999.09	10	76,000	760,000	58,400	584,000	Capital increase from earnings by NT\$64,000,000	-	Jing(088)Shang-Zi No.88137314 dated October 12, 1999 (88) Tai-Cai-Zheng (Yi) No. 80877 dated September 7, 1999
2000.07	10	177,200	1,772,000	98,120	981,200	Cash capital increase by NT\$200,000,000 Capital increase from earnings by NT\$197,200,000	-	Jing(089)Shang-Zi No. 089126353 dated July 26, 2000

Year and month	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares (1000 shares)	Amount (NT\$ 1000)	Number of shares (1000 shares)	Amount (NT\$ 1000)	Capital source (in NT\$)	Offsetting the share capital with assets other than cash	Others
2001.03	10	177,200	1,772,000	95,320	953,200	Reduction of capital by repurchasing treasury shares: NT\$ 28,000,000	-	Jing(090)Shan-Zi No. 09001104890 dated March 30, 2001
2001.09	10	177,200	1,772,000	115,000	1,150,000	Capital increase from earnings by NT\$120,544,000 Capital increase from capital surplus by NT\$76,256,000	-	Jing(090)Shang-Zi No. 09001363040 dated September 12, 2001
2002.09	10	177,200	1,772,000	117,600	1,176,000	Capital increase from earnings by NT\$26,000,000	-	Jing-Shou-Shang-Zi No. 09101368600 dated September 9, 2002
2003.09	10	177,200	1,772,000	116,860	1,168,600	Cancellation of treasury shares of NT\$20,000,000 Capital increase from earnings by NT\$12,600,000	-	Jing-Shou-Shang-Zi No. 09201264690 dated September 4, 2003
2004.06	10	177,200	1,772,000	114,010	1,140,100	Cancellation of treasury shares of NT\$28,500,000	-	Jing-Shou-Shang-Zi No. 09301103130 dated June 15, 2004
2004.09	10	177,200	1,772,000	113,400	1,134,000	Cancellation of treasury shares of NT\$17,500,000 Capital increase from earnings by NT\$11,400,000	-	Jing-Shou-Shang-Zi No. 09301180670 dated September 21, 2004
2004.12	10	177,200	1,772,000	109,800	1,098,000	Cancellation of treasury shares of NT\$36,000,000	-	Jing-Shou-Shang-Zi No. 09301245680 dated December 28, 2004
2005.09	10	177,200	1,772,000	109,760	1,097,600	Cancellation of treasury shares of NT\$30,500,000	-	Jing-Shou-Shang-Zi No. 09401182050 dated September 14, 2005
2006.01	10	177,200	1,772,000	106,560	1,065,600	Cancellation of treasury shares of NT\$32,000,000	-	Jing-Shou-Shang-Zi No. 09401267950 dated January 3, 2006
2006.03	10	177,200	1,772,000	104,960	1,049,600	Cancellation of treasury shares of NT\$16,000,000	-	Jing-Shou-Shang-Zi No. 09501053500 dated March 28, 2006
2006.06	10	177,200	1,772,000	103,510	1,035,100	Cancellation of treasury shares of NT\$14,500,000	-	Jing-Shou-Shang-Zi No. 09501126320 dated June 30, 2006
2006.09	10	177,200	1,772,000	108,316.9	1,083,169	Capital increase from earnings by NT\$48,069,000	-	Jing-Shou-Shang-Zi No. 09501203530 dated September 8, 2006
2007.09	10	177,200	1,772,000	114,053	1,140,530	Capital increase from earnings by NT\$57,361,000	-	Jing-Shou-Shang-Zi No. 09601224530 dated September 12, 2007
2008.09	10	177,200	1,772,000	119,033	1,190,330	Capital increase from earnings by NT\$49,800,000	-	Jing-Shou-Shang-Zi No. 09701223560 dated September 5, 2008

Year and month	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares (1000 shares)	Amount (NT\$ 1000)	Number of shares (1000 shares)	Amount (NT\$ 1000)	Capital source (in NT\$)	Offsetting the share capital with assets other than cash	Others
2009.09	10	177,200	1,772,000	121,095	1,210,949	Capital increase from earnings by NT\$20,619,000	-	Jing-Shou-Shang-Zi No. 09801198490 dated September 2, 2009
2010.11	10	177,200	1,772,000	120,275.9	1,202,759	Cancellation of treasury shares of NT\$8,190,000	-	Jing-Shou-Shang-Zi No. 09901266650 dated November 29, 2010
2011.09	10	177,200	1,772,000	117,093.9	1,170,939	Cancellation of treasury shares of NT\$31,820,000	-	Jing-Shou-Shang-Zi No. 10001202740 dated September 2, 2011
2012.01	10	177,200	1,772,000	114,839.9	1,148,399	Cancellation of treasury shares of NT\$22,540,000	-	Jing-Shou-Shang-Zi No. 10001294210 dated January 3, 2012
2017.09	10	177,200	1,772,000	114,688.9	1,146,889	Cancellation of treasury shares of NT\$1,510,000	-	Jing-Shou-Shang-Zi No. 10601137800 dated September 30, 2017
2022.01	10	177,200	1,772,000	114,488.9	1,144,889	Cancellation of treasury shares of NT\$2,000,000	-	Jing-Shou-Shang-Zi No. 11101013810 dated January 22, 2022

(II) Type of Shares

March 24, 2025

Type of Shares	Authorized Capital			Remarks
	Publicly Traded Shares	Unissued shares	Total	
Common Stock	114,488,857 shares	62,711,143 shares	177,200,000 shares	

(III) Name of major shareholders

March 24, 2025

Name/Share of Major Shareholders	Number of shares held	Shareholding ratio
Qisda Corporation	51,609,986	45.08%
British Virgin Islands GORDIAS INVESTMENTS LIMITED	13,155,997	11.49%
Darly2 Venture, Inc.	9,175,109	8.01%
Lin Chih-Hung	4,364,000	3.81%
British Virgin Islands Merchant--Hyllus INVESTMENT LIMITED	2,506,836	2.19%
Darly Venture Inc.	2,293,778	2.00%
Citibank acting as custodian for UBS Europe SE investment account	1,069,555	0.93%
Huang Mu-Jhen	1,031,000	0.90%
Huang Mu-Chen	1,031,000	0.90%
Taishin International Bank acting as custodian for employee stock ownership trust of DFI Inc.	855,644	0.75%

(IV) Company Dividend Policy and Implementation Status

- I. The provisions of the Articles of Association of the Company on dividend policy are as follows

Article 21-1:

In the event of any earnings in the final accounts of the Company, an amount shall be first appropriated for paying taxes and recovering accumulated losses before 10% of the earnings are appropriated as legal reserve. However, the amount of earnings appropriated as legal reserve shall not exceed paid-in capital of the Company, and special reserve shall be appropriated or reversed with the remaining earnings. If there is still surplus which is equal to the accumulated undistributed earnings, the Board of Directors shall draft an earnings distribution proposal, which shall be presented at the shareholders' meeting for resolution on distribution of share dividends to the shareholders.

If cash dividends are distributed as specified by the foregoing earnings distribution proposal, the Board of Directors will be authorized to pass a resolution in respect of the distribution and report to the shareholders' meeting.

As the Company is in an industry with fierce competitions and changing environment, and in a stage of stable growth in its life cycle, general distribution amount shall be taken into account in the earnings distribution proposal drafted by the Board of Directors, and balanced dividend policies shall be adopted for earnings distribution based on conservatism principle, in order to effectively grasp the Company's future investment opportunities, working capital requirements and long-term financial plans. In case of any earnings in the final accounts of the Company and the distributable earnings of that year are up to 2% of the Company's capital, no less than 10% of the distributable earnings shall be distributed as dividends. The cash dividends distributed each year shall not be lower than 10% of the sum of the cash and stock dividends distributed in the same year.

Article 21-2:

The Company shall distribute new shares or cash in the form of legal reserve or capital reserve according to Article 241 of the Company Act. If the aforementioned is done in cash, is authorized to be resolved by the Board of Directors and reported to the Shareholders' Meeting.

2. Distribution of dividends proposed at the current shareholders' meeting:

On February 25, 2025, the Board of Directors of the Company resolved to distribute dividends of NT\$ 389,262,114 (NT\$ 3.4 per share) in cash to shareholders, and will submit the distribution the 2025 Annual Shareholders' Meeting.

3. Any significant change in the expected dividend policy: None.

(V) Impact of the proposed bonus share issue on company performance and earnings per share discussed in this shareholders' meeting:

The Company does not disclose financial forecast information for 2025, so it is not applicable.

(VI) Compensation of employees and directors

1. The amount or scope of remuneration of employees and directors as set out in the Articles of Association of the Company

Article 21:

If the Company makes profit over a year, 5% to 20% of the profit shall be appropriated as employee remuneration, which shall be distributed in the form of stocks or in cash with the resolution of the Board of Directors. Such appropriated amount may be also distributed to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions. In addition, no more than 1% of the profit shall be appropriated as directors' remuneration with the approval of the Board of Directors by resolution. The proposal for paying remuneration to employees and directors shall be presented at the shareholders' meeting.

Nonetheless, in case of accumulated deficit in the Company, a proportion of the profit shall be reserved for recovering the loss before an amount is appropriated at the aforementioned ratio as remuneration to employees and directors.

2. Basis for estimating the amount of employee and director compensation for the current period, the calculation basis for the number of shares distributed as employee compensation, and the accounting treatment when the actual distribution amount differs from the estimated amount:
 - (1) Employee and director compensation for the current period: The estimated amount is calculated by multiplying the amount of pre-tax net income before deducting employee and director compensation by the distribution ratios of employee and director compensation that the Company intends to distribute. These amounts are reported as operating costs or operating expenses for the respective periods.
 - (2) Calculation basis for the number of shares distributed as employee compensation: The number of shares is calculated based on the closing price of common stock on the day before the board resolution.
 - (3) Difference between the actual distribution amount and the estimated amount: If the actual distribution amount of the following year is different from the estimate, the difference will be treated as an accounting estimate change and listed in the profit and loss of that following year.
3. Amount proposed by the Board of Directors for employee bonus and remuneration of the directors and supervisor, and the surplus per share are as follows:
Approved by the Board of Directors on February 25, 2025
 - (1) The proposed cash employee bonus is NT\$ 36,219,000.
 - (2) The proposed director's remuneration is NT\$ 3,878,000.
 - (3) After taking into account the proposed distribution of employee bonus and director's remuneration, the Company anticipates that the earnings per share for 2024 is still NT\$ 3.46.
4. Actual distribution of remuneration of employees and directors in the previous year
 - (1) Employee bonus dividends of NT\$ 35,191,000 in cash and director remuneration of NT\$ 3,744,000 were distributed.
 - (2) The proposed distribution situation and the actual distribution situation approved by the original Board of Directors: The actual distribution situation is the same as the proposed distribution situation approved by the original Board of Directors.

(VII) The company's repurchase of its own shares:

The Company has not repurchased shares of the Company in the last two years and as of the publication date of this annual report.

- II. No corporate bonds were processed.
- III. Situation regarding preferred shares: None
- IV. No overseas depositary receipt transactions were conducted.
- V. No employee stock option certificates were processed.
- VI. Mergers and acquisitions or the issuance of new shares in the acquisition of other companies: None.
- VII. Execution of Capital Utilization Plan: None.

Operating Overview

I. Business Content, Market, and Production and Sales Overview

(I) Revenue Proportion

Unit: thousand NTD

Business Items	2024 Net Sales Revenue	Revenue Proportion
Industrial computer cards and system	5,505,464	57.44%
Industrial automation control	2,055,119	21.44%
Others	2,023,309	21.12%
Total	9,583,892	100.00%

- (II) In the past two years, the names of customers who accounted for more than 10% of the total sales amount in any given year, along with their sales amounts and proportions, and the reasons for the changes.

I. Main Suppliers

Unit: thousand NTD

Item	2024				2023			
	Name	Amount	Percentage of annual net purchase amount	Relationship with the issuer	Name	Amount	Percentage of annual net purchase amount	Relationship with the issuer
1	A supplier	599,396	9.53%	Unrelated party	A supplier	1,036,980	11.08%	Unrelated party
2	Others	5,690,925	90.47%		Others	8,320,763	88.92%	-
Total	Net Purchase Amount	6,290,321	100.00%		Net Purchase Amount	9,357,743	100.00%	-

Note: As the suppliers are diversified, the percentage of some suppliers is changed.

2. Main Sales Customers

Unit: thousand NTD

Item	2024				2023			
	Name	Amount	Percentage of annual net purchase amount (%)	Relationship with the issuer Relationship	Name	Amount	Percentage of annual net purchase amount (%)	Relationship with the issuer Relationship
1	Others	9,583,892	100.00%	-	Others	9,184,172	100.00%	-
Total	Net Sales Revenue	9,583,892	100.00%	-	Net Sales Revenue	9,184,172	100.00%	-

Note 1: As the product sale portfolio is different, the percentage of some customers is changed.

Note 2: In both 2024 and 2023, there were no individual customers accounting for 10% or more of the net operating revenue.

(III) Operating Overview

I. Business Content

(1) Scope of Business

a. Main Business Activities

The Company specializes in the design of embedded motherboards for industrial use, edge computing systems, and touch LCD computers. It also provides AI computing products spanning from cloud to edge, along with manufacturing, production, sales, and after-sales services. The primary application vertical markets include factory automation, transportation, smart city Internet of Things, smart healthcare, military defense, gaming, retail, and smart energy. These markets extend horizontally and vertically, providing a durable, stable, and adaptable computing platform capable of operating in harsh environments for extended periods, thereby meeting diverse customer needs and solutions.

b. Current main products

- Edge AI Computer
- Industrial computer motherboards
- Embedded computer modules
- Embedded computer system
- Industrial systems
- Value-Added Peripheral Modules
- Industrial tablet PC
- Industrial display
- Tablets for medical applications
- Displays for medical applications
- In-vehicle computer system
- In-vehicle tablets

c. New Products under Development

- High-performance edge computing server with expandable graphics cards
- The Qualcomm AI platform comprises OSM, SMARC modules, and small-sized SBC computers
- x86/ARM SMARC modules
- COM-Express HPC computer modules
- Railway AIOT computers
- High-efficiency compact water-cooled AI computers
- AMD Hawk Point edge AI computers
- Intel Amston Lake IP67 waterproof and dustproof computers
- Gaming computers
- Edge AI computers supporting high-speed image transmission (GMSL)

(2) Industry Overview

a. Industry status and development

2025 will mark a significant turning point in the development of the Industrial Personal Computer (IPC) industry. With the rise of open-source large language models such as DeepSeek, the cost of AI computing continues to decline, terminal computing power is increasing, and enterprises are placing greater emphasis on real-time decision-making, automation, and data sovereignty. As a result, the role of industrial computers is rapidly

transforming. We are seeing a gradual upgrade from traditional equipment control and data acquisition platforms to intelligent nodes equipped with AI inference capabilities, capable of real-time computation and response on-site. According to the GII forecast, the global edge AI hardware market is projected to reach US\$ 4.36 billion by 2025 and to exceed US\$ 10 billion by 2030, with a compound annual growth rate (CAGR) of 18.58%. This growth is expected to drive significant momentum in the IPC market.

The applications of industrial computers are also expanding, covering high value-added markets such as smart manufacturing, smart cities, smart transportation, healthcare, retail services, energy, and national defense aerospace. The proliferation of edge AI enables systems to process large volumes of data locally, effectively reducing latency, conserving bandwidth, and enhancing cybersecurity and data privacy. These transformations not only drive the upgrading of product specifications but also propel the entire industry towards a platform-based, modular, and service-oriented business model.

Looking ahead to 2026, as the demand for real-time AI applications accelerates across various fields, along with the global restructuring of manufacturing resources, the industrial computer industry is progressing towards the development of more complex and high-value system integration applications. This shift indicates a growth trajectory that diverges from previous trends. The industry has also demonstrated diverse adoption rhythms and strategic directions

Advantech focuses on smart manufacturing and diverse AI applications, promoting the integration of software and hardware solutions across various business groups. Axiomtek, on the other hand, continues to prioritize concept validation and testing, while observing market changes. Flyteck, through its subsidiary Berry AI, has delved into the retail sector by implementing AI image analysis to enhance operational management. iBase specializes in AI visual processing and customized solutions, while also expanding its AI server product line. Neousys has entered the edge AI and robotics market, leveraging a high-performance platform to gain supply chain advantages. Nexcom will expand AI applications into scenarios involving robotics, unmanned vehicles, and sustainable manufacturing, while integrating ESG requirements to attract new customer segments. Ennoconn drives AI applications in smart retail, energy management, and building management through the ESaaS platform.

b. Correlation of upstream, midstream and downstream in the industry

Despite the global market trending towards high growth driven by AI and edge computing, the industrial computer supply chain continues to be affected by the economic slowdown in Europe, inflationary pressures, and geopolitical challenges. Concurrently, the United States' promotion of the "Made in America" policy may significantly impact the flow of the global supply chain and production costs.

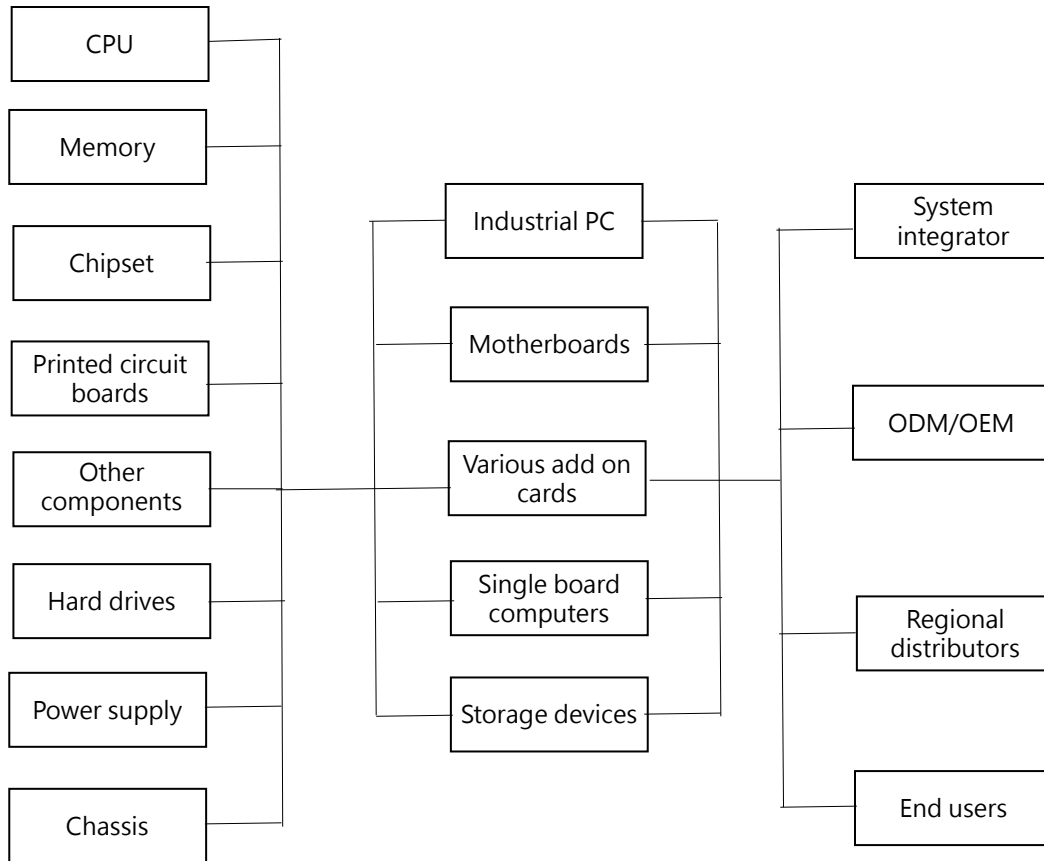
In response to the rapidly changing global environment, companies are increasingly adjusting their strategies. Since the onset of the US-China trade war and the pandemic, the manufacturing industry has begun to shift from "globalization" to "regionalization" and "local production." The traditional long supply chains are also accelerating their reorganization towards shorter chain models. Many clients have explicitly requested that assembly factories relocate from China, setting 2025 to 2026 as the timeline for capacity adjustments, which will drive the overall components supply chain into a period of restructuring.

Upstream component suppliers, including motherboard, AI module, storage, and communication interface manufacturers, have historically concentrated their operations in China to align with terminal assembly plants. However, they are now

facing pressures to reconsider their locations and enhance operational flexibility. Although short supply chains can enhance response speed and delivery flexibility, it remains a significant challenge for most small and medium-sized suppliers to simultaneously accommodate brand clients establishing factories in Southeast Asia, India, and Mexico.

Supply chain operators indicate that the current priority is no longer to establish numerous locations, but rather to "select the right customers and choose the right regions." In the future, China's production capacity will be more focused on the domestic market, while regional markets will need to be separately deployed in Southeast Asia, Europe, or the Americas. Some businesses choose to focus on research and development hubs for brand clients, opting for technical collaboration instead of synchronizing production line transfers. They establish flexible supply capabilities through mechanisms such as logistics centers and consolidation warehouses.

Overall, the industrial computer supply chain is currently undergoing a critical period of structural reorganization. Localized production, decentralized deployment, and supply chain flexibility will be the key factors influencing the future competitiveness of IPC manufacturers.



Printed circuit boards, chipsets, passive components, and memory are the main materials for industrial computers. The operational status of industrial computers, in addition to monitoring their order status, also depends on the control of components, which is a crucial factor for successful shipment.

c. Industry Trends and Competition

Development trend:

Driven by the comprehensive advancement of AI technology, edge computing, and automation applications, the industrial computer industry is rapidly evolving along three major trends, exhibiting robust market momentum:

- **Large-Scale Deployment of Edge AI:** According to Allied Market Research, the global Edge AI market size is projected to grow from US\$ 9 billion in 2021 to US\$ 59.5 billion by 2030, with a compound annual growth rate (CAGR) of 23.6%. In manufacturing, transportation, and healthcare, the demand for real-time computing and local inference is driving the increased deployment of industrial computers at the endpoints. Edge AI is transitioning from proof of concept to full-scale implementation.
- **Increasing Demand for Highly Integrated and Flexible Product Design:** Research Nester's study indicates that the industrial computer market is projected to reach approximately US\$4.2 billion in 2024, with an expected growth to US\$9.2 billion by the end of 2037. This corresponds to a compound annual growth rate (CAGR) of approximately 5.8% from 2025 to 2037. These data indicate that the industrial computer market will continue to experience steady growth over the next decade. The primary driving factors include an increased demand for resource optimization in the manufacturing sector, a growing awareness of efficient IT infrastructure, and the widespread application of artificial intelligence technology. In response to the increasing demand for AI and automation applications across diverse industrial sectors, product and service providers must enhance their capabilities in modular design, flexible configuration, and embedded system integration to improve the adaptability and extensibility of industrial computers.
- **Product service-ization has become the main development focus:** According to the Worldwide Edge Spending Guide published by International Data Corporation (IDC) in 2024, global edge computing spending was expected to reach US\$228 billion in 2024, a 14% increase from the previous year, and is forecast to exceed US\$378 billion by 2028. This indicates that edge computing has gradually progressed from the initial introduction phase to a stage of comprehensive expansion, encompassing full investments by enterprises and service providers in hardware, software, professional services, and configuration services. Notably, the proportion of expenditures on services continues to rise, highlighting the trend towards the commoditization of edge computing services.

As demands for applications such as real-time analysis, AI inference, and automated decision-making continue to rise, enterprises are increasingly reliant on distributed computing architectures. In the future, the edge platform will not only serve as an extension of infrastructure but will also become a key cornerstone for enterprises' digital transformation. It will enhance the capabilities of industries such as manufacturing, transportation, healthcare, and retail in localized data processing and intelligent decision-making. Overall, future industrial computers will no longer be merely a piece of equipment; instead, they will serve as an intelligent platform that integrates perception, computation, decision-making, and services. This platform will permeate the core of field applications and become a key engine for industrial upgrading.

Competition:

Taiwanese industrial computer manufacturers have long been actively involved in vertical markets, demonstrating strong design capabilities and a global delivery network.

However, as the market transitions into the realms of AI and system integration, reliance solely on hardware manufacturing is no longer adequate to sustain a competitive advantage. The original PC and EMS manufacturers are also actively entering the IPC sector, capitalizing on emerging markets through mergers, alliances, and collaborative platforms.

Future competition will focus on four key capabilities: integration of AI computing power platforms, experience in deploying edge systems, global regionalized production networks, and real-time technical support capabilities. Those who can take the lead in transforming from equipment suppliers to smart system partners will stand out in the next round of industry reshuffling. References: Allied Market Research forecasts and IDC.

(3) Overview of Technology and Research and Development

a. Research and development expenses

The research and development expenses invested in the current fiscal year and up to the printing date of the newspapers are as follows: The research and development expenses invested in the fiscal year 2024 amount to NT\$281,775,000. Please refer to DFI's individual financial report.

The Company has accumulated many years of rich experience in board design, and will continue making investments to improve the R&D and design capacity and expertise in response to increasing growth of the industrial computer business and customized development in the future and needs to improve the product design capacity (such as Module, firmware, software, architecture and embedded system).

b. Successfully developed technology or product

DFI invests a lot of resources in research and development, and attaches great importance to innovation in development. In recent years, DFI has enhanced the design quality through systematic integration of auxiliary software and hardware tools, also focuses on deepening technology for research and development in professional field of miniaturized AIoT generation demand, and RF ruggedized products, and cooperates with clients in developing intelligent in-vehicle products, intelligent medical care products and other vertical market products. In addition, in response to the unmanned applications derived from the AIoT era, a module technology for remote management has been developed. It will be gradually integrated into various product lines to assist customers in reducing the cost of after-sales service through remote management technology. For clients with exceptionally high demands for system boot-up time, we offer Slimboot, with a boot time of just one second. At WoA (Widows On Arm), we have also implemented this on the NXP IMX8 platform. Regarding future AI demand, a hybrid inference system will be developed to allow customers to select different hardware based on their actual computing power requirements.

The Company has obtained a total of 10 patents at the end of 2024.

(4) Long and Short-Term Business Development Plan

a. Short-Term Business Development Plan for 2025:

The short-term strategy will focus on the following three key areas: enhancing brand value and market penetration, accelerating the technological upgrade of AI and edge computing products, and launching more innovative solutions targeted at vertical markets.

Enhancing Brand Influence and Market Share

- Digital Marketing and Brand Repositioning: We will integrate a diverse range of digital marketing strategies, including targeted advertising, social media management, SEO optimization, and content marketing, to enhance the brand's visibility in the target market. At the same time, by participating in international exhibitions, publishing technical white papers, and collaborating with the media, we aim to enhance the professional image of our brand.
- Customer Engagement: Organize product forums and online workshops to facilitate in-depth communication with customers and establish long-term cooperative relationships. These activities will help us better understand market demand and enhance customer loyalty to the brand.

Technical Upgrades for AI and Edge Computing Products

- Intelligent Product Design: Integrating AI algorithms into existing products to enhance the system's data processing capabilities and automation functions, thereby meeting the demands of smart manufacturing, healthcare, transportation, and other fields. For example, develop embedded modules that incorporate machine learning capabilities to facilitate real-time diagnostics and predictive maintenance of equipment.
- Edge Computing Performance Optimization: Focusing on low-latency and high-reliability edge computing technologies, we are developing hardware platforms tailored to the demands of real-time data processing. Particularly in the context of the Industrial Internet of Things (IIoT) and smart city applications, we provide high-performance solutions.

Innovative Solutions for Deepening Vertical Markets

- Professional Market Insights: Conduct in-depth research on vertical markets such as smart healthcare, retail automation, and energy management to understand the pain points and needs of different industries, and align product positioning with market trends.
- Diverse Product Line: In addition to offering customized solutions, we will introduce standardized system products designed to meet the application needs of various industries, including highly reliable small embedded systems and industrial-grade equipment suitable for harsh environments.

b. Long and Short-Term Business Development Plans for 2025:

Our long-term plan aims to consolidate the Company's position in the global market, expand our business footprint in emerging markets, and continuously enhance the Company's leadership in the embedded technology sector through innovation and tailored services.

Deepening the Presence in Emerging Markets

- Market Development and Localization Strategy: Focus on emerging markets such as Southeast Asia, South Asia, and Africa by establishing localized teams and strategic partnerships to adapt to local market demands and cultures. In addition, we will establish regional service centers to provide rapid-response technical support and after-sales service, thereby enhancing market competitiveness.
- Flexible Supply Chain and Logistics Optimization: Optimizing supply chain management in response to the demands of emerging markets, ensuring the flexibility and timeliness of product delivery. At the same time, explore regional manufacturing collaboration models to reduce costs and enhance operational efficiency.

Expanding the Applications and Technological Advantages of the Internet of Things

- **Cross-Platform Technology Research and Development:** Increase investment in research and development for ARM and x86 platforms, promote synchronized innovation in hardware and firmware technologies, and ensure the product's market-leading position in terms of performance, power consumption, and stability.
- **Construction of the Internet of Things Ecosystem:** Expanding the application of the Internet of Things from smart manufacturing to emerging fields such as agricultural technology, smart energy, and smart buildings. This is achieved through the co-construction of the ecosystem with partners to realize a win-win situation for all parties involved.

High-performance Customized Services

- **Precise Demand Matching:** Establish closer collaborative relationships with mid-tier clients, deeply explore their business needs, and provide tailored solutions through flexible design capabilities.
- **Technical Integration and Efficiency Improvement:** Through modular design and process optimization, we aim to shorten the product development cycle and enhance the efficiency and quality of our customized services, thereby ensuring our ability to respond swiftly to market changes.

c. Market Trends and Future Outlook:

Looking ahead to 2025, the global embedded market is expected to be driven by digital transformation, the widespread adoption of artificial intelligence, and advancements in IoT technology. Edge computing, high-performance embedded platforms, and intelligent applications will emerge as the primary demands of the market. With technological innovation as our foundation, combined with flexible market strategies, we will deeply engage in application scenarios such as smart healthcare, smart manufacturing, and new energy. Our goal is to achieve robust revenue growth and become a leading enterprise in global embedded technology.

2. Market and production and sales overview

(I) Market Analysis

a. Major Sales (Region)

Unit: thousand units; thousand NTD

Item \ Year		2024		2023	
		Net Sales Revenue	Percentage (%)	Net Sales Revenue	Percentage (%)
Domestic Sales Revenue		1,865,349	19.46%	1,723,259	18.76%
International Sales Revenue	America	2,227,391	23.24%	1,834,819	19.98%
	Asia, Australia, Africa	3,448,806	35.99%	3,483,044	37.93%
	Europe	2,042,346	21.31%	2,143,050	23.33%
	Subtotal	7,718,543	80.54%	7,460,913	81.24%
Total		9,583,892	100.00%	9,184,172	100.00%

b. Market share

Industrial computers cover a wide range of vertical applications and extended fields. Taking the Company's top three applications in terms of shipment volume, factory automation, intelligent transportation and smart medical care, as examples, DFI's products are mostly used in system components or as part of the overall solution.

Together with the business extended by OEM/ODM, the market share is difficult to estimate by general market research.

If based on the sales volume, the current market share is 3%.

c. Future market supply and demand, and growth

The distinction between industrial computers and personal computers, as well as consumer products, has always been clear. Although the hardware and software architecture are similar, the main differences lie in stability, customization level, lifecycle, project customization, special requirements, and service content. The highest guiding principle that industrial computers adhere to in the production and manufacturing process is to maximize productivity at every stage of application.

On the industrial level, including but not limited to robotic arms, automated transport vehicles, visual inspection, conveyor belt sorting, production line automation, and remote maintenance, all fall within the scope of industrial computers. The government's promotion of the industrial Internet of Things (IoT) strategy also directly stimulates the computational demand brought about by industrial upgrading.

With the changes in the industry and the prevalence of AIoT, productivity projects have expanded from traditional manufacturing to business operations and daily life. This includes smart payment, traffic monitoring, KIOSK information stations, as well as scenarios arising from various transportation and logistics needs. This will pose higher challenges to the computing power and communication capabilities of hardware.

Based on the high stability of industrial computers, the deployment and adoption across industries are becoming increasingly common. As gaming machines require high levels of safety, medical equipment must have precise information presentation in accordance with strict regulations, and autonomous vehicles (ADAS) require high-speed and stable computing capabilities, all of which heavily rely on the design standards and operational efficiency of industrial computers. The Taiwanese industrial computer industry will continue to benefit from various new technologies such as AI, 5G, IoT, etc., which are being introduced into vertical industries. This will lead to diverse hardware demands for edge computing in various fields, as well as integrated software and hardware solutions for virtual and augmented reality applications. Additionally, there will be hardware demands for high-speed networks and applications related to electric vehicles, which will create new business opportunities in response to industry needs for AI integrations. These factors are expected to provide growth momentum for the industrial computer market in 2024 and 2025, contributing to the industry's production value. Therefore, it is anticipated that the demand for industrial computers will continue to grow in 2025.

d. Favorable competition base, favorable and adverse factors for development vision, and solutions

A. Favorable competition base

- DFI has nearly 40 years of experience in research and design in industrial computers. It has developed a strategic core based on agility, quality, service, flexibility, and cost planning, and has become a trusted business foundation for its customers. Owing to good reputation, leading companies in various industries have actively adopted DFI products and promoted DFI as a

collaborative solution. DFI is no longer just a hardware supplier, but a cross-domain solution provider, especially after becoming a member of the Qisda Corporation.

- Benefiting from solid customer's feedback, DFI strives to become a market leader in the field of innovation, and masters the latest technology at an extremely rapid speed, to launch the motherboard and system equipped with the latest platform at the first time, and implement the strict requirements for the embedded application version control and long-term supply, and assist the customers in time-to-market, to guarantee consistency in product design.

B. Favorable factors for development vision

- Industries are gradually shifting their focus towards strategies that involve the development of products or solutions through the use of integrated standardized products or outsourced ODM services, due to limitations in manpower, time, and other costs. In addition to promoting the market through the dual-track strategy of standard products (STD) and original design manufacturing (ODM), DFI can also quickly customize derivative models of standard products (DEV), replicate and apply experiences, effectively meet customers' standardization and differentiation needs, and reduce the possibility of customer churn.
- With successful experience of a number of large industry leaders in the vertical market, DFI becomes the leader in the field of communication, factory automation and medical treatment with the top growth rate, and has established in-deep cooperation with the strategic partners, to create a solid solution supply chain, and achieve efficiency in development of new applications or new markets.
- Strategic partnerships have been established with key suppliers of future AI application cores, including Intel, AMD, and Qualcomm. By deepening collaboration and integrating various AI application hardware and software supply chains, an AI strategy development alliance will be formed. DFI will act as a bridge to assist clients across different application domains in connecting with the AI industry chain.

C. Adverse factors for development vision and solutions

- Industrial computers have been stable and highly profitable products in previous years, but with the increase of competitors, information transparency and standardization of specifications, the value of products and their costs will be more and more strictly examined and compared. It indirectly caused the unhealthy competition means with low prices in the industry by integrating resources, such as the development of low-cost products (such as "semi-industrial control" products with technology level "higher than consumer products by less than industrial products"), and increase of revenue by sacrificing the gross profit margin, which are all hidden concerns for industrial development.
- In the past, DFI has already made significant progress in the vertical market. However, there has not been a strategic promotion and operation of parallel expansion in various vertical applications. Therefore, there is still a great potential for expansion in the market. Strategies such as strategic alliances and cross-application marketing and product design need to be accelerated

in order to catch up with the market leader that has been operating at this level for a long time.

- Industry competition is a constant battle. Enhancing research and development capabilities, increasing market application and marketing efforts, and defining more precise product positioning are the quickest paths to attracting customers. In order to adjust our strategy within limited resources, we will focus on immediate task allocation and integrate a market-oriented approach. This is the primary policy for consolidating our existing business and expanding our range of applications.

D. Strategies for Navigating the AI and IoT Era

- As the world enters the era of AI and IoT, industrial upgrades and transformation have become the “new normal.” Across regional markets, industry clients are increasingly seeking integrated AIoT solutions, with some expanding capital expenditures—further driving overall revenue momentum. On the other hand, DFI's research and development efforts have accelerated the positioning of products within vertical application fields and enhanced the integration platform for AI hardware and software, as well as modular development.
- The increasing rigor of network security regulations for IoT allows remote management technology to effectively reduce operational management and after-sales service costs associated with network security updates and artificial intelligence algorithm updates. We will continue to strengthen the development of remote management technology and its related applications to provide integrated solutions for our customers.
- Through collaboration with the AI hardware and software supply chain, we are integrating virtualization and containerization software technologies with AI hardware and software. Various concept test samples will be utilized for initial evaluation and application development purposes, thereby enhancing the convenience and efficiency of our clients in developing AI-related products. This initiative aims to support client demands for industrial automation, vehicular intelligence, medical intelligence, and the intelligent deployment of public and communication facilities. Additionally, we will integrate our internal cybersecurity products, electromechanical integration, and other relevant strengths within the group, while also forming external alliances with more cross-disciplinary enterprises to strengthen our comprehensive capabilities. This will contribute to building a more robust corporate image and social value.

(2) Main product uses and production processes

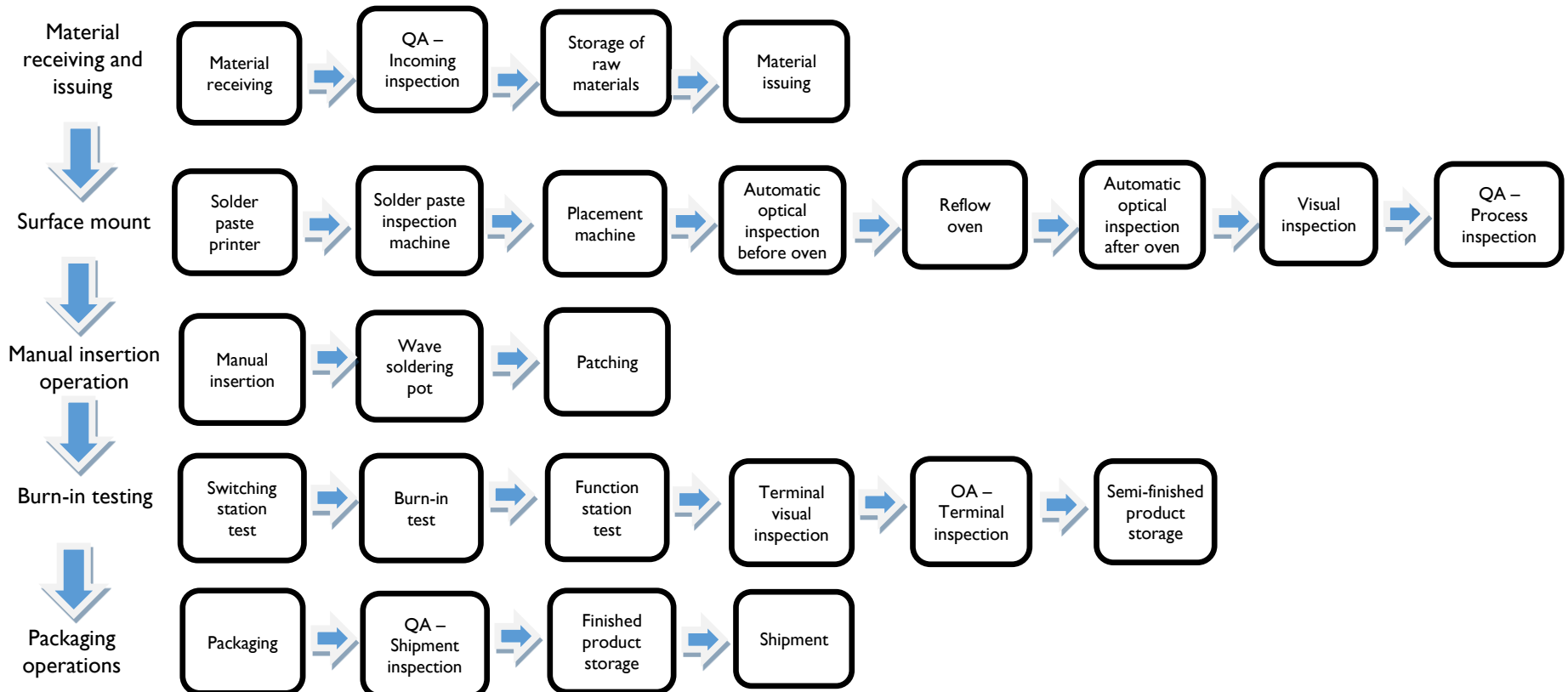
a. Important use of the main products:

The board cards for the industrial computers are mainly used to provide a “platform” for connection and operation of the relevant parts and components assembled in the industrial computer, and are the most indispensable component in the industrial computer system.

b. Production process of the main products:

DFI Process Flowchart

Process type



(3) Supply Status of Key Raw Materials

Raw Material Name	Supply Status
Integrated circuits (including chipsets)	Satisfactory
Printed circuit board (PCB)	Satisfactory
Other important components	Satisfactory

II. Employee Data for the Last Two Fiscal Years and as of the Date of Printing of the Annual Report

Year		As of March 31, 2025 (Note)	2024	2023
Number of employees	Direct employees	179	181	205
	Indirect employees	474	484	491
	Total	653	665	696
Average Age		41.6	41.3	40.3
Average Length of Service		8.2	8.0	7.1
Percentage Distribution of Education (%)	Doctorate degree	0.0%	0.0%	0.0%
	Master's degree	16.6%	16.8%	15.2%
	University (College)	65.8%	66.2%	66.1%
	High (Vocational) School	14.7%	14.2%	15.7%
	Below high school	2.9%	2.8%	3.0%

Original Text: Note: As of the publication date, April 11, 2025, in order to ensure data accuracy, only information up to March 31, 2025, is presented.

III. Environmental-protection expenditures

- (I) The total amount of losses (compensation included) and penalties was suffered due to environmental pollution during the past year and as of the data of publication of the annual report: none.
- (II) Current and Future Countermeasures (Measures for Improvement Included) and Possible Expenditures

Our production processes are free from noise and the generation of process wastewater. We conduct assessments of the operational environment during production, perform noise testing, and submit the necessary reports. The handling and transportation of industrial waste is handled through licensed waste disposal and treatment facilities. During the transportation and treatment processes, a triplicate waste transportation form is issued in accordance with legal regulations to ensure that the flow of waste complies

with relevant laws and regulations. Based on the future product development direction, it is expected that there will be no environmental pollution issues in the future. Regarding energy management, a systematic approach is employed to ensure effective energy usage and to conduct third-party verification for ISO 50001. This process guarantees the effectiveness of energy performance measures and compliance with international standards. Regarding RoHS, the Company has completed the purchase and update of production and testing equipment, which are now operating normally. In terms of manufacturing processes, the Company has passed the testing by the Electronics and Optoelectronics Research Laboratories of the Industrial Technology Research Institute (QC 080000) as well as audits by several major international companies (Green Product). As for suppliers, they have also completed the certification for banned substances and are supplying materials smoothly. WEEE has also been registered and entrusted to local operators for future product recycling in several countries in Europe.

To align with international green product requirements, the Company has made adjustments in its production environment and material usage. It has successively obtained certifications including ISO 14001 (valid 2022 to 2025), ISO 50001 (2024 to 2027), QC 080000 (valid 2021 to 2025), as well as major clients' Green Partner certification—demonstrating our continued commitment to environmental protection.

Environmental-protection expenditures concerned of the Company in the past two years:

Unit: thousand NTD

Year	2024	2023
Environmental Protection Expenditure	2,331	8,926

IV. Labor-Management Relations

(I) The Company lists various employee welfare measures, continuing education, training, retirement system, and their implementation, as well as the agreements between labor and management and the situation of employee rights protection measures.

I. Employee benefits

(1) Insurance and Healthcare

- **Comprehensive Insurance:** In addition to the statutory labor, health, and occupational insurance, employees are entitled to group insurance. This includes coverage for accidents, accident-related medical expenses, hospitalization, critical illnesses, cancer, occupational injuries, short-term travel, and overseas safety insurance, as well as overseas medical emergency and personal safety insurance.
- **Medical Healthcare:** Annual health check-ups, on-site nurses, contracted doctors providing on-site services, and periodic health promotion activities (such as walking, stress-relief massages, and seminars on physical/mental growth).

(2) Employee Leisure Benefits

- **Welfare Committee:** LINE POINTS welfare points (for birthdays, Spring Festival, Labor Day, and Dragon Boat Festival), Mid-Autumn Festival gift boxes, occasional movie discount tickets, and various subsidies (for weddings, funerals, childbirth, club activities, departmental gatherings, etc.).

- Recreational Activities: Birthday celebration afternoon teas, corporate family days, annual year-end parties, occasional dinner gatherings, periodic hiking excursions, various clubs, and a gym.
 - Social Welfare: Periodic organization of various social welfare activities, such as blood donation drives, massage events for the visually impaired at social welfare organizations, group purchases of produce from small farmers, lectures on agricultural support tours, and activities to clean mountains and beaches.
- (3) Friendly Work Environment
- Workplace Environment: Spacious and elegant air-conditioned manufacturing plants and office settings, regular environmental inspections, and free coffee machines with freshly ground coffee.
 - Work space: snack bars, coffee bars, staff lounges, fruit bars, buffet restaurants.
- (4) Employee stock ownership and trust
- In addition to complying with the Labor Standards Act and the Labor Pension Act by regularly allocating reserve funds to statutory accounts, the company has also established an Employee Stock Ownership Trust Committee. This measure aims to encourage eligible employees to participate in the stock ownership initiative, allowing them to share in the value appreciation of the Company's stock resulting from operational achievements. Through a relative allocation approach, employees not only gain economic benefits but also enhance their status as shareholders, thereby further strengthening their loyalty to the Company.
 - The stockholding trust initiative not only motivates employees to contribute diligently but also helps enhance overall operational performance. When employees recognize that their efforts directly influence the Company's value, they are more likely to be motivated to engage in their work, thus fostering the growth and development of the business. This mechanism of profit sharing not only serves as an incentive for employees but also plays a role in shaping corporate culture, thereby strengthening the connection between employees and the Company.
 - Ultimately, through the implementation of a shareholding trust, the Company aims to establish a more united and efficient working environment, allowing each employee to become a part of the Company's success. This approach not only enhances employee satisfaction but also establishes a stable growth momentum for the Company in the long term, resulting in a mutually beneficial situation.
- (5) Designated Childcare Institutions
- In terms of measures to create a supportive parenting environment, we have established a well-equipped nursing room and entered into a childcare contract with the Pure Heart Workplace Mutual Assistance Childcare Service Center within the Company community. The organization offers childcare benefits for its employees that surpass those available to the general public, including:
- Priority Admission: In cases where the quota is not full, employees may be granted priority admission based on their contract serial number, eliminating the need for a lottery process.
 - Flexible Drop-off Time: Parents can drop off their children half an hour earlier, offering greater convenience for their daily schedules.
 - Provide employees with parenting information and parenting education seminars to help them better cope with parenting challenges and enhance their parenting knowledge and skills. These measures aim to support employees' family lives and create a more friendly environment for child-rearing.
- (6) Others
- Leave System: Two days off per week, national holidays exceeding legal standards, and additional leave benefits for new employees.

- Transportation: The Taoyuan factory offers free shuttle services for employees.
- Overtime Dinner: Free overtime dinner provided.
- Flexible punch-in and punch-out times.

2. Further education and training of employees

DFI places great importance on employee training and development. Training activities are primarily led and promoted by human resources management, with a dedicated training center handling training operations. Other departments are responsible for the specific execution and implementation of training plans. Additionally, through an annual needs survey, each department submits relevant training needs, which are reviewed and confirmed by the training center to ensure the appropriateness of course content and hours. The results are then consolidated into an "Annual Training Plan" to serve as the basis for implementation, ensuring effective execution.

In addition to the training courses listed in the annual training plan mentioned above, DFI also provides a variety of learning resources and tools to encourage employees to engage in continuous learning activities that are not limited by time, location, or format. Employees are encouraged to align their learning activities with the Company's development direction, organizational needs, and individual performance requirements to continuously enhance their work performance. The Company has introduced various internal and external resources to support employee learning and development. In addition to implementing Qisda Academy (QLMS) as an online learning platform for Friendly Communications employees, we also collaborate with professionals invited by the Company to share insights on various topics such as technology, lifestyle, and public welfare through seminars and lectures. These initiatives aim to provide employees with new knowledge and perspectives in different areas, with the goal of inspiring unlimited possibilities in both work and life. In addition, to demonstrate DFI's commitment to corporate social responsibility, the Company has included the Hazardous Substance Process Management System (IECQ QC 080000) as mandatory training programs for all employees.

In addition, an employee's personal learning and development are closely tied to the Company's growth. Not only does it help enhance work performance, but it also provides colleagues with the opportunity to apply these skills in their daily lives, contributing to progress in society. Therefore, the Company encourages all employees to actively enroll in external courses to enhance relevant skills and grow together with society. In 2024, a total of 85 individuals applied for external training courses, accumulating 1,385.17 hours of completed training.

In 2024, we continued to follow the "Employee Learning and Development Strategy" by focusing on four key areas: management skills, professional competencies, personal development, and new employee onboarding. We are committed to consistently building and expanding the learning scope at DFI, hoping all employees continue to learn and enhance themselves.

The main training content for each aspect is as follows:

- Management Functions: Introduction of Qisda Group Supervisor Training (SLP, ALP) to enhance the leadership and interpersonal communication skills of supervisors across all levels of management. In 2024, a total of seven training sessions were conducted, with 19 individuals trained and a total of 133 training hours.
- Professional Competence: By closely collaborating with suppliers and customers, we arrange seminars and courses to provide all employees with an understanding of industry and product development trends. In 2024, a total of 19 focus sessions were held, with a cumulative attendance of 1,372 participants and a total of 2,031.5 training hours completed.
- Self-Development: The Company encourages employees to actively enroll in external courses to enhance their relevant skills. This not only contributes to improved work performance but also provides opportunities for employees to apply these skills in their daily lives, thereby

generating a positive impact on society. In 2024, a total of 85 participants applied for external training programs, accumulating 1,385.17 training hours.

- **New Employee Orientation:** In addition to conducting introductory courses for new employees, the 'Operations Management Center (OMC) Training' is also organized. This training guides new employees through the manufacturing department's production line to understand the Company's product production process. In 2024, a total of 102 participants completed training, accumulating 352.8 training hours.

- **Online Learning**

In terms of learning channels, in addition to physical courses, DFI also utilizes Qisda Academy (QLMS), an online learning platform introduced by the group, for the employees of DFI. This platform allows employees to engage in relevant training courses and workshops in a real-time and flexible manner. In 2024, the "Core Corner English Newsletter" was introduced, enabling employees to make use of their fragmented time to access the platform and read the content of the English newsletter, thereby improving their English reading and writing skills. In 2024, the total number of completed readings reached 2,152, resulting in an overall completion rate of 48.3%.

Additionally, the more effective utilization of relevant online meeting software and hardware should be implemented. This includes organizing seminars and courses featuring pertinent vendors, clients, and industry experts in a hybrid format, thereby allowing all employees to participate in learning more conveniently.

- **Continuous Improvement Plan (CIP)**

Since 2018, DFI has been implementing Six Sigma in collaboration with the group, and has developed the Continuous Improvement Program (CIP) to provide employees with the necessary concepts and tools for work improvement. Through a series of course designs and the execution of the Continuous Improvement Program (CIP), employees are assisted in applying the knowledge and skills acquired from the courses to their actual work processes. From 2018 to 2024, a total of 69 projects have been implemented under the Continuous Improvement Plan (CIP), resulting in a cumulative tangible benefit of NT\$57.83 million, demonstrating significant improvement outcomes. The scope covers improvements in individuals, departments, and overall company. By utilizing DMAIC methodology, employees can be assisted in using the most appropriate improvement techniques to enhance their work. The CIP methodology is not only implemented in the R&D department but also extended to all units, including manufacturing, supply chain, administration, and technical support.

In the first half of 2024, a session of DMAIC Awareness training was conducted with 34 participants, establishing a foundational understanding of the five key methods and content of DMAIC. In the second half of the year, we will further promote three improvement projects, allowing colleagues to practically apply the DMAIC methodology to review and improve work processes, thereby enhancing related efficiency and effectiveness. The cumulative (tangible) actual benefits have reached NT\$6.8013 million.

3. Retirement system

Regarding the employee retirement system, the Company operates in accordance with the Labor Standards Act (Old Labor Retirement System, Defined Benefit Plan) and the Labor Pension Act (New Labor Retirement System, Defined Contribution Plan) established by the government.

- **Retirement Fund System under the Labor Standards Act:** The Company contributes 5% of the total monthly salary of employees under the old labor retirement system to a retirement reserve fund, which is held at the Bank of Taiwan. At the end of each year, we review the balance of this dedicated account. If the balance is insufficient to provide for employees who reach statutory retirement in

the following year, we will make the necessary contributions by the end of March of the subsequent year to ensure the rights and interests of employees under the old labor retirement system are protected. The recognized amount for contributions to the old retirement fund in 2024 is NT\$59,745,000, which is adequate to cover the retirement benefits for workers under the old labor retirement system.

- Retirement Pension System under the Labor Pension Act: The Company contributes 6% of employees' salaries to their individual accounts at the Labor Insurance Bureau on a monthly basis.
- Negotiated Extension of Retirement Age: In accordance with the amendment to the Labor Standards Act, a system for extending the retirement age has been established. Employees who have served the company for 65 years may negotiate an extension with the employer. This arrangement was approved by New Taipei City Government, Labor Affairs Department, under document No. 1131920474, dated September 2024.

4. Protection measures for employee's personal safety and work environment, and implementation thereof

DFI regards employees as the most important asset of the Company. The working environment and safety of employees are of utmost importance to us. As we strive for company growth and fulfill our social responsibilities, we are committed to moving towards sustainability together with our employees.

DFI operates within the manufacturing industry. The working environment and the frequency of routine operations for employees are outlined as follows:

Operational Environment Safety Facilities

- (1) Fire safety equipment inspections are to be conducted once a year, and reports must be submitted in accordance with legal requirements. The reporting date for 2024 is June 2024.
- (2) Public safety inspections for buildings are to be reported once a year, conducted by the building management committee and the property owners. In 2024, all declarations were made in accordance with the law, and records were retained.
- (3) Emergency evacuation drills are conducted annually, with the 2024 drill held in December 2024.
- (4) Environmental monitoring assessments are conducted biannually, with reports submitted in compliance with legal requirements. The implementation dates for 2024 were in May and November.
- (5) The organic solvent leakage drills are conducted annually, with 2024's on June 5.
- (6) General safety and health equipment inspections are conducted daily, with records retained.

Employee Health Protection Measures

- (1) Employee health checks are conducted once a year, with the 2024 health check held in October to November 2024.
- (2) The contracted physician consultation is conducted once a month, with records of each session retained.

- (3) In addition to ensuring a safe working environment, employee health is also one of our management priorities. We provide annual health check-ups for our employees. Based on the results of these check-ups, any abnormal findings are highlighted and grouped together to alert employees and implement a three-tier management system. This helps employees understand their physical condition and arrange for those who require it to receive medical consultation services. We will continue to operate through various management systems to achieve the goal of continuous improvement.

In addition to complying with relevant domestic regulations, we vigorously implement the following international standards and obtain certification from international verification companies:

- (1) Environmental Management System (ISO 14001): Valid from December 2022 to December 2025.
- (2) Occupational Health and Safety Management System (ISO 45001): Valid from December 2022 to December 2025.
- (3) Energy Management System (ISO 50001): Validity from March 2024 to March 2027.
- (4) Greenhouse Gas Inventory Standard (ISO 14064-1): Verified by a third-party organization in February 2025.
- (5) ESG Independent Institution Assurance Statement: Verified by a third-party organization in 2024.
- (6) Its related management methods: formulate a safety and health management plan and implement it, regularly carry out operation environment monitoring, safety and health inspections and audits, safety and health education and training, fire education and training, etc., promote four major management plans: maternity protection, human factors engineering, illegal infringement, and abnormal workloads, and conduct annual employee safety and health hazard risk assessment to implement various employee safety and health matters, thereby improving the work environment and safety and health performance.

5. Code of Conduct for Employees

The Company has established the Integrity Handbook as the highest code of conduct for employees and regularly trained employees around the world through formal education and training courses, which covers “Conflicts of Interest”, “Compliance with Regulations”, “Trade Secrets and Company Assets” and “Involvement in Political Activities”.

Employees of the Company shall comply with the following integrity declaration:

- We hold all ethical code according to the highest standards
- We respect both official laws and the Company's regulations
- We must act with honesty in all our words and deeds.
- We strictly prohibit the abuse of privileges for illegal misconduct.
- We do our best to avoid being suspected for any tunneling.
- We will never engage in any violation of ethics.
- We will ask for help when we don't know how to choose.
- We will fully cooperate in the investigation of violations
- We will reported any illegal incidents discovered immediately.

- We will develop business partners based on our Integrity Handbook.
- We are committed to upholding and safeguarding the rights of our employees with integrity.

6. Other benefits

According to the law, employees can take maternity leave, paternity leave and parental leave, etc., the situation in 2024 is as follows:

Unpaid parental leave	Number of male individuals	Number of female individuals	Total
Number of eligible applicants for parental leave in 2024 (A)	3	1	4
Number of employees who actually applied for parental leave in 2024 (B)	1	0	1
The estimated number of employees returning to work in 2024 after taking parental leave (C)	1	4	5
Number of employees who actually returned to work from parental leave in 2024 (D)	1	3	4
Number of employees who actually returned to work from parental leave in the previous year, 2023 (E)	0	4	4
Number of employees who continued working for one year after returning from parental leave in the previous year, 2023 (F)	0	4	4
Maternity Leave Application Rate B/A	33%	0%	25%
Maternity Leave Return-to-Work Rate D/C	100%	75%	80%
Parental Leave Retention Rate = F/E	-	100%	100%

7. Current Status and Implementation of Major Labor-Management Agreements

To maintain a good relationship between the Company and its employees, we have established effective communication channels which include business briefings, welfare committee meetings, and labor-management meetings. These channels enable employees to stay updated on company information and encourage them to provide suggestions regarding the overall operations and development of the Company, which can be considered by decision-making units. In the event of significant operational changes that may affect employee rights, a notice will be given at least 4 weeks in advance. These well-established communication channels not only foster labor-management relations but also allow the Company to understand the needs of its employees better, thereby providing a more conducive work environment.

8. Employee Satisfaction Survey

The Administrative Management Department conducted the 2024 Employee Opinion Survey in December 2024 for the Taiwan region, which includes the Xizhi headquarters, the Xindian R&D unit, and the Taoyuan Plant. The purpose of this survey is to understand whether the services provided by the Company meet the expectations of our employees. We also hope that this survey will enhance employee loyalty and engagement with the Company. This will serve as a basis for us to understand and improve employee relations, as well as to engage in in-depth communication and interviews regarding significant issues and to formulate improvement plans.

- Subject: All Employees in Taiwan
- Topics: Employee Services, Care, Welfare, Organizational Relationships, Training and Development, and Value Recognition/Engagement

- Respondents: 603
- Employee Coverage: 30%
- Investigating Unit: Human Resources Department
- Frequency: Once a year
- Survey Period: December 20–24, 2024
- Overall Satisfaction: 76%, Average Score: 3.8 (on a scale of 5)
- Survey Results: Employees provided positive feedback on various health check-ups, medical care promotions, and both the frequency and quality of physician consultations. Furthermore, employees rated their satisfaction with the value of employee care and work engagement highly.

In response to the survey results, the ongoing improvements and initiatives for 2025 are outlined as follows:

(I) Regular Adjustment of Work/Learning Direction

The company regularly reviews and adjusts employees' job responsibilities and learning directions. Based on individual circumstances, new tasks are assigned to different employees to boost motivation and engagement at work.

(2) Regular Review of Internal Work Processes

Regularly review every detail of the workflow. If any areas for optimization are identified, it is necessary to develop an improvement plan to reduce the time employees spend on repetitive tasks. This not only enhances employee satisfaction but also increases their sense of identification with the Company, ultimately leading to greater efficiency for the organization.

(3) Regular Confirmation of Internal Management Practices

Employees feel a lack of achievement and belonging when they do not receive corresponding feedback after working hard. It is essential to regularly assess the management styles and approaches of frontline supervisors to minimize inappropriate management practices, thereby enhancing employee satisfaction.

(4) Provision of External Resources for Employees

Designing more comprehensive benefits programs for employees.

(5) The environmental issues at the Xindian require appropriate improvements.

(II) In the recent fiscal year and up until the date of printing of the annual report, we incurred losses due to labor disputes. We also disclosed the estimated amounts and corresponding measures for the current and future potential losses. If it is not possible to reasonably estimate the losses, the report should explain the reasons for the inability to do so.

1. Losses arising out of labor disputes during the most recent fiscal year and up to the date of publication of the annual report: None
2. Possible estimated amounts at present and in the future and solutions: None

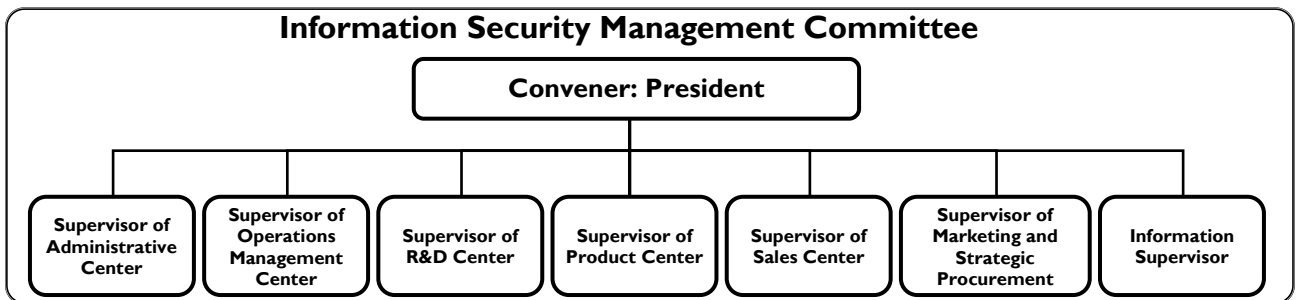
V. Information Security Management

(I) Information Security Organization

In November 2024, the organizational level of the Information Security Management Committee will be elevated. The committee will be chaired by the President and will consist of the heads of various centers and the Information Officer. It is responsible for the overall review of information security policies, the approval of significant information security operations, and interdepartmental communication and resource coordination. The Committee shall convene at least once a year and may hold additional meetings as needed.

Committee Authority:

- Review the information security policy and assess the development and implementation of the Company's comprehensive information security management framework.
- Review and Response Measures for Major Cybersecurity Incidents
- Approval of Major Information Security Maintenance Matters
- Coordination of Responsibilities and Authority for Cross-Departmental Information Security Matters
- The supervisory authority, the Board of Directors, and various cybersecurity policies contain additional regulations or requirements that necessitate reporting to the Board of Directors.



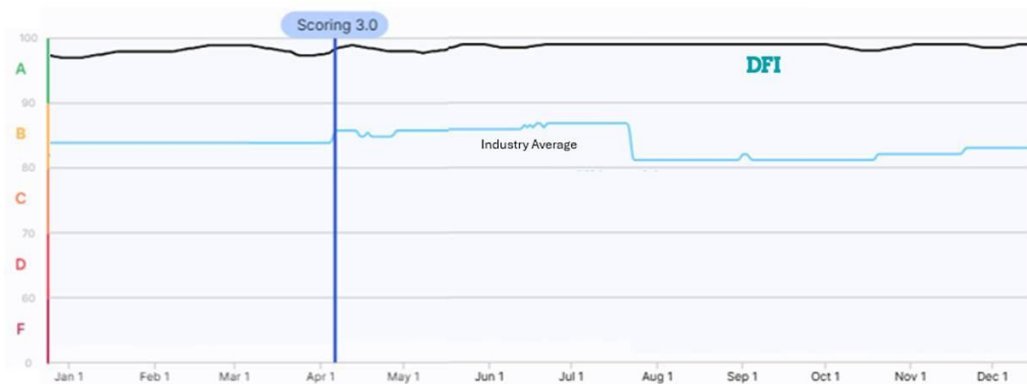
(II) Information Security Strategies

To ensure the security of our information and communication operations and prevent internal and external disturbances and threats, the Company has established an information and communication security policy. We follow the PDCA cycle and adopt the Cybersecurity Framework 2.0 (CSF) developed by the National Institute of Standards and Technology (NIST) in the United States. We have defined various security implementation tasks in the areas of security governance, security detection, defense in depth, and recovery and response, to ensure the confidentiality, integrity, availability, and legality of our information and communication operations. Our management is committed to maintaining information security and continuously improving the quality of information security and digital resilience to protect the rights of our customers.

(III) Specific Implementation Direction for Information Security

1. Through regular internal education and practical exercises, we aim to enhance employees' awareness of information security.
2. External Service Provider Security Management: To protect the Company's rights and information security, establish a pre-assessment mechanism for external vendors and sign a Non-Disclosure Agreement (NDA) to safeguard the Company's confidential information and prevent unauthorized use or disclosure.

3. **Information Device and Information Environment Access Management:** The construction of fire control and environmental control systems in the information room, real-time video surveillance systems, and access control measures ensure the safety of the information room environment. The endpoint access control system (Network Access Control) has been implemented to actively block unauthorized devices and equipment, ensuring the security of the internal network operating environment.
4. **Permission Management:** Following the principle of least privilege under a zero-trust approach, all permission requests must go through an approval workflow, with access to sensitive data requiring additional sign-off by the supervising unit. Privileged account permissions are managed through segregation of duties and the implementation of a Privileged Access Management (PAM) system. An automated mechanism controls permission expiration, and audit reports are generated automatically for regular permission reviews, ensuring the sensitivity and effectiveness of account access.
5. **Constructing a cybersecurity joint defense:** In addition to joining real-time notification networks for vulnerabilities and threat intelligence from various cybersecurity product vendors, we have also joined the TWCERT/CC (Taiwan Computer Emergency Response Team/Coordination Center) joint defense organization. This allows us to receive the latest international threat intelligence promptly. Furthermore, we have collaborated with leading cybersecurity firms to establish a Security Operations Center (SOC), integrating real-time intelligence and monitoring network activity. This ensures vulnerabilities are patched immediately and threats are handled promptly. Additionally, we conduct monthly reports on the findings from the SOC monitoring, continuously refining our management measures to ensure overall operational security.
6. **Continuous Exposure Management:** The company has implemented internal endpoint antivirus protection systems, threat detection and response services (MDR), and host threat vulnerability scanning systems. Regularly perform the following risk management tracking tasks:
 - (1) Through the antivirus system and MDR, real-time abnormal monitoring and detection are achieved.
 - (2) Every week, a vulnerability scan is conducted on all terminal hosts, and an aggregated report is automatically generated for patching and tracking purposes.
 - (3) Every month, perform operating system security patch updates or real-time updates for major zero-day vulnerabilities, and track the completion rate of endpoint updates.
 - (4) In addition to implementing internal environmental safety measures, the Company has also implemented a third-party information security monitoring and assessment system for continuous monitoring. Every week, the system automatically generates the latest information security ratings and industry benchmarks, allowing for immediate remediation of potential risks. As a result, the Company's average score for the entire year is rated higher than the industry average, achieving a level A rating.



7. **Business Continuity Plan (BCP):** Conduct Business Impact Analysis (BIA) for information system operations, implement hierarchical management for information services, develop and implement information backup and disaster recovery simulation exercises to ensure continuous operations; this year, conduct disaster recovery drills for key systems and document the results, achieving a completion rate of 100%.

(IV) Resources for investing in information and communication security management

Information security is an important issue for the Company's operations. The corresponding information security management matters and resource allocation are as follows:

1. **Dedicated personnel:** the Computer Information Department has a dedicated security supervisor and security personnel responsible for the Company's information security planning and various technology implementations. The Chief of the Information Department supervises and oversees the progress and execution of all security-related tasks.
2. **Education and Training:** The investment and completion status of various training programs in the current year are as follows:
 - (1) For new employees, the completion rate of the new employee cybersecurity training upon joining the Company is 100%.
 - (2) Over the year, more than 10 cybersecurity updates or awareness bulletins were released to communicate key information security policies and operational safety guidelines.
 - (3) Conduct a Social Engineering Test for all employees, provide additional cybersecurity training for non-compliant personnel, and have major violators submit a Security Improvement Program for approval by their supervisors. This year, a total of 5 executions were carried out, with a completion rate of 100% for both training and review.
 - (4) This year, we have conducted and completed 1 comprehensive cybersecurity training for all employees, aiming to deepen their awareness of information security. In addition, the cybersecurity personnel have also completed 1 professional training session and produced 3 technical awareness documents for information professionals, further enhancing our cybersecurity capabilities.
3. **Customer satisfaction:** No major cybersecurity incidents, no complaints regarding customer data loss.

(V) Information Security Management System Certification

The Company has implemented an information security management system to enhance overall operational security. We obtained ISO 27001:2022 certification in December 2024, valid from December 15, 2024, to December 15, 2027, with annual supervisory audits. We are continuously strengthening our information security system in terms of policy, technology, and regulatory compliance.

(VI) Information Security Continuity Plan

The Company is committed to continuously enhancing the security of its information operations environment to protect customer rights and interests. We are developing a comprehensive cybersecurity development blueprint that includes short, medium, and long-term plans. Moving forward, we will continue to establish a zero-trust security access framework, implement system cloudification and cloud security measures, strengthen data leakage protection (DLP), and safeguard operational technology (OT) environments. Simultaneously, we will assess external threats and continuously evaluate the introduction of tools or solutions that can effectively improve or strengthen the information security operations environment.

VI. Important Contract

- (I) As of the date of publication of this annual report, the important long-term borrowings and technical cooperation contracts of the Company that are still valid and expired in the most fiscal year are listed as follows:

March 31, 2025				
Nature of the contract	Party involved	Contract Start and End Date	Key Provisions	Restrictions Clause
Software authorization	INSYDE SOFTWARE CORP.	2023.06.01 - 2025.05.31	MASTER LICENSE AND SERVICE AGREEMENT	None
Software authorization	INSYDE SOFTWARE CORP.	2023.07.01 - 2025.06.30	MASTER LICENSE AND SERVICE AGREEMENT	None

VII. Litigation or non-litigation matters

- (I) Major litigation, non-litigation or administrative dispute events that have been adjudicated or are pending during the most recent two fiscal years and up to the date of publication of the annual report: None
- (II) Major litigation, non-litigation or administrative dispute events of the Company's directors, supervisors, President, and shareholders holding more than 10% of shares, and the affiliated companies that have been adjudicated or are pending during the most recent two fiscal years and up to the date of publication of the annual report: None.

Review and Analysis of Financial Position & Performance and Risks

I. Financial Condition

Comparative Financial Analysis Statement

Unit: thousand NTD

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	7,166,672	5,470,258	1,696,414	31%
Non-current assets	5,171,752	3,631,347	1,540,405	42%
Total Assets	12,338,424	9,101,605	3,236,819	36%
Current liabilities	4,224,426	2,909,498	1,314,928	45%
Non-current liabilities	2,276,771	1,209,225	1,067,546	88%
Total Liabilities	6,501,197	4,118,723	2,382,474	58%
Equity	1,144,889	1,144,889	0	0%
Capital surplus	898,131	629,767	268,364	43%
Retained earnings	1,538,288	1,443,171	95,117	7%
Other equity	(69,566)	(55,791)	(13,775)	25%
Treasury stock	-	-	-	-
Non-controlling interests	2,325,485	1,820,846	504,639	28%
Total Shareholders' Equity	5,837,227	4,982,882	854,345	17%

Explanation of Changes in Increase and Decrease Ratios in the Past Two Years:

1. Increase in current assets: Primarily due to the acquisition of subsidiary Tekpak Corporation.
2. Increase in non-current assets: Primarily due to the acquisition of subsidiary Tekpak Corporation and the acquisition of equity in Apex Technology through the equity method.
3. Increase in current liabilities: Primarily due to the acquisition of subsidiary Tekpak Corporation and the addition of short-term borrowings.
4. Increase in non-current liabilities: Primarily due to the acquisition of subsidiary Tekpak Corporation and the issuance of convertible bonds.
5. Increase in Capital Reserve: This is primarily due to the difference between the actual disposal price of subsidiary equity and its carrying amount.
6. Increase in non-controlling interests: Primarily due to the acquisition of subsidiary Tekpak Corporation.

II. Financial Performance

Financial Performance Comparative Analysis

Unit: thousand NTD

Item \ Year	2024	2023	Increase (Decrease) Amount	Percentage Change (%)
Net operating revenue	9,583,892	9,184,172	399,720	4%
Operating costs	6,909,178	6,749,159	160,019	2%
Gross profit	2,674,714	2,435,013	239,701	10%
Operating expenses	2,016,863	1,890,227	126,636	7%
Net operating income	657,851	544,786	113,065	21%
Non-operating income and expenses	(5,847)	(37,502)	31,655	-84%
Profit before tax	652,004	507,284	144,720	29%
Income tax expenses	158,969	140,346	18,623	13%
Net Profit for the Current Operating Unit	493,035	366,938	126,097	34%
Profit and Loss of the Closed Department	-	(16,494)	16,494	-100%
Net profit (loss) for the period	493,035	350,444	142,591	41%

Analysis of the increase and decrease in the ratios:

1. Increase in operating revenue: Primarily due to the recovery of market demand and the acquisition of subsidiary Tekpak Corporation.
2. Increase in net operating income: Primarily due to the acquisition of subsidiary Tekpak Corporation and improved gross profit from the product portfolio.
3. Increase in non-operating income and expenses: Mainly due to foreign exchange gains caused by currency fluctuations this year.
4. Increase in net profit for the period: Mainly due to the growth in net operating income and an increase in foreign exchange gains during the period.

III. Cash Flows

(I) Changes in Cash Flow for 2024

Unit: thousand NTD

Cash Balance at the Beginning of 2024	Cash Inflow (Outflow) Amount in 2024	Cash Surplus (Deficiency) Amount
1,490,285	1,022,565	2,512,850

(II) Changes in Cash Flow for 2024

Unit: thousand NTD

	2024	2023	Change Amount	Percentage of Change
Cash flows from operating activities	937,868	1,573,894	(636,026)	-40%
Cash flows from investing activities	(1,152,459)	354,270	(1,506,729)	-425%
Cash flows from financing activities	1,200,526	(2,151,150)	3,351,676	-156%

1. Operating activities: Primarily due to the increase in notes and accounts receivable compared to the previous year.

2. Investing activities: This is primarily due to the net cash outflow from the investment in subsidiary Tekpak Corporation and the acquisition of equity-method investment in Aplex Technology during the year.
3. Financing activities: This is primarily due to the increase in borrowings compared to the previous year and the issuance of convertible bonds during the year.

(III) Improvement Plan for Insufficient Liquidity: Insufficient Cash Situation.

(IV) Cash Flow Liquidity Analysis for the Next Year: The Company aims to maintain stable cash liquidity, and will carefully plan based on the cash balance, cash flows from operating and investing activities, and the conditions of the financial markets.

IV. The Impact of Recent Annual Capital Expenditure on Financial Operations

- (I) Usage and Source of Funds for Significant Capital Expenditures: None.
- (II) Expected possible earnings: None.

V. Recent annual investment policy, main reasons for profit or loss, improvement plan, and future one-year investment plan.

The Company's reinvestment policy aligns with corporate business development strategies and operational needs. In 2024, the profit from reinvested subsidiaries was NT\$170,050,000. Over the next year, the Company will continue to focus on business developments and long-term strategic investments related to its core operations, carefully assessing reinvestment plans.

VI. Risk Management

(I) Risk Management Policy and Procedures:

On March 2, 2023, the Company revised the Risk Management Policy and Procedure, which has been approved by the Board of Directors as the highest guiding principle of the Company's risk management. In accordance with the Company's risk management policy, a Risk Management Committee was established and risk management procedures were formulated to produce risk radar maps based on risk identification, risk analysis and risk assessment steps to identify relevant risks that may affect the sustainable development of the Company.

(II) Scope of Risk Management:

Risk management focuses on the risk management system and risk transfer planning of corporate governance, including strategic, financial, operational, and hazard risks, which are managed by the Risk Management Committee. The Company has established risk management policies and procedures to effectively manage risks that exceed the Company's risk tolerance, and to optimize the overall cost of risk

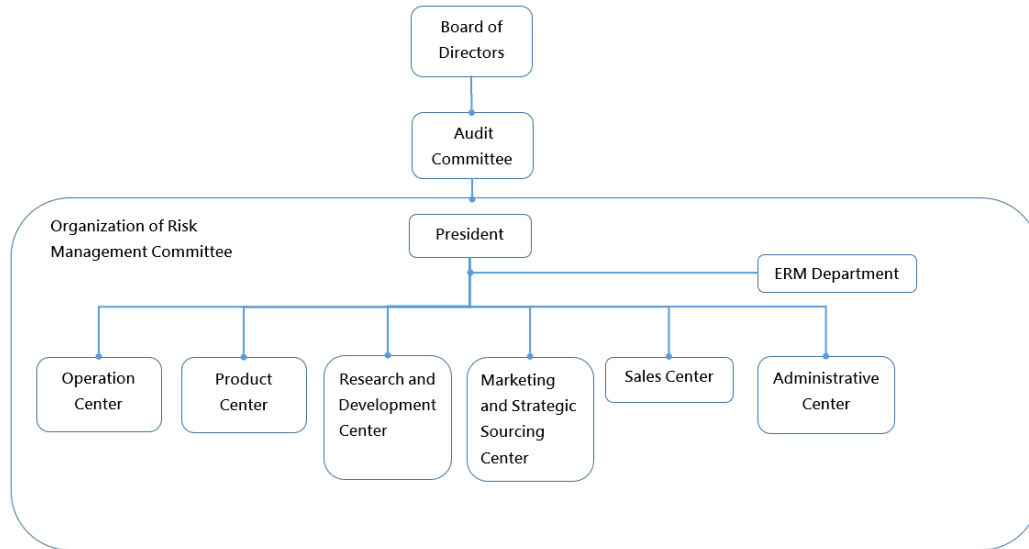
management through the use of risk management tools.

1. Commitment to continue to provide products and services to create long-term value for customers, shareholders, employees and the society.
2. Risk management requires systematic risk management procedures and organizations to identify, evaluate, handle, report and monitor timely and effective significant risks affecting the viability of the Company, and to enhance the risk awareness of all employees.
3. Risk management is not the pursuit of "zero" risk, but the pursuit of maximum benefits to optimize the cost of risk management in the context of acceptable risks.
4. Before the occurrence of accidents, risks should be identified and controlled. Losses should be minimized during accidents, and the provision of products and services should be quickly restored after accidents. And establish business continuity management plans and emergency response manuals for major risk scenarios identified by the Risk Management Committee, and regularly update them.
5. For risks that do not exceed the risk tolerance, the risk management costs should be considered and different management tools should be used to deal with them, except for the following cases.
 - It has negative impacts on the safety of employees.
 - Causes violations of laws and regulations.
 - It has negative impacts on the Company's reputation.

(III) Organization and Structure:

The Company established a management committee in 2020 to integrate various risk units according to the organization. The committee is chaired by the general manager, with the head of the sustainable risk management department serving as the secretary-general. The department heads of the Company's primary units are committee members. The Director of Sustainable Risk Management refers to major internal and external events and external professional reports, and consolidates them according to the four major risk categories: strategy, finance, operations, and hazards. Every year, the risks that may have a negative impact on the Company's operational objectives are identified, evaluated, managed, reported, and monitored. Each center conducts a check on the exposure and risk identification of important risks on an annual basis, and submits an annual risk management report to the Audit Committee and the Board of Directors in the first quarter of each year. The Audit Committee is composed of three independent directors and the report includes the execution status of the Risk Management Committee, risk distribution chart, major unacceptable risks, and significant incidents.

Organization of Risk Management Committee



(IV) Operation:

The Company actively promotes the implementation of the risk management mechanism, holds Risk Management Committee meetings regularly and reports to the Audit Committee and the Board of Directors on its operation once a year. The main operations in 2024 are as follows:

The Sustainable Risk Management Committee of the Company submits the "Risk Management Work Report" at the beginning of each year. On January 24, 2024, the report was presented to the Chief Risk Officer. The report summarized the risk management issues from the previous period, controlling a total of 27 risk items, with operational risks accounting for 59%, financial risks for 11%, and strategic risks for 30%, with no hazardous risk items listed. The report also assessed the various risks faced by the Company in 2023, including the risk environment, key focuses of risk management, risk assessment, and response measures. For 2024, the committee plans to manage 23 risks, with operational risks comprising 62%, financial risks 4%, strategic risks 30%, and hazardous risks 4%. Furthermore, on February 25, 2025, the Audit Committee and the Board of Directors will be presented with a report on the operations of the Company's Risk Management Committee, including the evaluation of risk factors and the risk control measures taken, as well as the operation of risk management.

VII. Risk items should be analyzed and evaluated

(I) Impact of interest and exchange rate changes, and inflation on the Company's profit or loss, and future countermeasures:

1. Impact of interest rate changes in the most recent fiscal year on the Company's profit or loss and future countermeasures

All bank loans of the Company and its subsidiaries are based on floating interest rates. The measures taken by the Company and its subsidiaries in response to interest rate fluctuation risks include regularly assessing the interest rates of bank loans in various currencies and maintaining good relationships with financial institutions to secure lower financing costs. Additionally, by enhancing working capital management and other methods, we reduce our dependence on bank loans and diversify the risks associated with interest rate fluctuations.

2. Impact of exchange rate changes of the most recent fiscal year on the Company's profit or loss and future countermeasures

As the Company's export transactions are mainly presented in USD, any changes to the exchange rate will have certain impact on the Company's profits. The following countermeasures are taken for any possible exchange risks from USD amounts:

(1) The financial department will keep contact with the financial institutions and collect real-time exchange rate information based on the international political and economic situation and development, in order to fully master the exchange rate trend.

(2) The company's hedging strategy involves signing forward foreign exchange contracts and currency swap contracts to manage the exchange rate risk of net foreign currency positions generated from sales and procurement transactions. To cope with future foreign currency payment needs, it is necessary to maintain an appropriate foreign exchange position to anticipate the future trend of exchange rates. Additionally, timely settlement of net foreign currency positions should be conducted to minimize the impact of exchange rate fluctuations on the Company.

(3) The Company has formulated express foreign exchange operation strategies, and strictly controls the process. The Company has signed the forward foreign exchange contracts with the financial institutions to avoid the risks, but not make profits through active operation.

3. Impact of inflation on the Company's profit or loss and future countermeasures:

In response to the price rising in the recent years, the Company and the subsidiaries will still pay close attention to the situation of inflation, adjust the product selling price and the inventory as appropriate to reduce impact of inflation on the Company and the subsidiary, and sign purchase contracts with the major raw material manufacturers.

(II) Policies regarding high-risk and high-leverage investments, loans to others, endorsement and guarantee, and derivative commodity trade, reasons for profit or loss, and future countermeasures.

The Company and its subsidiaries have always adhered to a policy of not engaging in high-risk and highly leveraged investments. Derivative trading is a strategy to mitigate risks and does not involve speculative trading.

The trading of derivative products by the Company and its subsidiaries in 2024 did not incur any operational risks, as it was conducted with a hedging principle in mind. In the future, the Company will continue to engage in derivative commodity trading to mitigate the risks caused by exchange rate and interest rate fluctuations. We will also regularly assess our foreign exchange positions and risks to reduce operational risks.

The Company and its subsidiaries engage in forward foreign exchange contracts and currency swap transactions primarily to hedge against the risk of exchange rate fluctuations affecting assets or liabilities denominated in foreign currencies. Highly negatively correlated derivative financial instruments are used as hedging tools to match the fair value fluctuations of the hedged items, and regular assessments are made. Due to not meeting the conditions for hedge accounting treatment, it is classified as financial assets or liabilities measured at fair value through profit or loss.

The Company and its subsidiaries engage in lending funds to others, endorsing guarantees, and trading derivative products. In addition to complying with relevant operational procedures, they also regularly make public announcements and declarations in accordance with the regulations of the regulatory authorities. As of the date of printing of the annual report, the recipients of loans and endorsements guaranteed by the Company and its subsidiaries are limited to the subsidiaries of the Company only.

(III) Future R&D plan and estimated investments in R&D expenses

I. Future Development Plan:

- Industrial computer motherboards
- Embedded computer modules
- Industrial systems
- Reinforced system
- Application field system
- Industrial tablet PC
- Rugged Tablet Computer
- Intelligent in-vehicle systems and tablets
- Intelligent medical systems and tablets
- AI Edge System

2. Estimated R&D expenditure: approximately 9% of sales revenue, with future adjustments planned based on global industry trends and the actual operational status of the Company.

3. Estimated time of achieving the mass production: It is expected that mass production will be achieved in 2025.

4. Main influence factors for success of the future research and development:

With years of experience, the Company has fully grasped the technology trend and have strong ability of integration and the ability to cope with the future technology changes. In addition to continuous and active recruitment of professionals and cultivation of senior technical talents, the Company also cooperates with the institutions that have know-how through projects. It is the main factor for the Company's success in the future research and development.

Anticipating strong demand for Edge AI, DFI has developed a range of AI inference components, including Nvidia Jetson, MXM graphics cards, and M.2 Hailo and DeepX AI components. Customers can select and combine these components based on their technical requirements and budget.

(IV) Impact of changes to domestic and foreign important policies and laws, and countermeasures.

The Company's relevant units always pay close attention to and grasp the policies and decrees that might affect the Company's operation, and cooperates to adjust the Company's internal systems to guarantee smooth operation. There have been no significant impact of the changes to the domestic and foreign important policies on the Company's financial affairs in the recent years.

(V) Impact of changes to technology (including information security risks) and industry on the Company's financial affairs and countermeasures

The information industry has always been dynamic and fast-paced. Over the years, the Company has continuously adapted to industry changes, making adjustments to our products and strategies to find opportunities for growth and profitability. As a result, we have been profitable every year. The management team has been able to adapt well to the changes in technology and industry, with no significant impact on the Company's financial operations.

(VI) Impact of change to enterprise image on the enterprise crisis management, and countermeasures.

The Company is committed to sustainable operation under principles of prudence and stability, valuing corporate image, and continuously improving quality management capabilities. To enhance corporate governance and strengthen the functions of the Board of Directors, the Company established a Compensation Committee in November 2011 to assist the board in executing compensation management functions. Furthermore, on December 28, 2017, in accordance with Article 14-2 of the Securities Exchange Act, three independent directors were appointed. Therefore, in recent years and up to the publication date of the annual report, there have been no significant changes to our corporate image, nor have there been any market reports adversely affecting our corporate reputation. There is no danger of such a crisis occurring.

(VII) Expected benefits and potential risks of mergers and acquisitions and corresponding measures.

There are no ongoing mergers and acquisitions, so there are no benefits or risks.

(VIII) Expected benefits, possible risks and countermeasures of expansion of factories.

The main focus of the Company and its subsidiaries at the current stage with regard to the plant and equipment is to make full use of the existing production capacity and give full play to the maximum economic scale, so there is no high demand for expansion of the plant in the short term.

(IX) Risks arising from centralized purchases or sales, and countermeasures.

The Company's major suppliers and customers are distributed both domestically and internationally, and we have established long-term stable partnerships. Therefore, we do not have any issues or risks related to overly concentrated sales and purchases. The Company tracks customer payment status in a timely manner and manages it through insurance companies to protect the Company's interests.

(X) The impact, risks, and countermeasures of a large transfer or change in shares held by directors, supervisors, or shareholders owning more than 10% of the Company's shares.

There has been no significant transfer or change of shares by a director.

(XI) Impacts, risks, and countermeasures of changes in the management power on the Company.

It is inapplicable as there is no substantial changes to the Company's Board of Directors and management team.

(XII) For lawsuits or non-litigation events, if the Company, directors, supervisors, general manager, actual responsible persons, shareholders holding more than ten percent of the shares, and subsidiary companies have significant litigation, non-litigation, or administrative litigation events that are either concluded or ongoing, and the results of which may have a significant impact on shareholders' equity or the price of securities, the following should be disclosed: the disputed facts, the amount involved, the start date of the litigation, the main parties involved, and the status of the case up to the date of the publication of the annual report.

Up to the date of publication of the annual report, there are no other significant litigation, non-litigation or administrative dispute events that have been adjudicated or are pending and of which the results might have significant influence on the shareholders' equity or securities price.

(XIII) Other important risks and countermeasures: None.

VIII. Other Important Matters: None

Special Notes

I. Related Information on Affiliated Companies

- (I) Consolidated Business Report of Affiliated Companies: See Market Observation Post System (MOPS).

[http://mops.twse.com.tw/Basic Information/e-books/Three Major Statements of Affiliated Enterprises](http://mops.twse.com.tw/Basic%20Information/e-books/Three%20Major%20Statements%20of%20Affiliated%20Enterprises)

- (II) Consolidated Financial Statements of Affiliated Companies: See Market Observation Post System (MOPS).

[http://mops.twse.com.tw/ Basic Information/e-books/Three Major Statements of Affiliated Enterprises](http://mops.twse.com.tw/Basic%20Information/e-books/Three%20Major%20Statements%20of%20Affiliated%20Enterprises)

- (III) Report on Related Parties: See Market Observation Post System (MOPS).

[http://mops.twse.com.tw/ Basic Information/e-books/Three Major Statements of Affiliated Enterprises](http://mops.twse.com.tw/Basic%20Information/e-books/Three%20Major%20Statements%20of%20Affiliated%20Enterprises)

- II. Status of Private Placement of Securities in the Most Recent Year and up to the Date of the Annual Report: None.

- III. Other Necessary Supplementary Explanations: None.

- IV. In the most recent fiscal year and up to the date of publication of the annual report, there were no matters as specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that had a material impact on shareholders' equity or the price of securities.

DFI INC.

Chairman : Chen Chi-Hong