

OTC 3374

Xintec Inc.

2024 Annual Report

Taiwan Stock Exchange Market Observation Post System :

<http://mops.twse.com.tw>

Company website : <http://www.xintec.com.tw>

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(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

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V. Overseas trade places for listed negotiable securities : None**VI. Company Website : [http : //www.xintec.com.tw](http://www.xintec.com.tw)**

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I. A letter to Shareholders

Dear Shareholders,

In 2024, businesses faced mounting global inflationary pressures, making it increasingly difficult to control rising operating costs. Despite operating under a challenging macroeconomic environment, our company continued to advance cautiously and in line with its strategic plan. Looking back to 2024, the Company achieved double-digit revenue growth in major segments such as image sensor packaging and 12-inch wafer testing. Revenue from 3D sensing component processing also outperformed the previous year. Overall, profitability exceeded our previous expectations.

Operating Performance

The Company's operating revenue was NT\$7.06 billion in 2024, 10.5% increase from the previous year's. The net income after tax of 2024 was NT\$1.67 billion, 21.4% increase from the previous year. Basic Earnings per share was NT\$6.15 in 2024. The major figures are as follows,

(In Millions of New Taiwan Dollars, except basic EPS)

Items	Year 2024	Year 2023	Increase (decrease) %
Operating Revenue	7,060	6,387	10.5%
Gross Margin	2,493	2,179	14.4%
Net income after Tax	1,670	1,376	21.4%
Return on Total Assets (%)	14.66%	14.16%	0.5%
Return on Total Equity (%)	19.59%	17.93%	1.7%
Income from Operations to Paid-in Capital (%)	72.81%	62.83%	10.0%
Pre-tax Income to Paid-in Capital (%)	75.93%	64.51%	11.4%
Net Margin (%)	23.65%	21.54%	2.1%
Basic Earnings Per Share(NT\$)	6.15	5.07	21.3%

Technology and Innovation

In 2024, the Company continued to introduce new equipment and develop advanced manufacturing processes. The technologies required for 12-inch packaging and processing have been progressively established. In addition to extending existing 8-inch capabilities to 12-inch applications, the Company also developed various 12-inch wafer-level packaging (WLP) technologies tailored to

market trends and specific customer demands.

Several project-based developments and technical services are already being provided for 12-inch customers. These include customized WLP solutions for AR/VR applications, customized processing services for automotive image sensors, and ultra-thin WLP for wearable device sensors. These new technologies are expected to gradually enter mass production starting in 2025. The Company's 12-inch solutions offer added value through high yield and miniaturized packaging, supporting customers in strengthening their market competitiveness.

The next generation of semiconductor packaging will emphasize heterogeneous integration and miniaturized system-level solutions. To support the development of such advanced technologies, Xintec has continued to invest in key equipment, including wafer-level molding systems, Through-Molding Via (TMV) technologies, and chip-to-wafer (C2W) bonding tools. These investments aim to accelerate the advancement of System-in-Wafer-Level Chip Scale Packaging (System-in-WLCSP) solutions.

Corporate Governance and Social Responsibility

Sustainable operations and the fulfillment of corporate social responsibility (CSR) have long represented the Company's commitments to both its shareholders and society. In 2024, the Company successfully met its annual environmental management targets under the "1-2-3 Project," which aimed to reduce energy consumption by 1%, decrease waste generation by 2%, and reduce water usage by 3%. As part of its renewable energy initiative, the Company plans to procure an additional 1 million kilowatt-hours (kWh) of green energy this year, bringing the total to approximately 3 million kWh annually. These efforts reflect the Company's continued investment in energy conservation and waste reduction as it advances toward long-term environmental sustainability.

The Company has completed audits and obtained certifications from the Responsible Business Alliance (RBA) as well as from relevant occupational health and safety authorities. It remains committed to cultivating a workplace that upholds human rights and promotes diversity, equity, inclusion, safety, and environmental protection. Employees actively participate in community engagement efforts, such as organizing on-site charity sales and collecting donations of goods and funds to support disadvantaged groups. In 2024, these initiatives contributed more than NT\$1.2 million in charitable value, exemplifying the Company's deeply rooted culture of public welfare participation.

To date, the Company has been recognized seven times with a top 5% ranking in the Taipei Exchange's Corporate Governance Evaluation. With the continued

dedication of all employees, the trust of stakeholders, and the ongoing support of customers, the Company remains steadfast in fulfilling its corporate social responsibilities and maintaining high standards of governance.

Outlook and Prospects

Looking ahead to 2025, the overall semiconductor industry, apart from AI-related sectors, remains largely conservative in outlook. In response, the Company will continue to develop advanced packaging technologies and provide niche, differentiated wafer-level CSP services. This includes increasing production capacity for automotive image sensors (CIS) and offering customized processing and packaging solutions tailored to customers' new product designs. Emerging applications include optical sensors for medical, AR/VR, and related fields. Meanwhile, the Company is accelerating medium to long-term R&D and capital investments particularly in sensor related wafer-level SiP (System-in-Package) packaging with the goal of completing technical capability validation as soon as possible to seize future growth opportunities.

As for 12-inch wafer-level testing services provided to the strategic customer, equipment installation at the new Zhongyuan Road facility began in Q1 as scheduled and is expected to contribute to revenue on a quarterly basis. Furthermore, the scope of services will be extended to include final testing of finished products.

Finally, the Company appreciates all shareholders for your long-term support and trust.

Chairman and President, CH Chen

II. Corporate Governance Report

A. Information on the company's directors, supervisors, general manager, assistant general manager, deputy assistant general manager, and the chiefs of all the company's divisions and branches

1. Directors:

(1) Directors information:

March 31, 2025

Title	Name	Nationality or Place of Registration	Gender Age	First Elected Date	Elected Date	Term (year)	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions	Managers Are Spouse or Within Second-degree Relative of Consanguinity to Each Other		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	CH Chen (Note 1)	R.O.C.	Male 61-70	6/30/2017	5/26/2022	3	0	0	200,000	0.07	0	0	0	0	Senior Director of Advanced Packaging and Testing Fab 3, TSMC President of TSMC Solid state lighting President of TSMC Solar President of TSMC China Fab 3 Director, TSMC Vice president, Systems on Silicon Manufacturing Co. Pte. Ltd. Director of Product Engineering Fab 7 Director, TSMC M.S. degree, Institute of Electro-Optical Engineering, NCTU Bachelor of Electronic Physics, NCTU	President and Chairman of ESG Guiding Committee, Xintec, Inc.	None	None	None
	Representative of TSMC	R.O.C.		3/5/2007	5/26/2022	3	111,281,925	41.01	111,281,925	41.01	0	0	0	0	-	-	-	-	-
Director	C.S. Yoo (Note2)	R.O.C.	Male 61-70	11/8/2024	11/8/2024	1	0	0	0	0	0	0	0	0	Vice President, Europe and Asia Sales, TSMC Senior Director, Office of Strategy Customer Program, TSMC Senior Director, E-Beam Operation Division, TSMC Deputy Program Director, SRAM/DRAM/Embedded DRAM Program, TSMC Ph.D., Chemical Engineering, Worcester Polytechnic Institute, USA	Vice President, Research & Development / More-than-Moore Technologies, TSMC	None	None	None
	Representative of TSMC	R.O.C.		3/5/2007	5/26/2022	3	111,281,925	41.01	111,281,925	41.01	0	0	0	0	-	-	-	-	-

Title	Name	Nationality or Place of Registration	Gender Age	First Elected Date	Elected Date	Term (year)	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions	Managers Are Spouse or Within Second-degree Relative of Consanguinity to Each Other		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	Wen-Yeu Wang	R.O.C.	Male 61-70	6/13/2013	5/26/2022	3	0	0	0	0	0	0	0	0	Independent Director, Global Unichip Corp. Independent Director, KGI Securities Co. Ltd. Independent Director, President Chain Store Corporation Professor of College of Law at National Taiwan University Executive Yuan Fair Trade Commission member Ph. D., Stanford Law School	Chairman of Compensation Committee, Xintec Inc. Independent Director, Nidec Chaun-Choung Technology Corporation Adjunct Professor of College of Law at National Taiwan University Director, IACL Taiwan Branch Chair Professor and Dean, College of Law, Kainan University	None	None	None
Independent Director	Robert Hsieh	R.O.C.	Male 71-80	6/13/2013	5/26/2022	3	0	0	0	0	0	0	0	0	Independent Director, Anpec Electronics Corporation Independent Director, Pou Sheng International (Holdings) Limited Finance Vice President, Vanguard International Semiconductor Co. Vice President, Country Banking Head, Bank of America, NT&SA, Taipei Branch MBA, National Taiwan University B. S. degree in Department of Nuclear Engineering, National Tsing Hua University	Chairman of the Audit Committee, members of Compensation Committee and ESG Guiding Committee, Xintec	None	None	None
Independent Director	Stella Wen	R.O.C.	Female 61-70	6/14/2016	5/26/2022	3	0	0	0	0	0	0	0	0	Independent Director, ChipMOS Technologies Inc. Deputy R&D Director, Research and Development Office, National Chiao-Tung University; Vice Professor, Department of Electrical Engineering, National Chiao-Tung University B.S., M.S. and Ph.D. degrees in Department of Electrical Engineering, National Cheng-Kung University	A member of Compensation Committee, Xintec Professor, Institute of Electronics, National Yang Ming Chiao Tung University CEO, Social Responsibility Promotion Office, National Yang Ming Chiao Tung University	None	None	None
Independent Director	Mike Liang	R.O.C.	Male 61-70	5/29/2023	5/29/2023	2	0	0	0	0	0	0	0	0	Independent Director, Phoenix Silicon International Corporation Director, Miracle Technology Co., Ltd. Independent Director, ACTi Corporation Vice President, Micron Technology M.S degree in Department of International Business, National Taiwan University B.S. degree in Department of Physics, National Cheng-Kung University	A member of ESG Guiding Committee, Xintec Inc. Director, Aptos Technology Inc. Chairman of the Board, Phoenix Silicon International Corporation	None	None	None

Note1 : The chairman of the company, Mr. CH Chen, is the legal representative of TSMC, and Mr. CH Chen is appointed by the board of directors as the general manager. Only one of the five directors has the status of concurrent manager, and three of them are independent directors, which meets the requirement that more than half of the directors do not have employees or managers. According to Article 4 of the " Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEX Listed Companies " issued on January 2, 2020, the Chairman of the OTC Company is the same as the General Manager or equivalent For people, the number of independent directors should be no less than 4 before December 31, 2023. The company elected one additional independent director on May 29, 2023.

Note2 : C.S.Yoo was designated to Representative of TSMC on Nov 8, 2024 and Y.J. Wan resigned on Nov 7, 2024.

(2) Major Shareholders of the Institutional Shareholders:

As of 12/18/2024 (last record date)

Institutional Shareholder	Major Shareholders of the Institutional Shareholders	Percentage
Taiwan Semiconductor Manufacturing Company, Ltd.	ADR-Taiwan Semiconductor Manufacturing Company, Ltd.	20.49%
	National Development Fund, Executive Yuan (Representative: Chin-Ching Liu)	6.38%
	Citibank (Taiwan) Ltd. in custody for Government of Singapore	2.63%
	Citibank (Taiwan) Ltd. in custody for Norges Bank	1.78%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.30%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	1.20%
	New Labor Pension Fund	1.17%
	Yuanta/P-shares Taiwan Top 50 ETF	0.90%
	iShares Core MSCI Emerging Markets ETF	0.84%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for EuroPacific Growth Fund	0.73%

(3) Institutional Shareholder Representatives for Major Shareholders of the Institutional Shareholders: None.

(4) Disclosure of Professional qualifications of Directors and Supervisors and Independence of Independent Directors:

Qualification Name	professional qualifications and experience	Independence Attribute	Current Positions at Other Companies
CH Chen	More than five years of work experience required for commercial and corporate business and No violations of Article 30 of the Company Act. For their experience, please refer to the information of directors and supervisors.	Not a spouse of or a second degree relative of any other Director of the Company.	None
C.S.Yoo	More than five years of work experience required for commercial and corporate business and No violations of Article 30 of the Company Act. For their experience, please refer to the information of directors and supervisors.	Not a spouse of or a second degree relative of any other Director of the Company.	None
Wen-Yeu Wang	More than five years of work experience as a lecturer in public and private colleges and universities with relevant disciplines required for legal affairs and corporate business and No violations of Article 30 of the Company Act. For their experience, please refer to the information of directors and supervisors.	Not a board member or employee of the company or any of its affiliates, nor is spouse or any first- or second-degree relative; holds no shares in the company; has provided no commercial, legal, or financial services to the company. Meets criteria for independence.	1
Robert Hsieh	More than five years of working experience in finance, accounting and corporate business and No violations of Article 30 of the Company Act. For their experience, please refer to the information of directors and supervisors.	Not a board member or employee of the company or any of its affiliates, nor is spouse or any first- or second-degree relative; holds no shares in the company; has provided no commercial, legal, or financial services to the company. Meets criteria for independence.	0
Stella Wen	More than five years of work experience as a lecturer in public and private colleges and universities with relevant departments required by the company's business and No violations of Article 30 of the Company Act. For their experience, please refer to the information of directors and supervisors.	Not a board member or employee of the company or any of its affiliates, nor is spouse or any first- or second-degree relative; holds no shares in the company; has provided no commercial, legal, or financial services to the company. Meets criteria for independence.	0
Mike Liang	More than five years of work experience required for commercial and corporate business and No violations of Article 30 of the Company Act. For their experience, please refer to the information of directors and supervisors.	Not a board member or employee of the company or any of its affiliates, nor is spouse or any first- or second-degree relative; holds no shares in the company; has provided no commercial, legal, or financial services to the company. Meets criteria for independence.	0

(5) Board Diversity and Independence:

a. Board Diversity:

The selection of directors of the company should consider the overall configuration of the board of directors. Board members should generally possess the knowledge, skills, and literacy needed to perform their duties, such as operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market outlook, leadership, and decision-making capabilities.

The qualifications and selection of independent directors of the company shall comply with the provisions of the "Measures for the Establishment of Independent Directors of Public Offering Companies and the Matters to Be Followed" and shall be handled in accordance with the provisions of Article 24 of the "Code of Practice for the Administration of Listed OTC Companies". The selection of directors of the company shall be conducted in accordance with the procedures for the nomination of candidates as stipulated in Article 192 of the Company Law.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an

appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- (a) Basic conditions and values: gender, age, nationality and culture.
- (b) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience, etc.

Board of directors diversification goal is to have more than half of the independent directors and at least one female director.

b. Board Diversity Management Goals and Current Achievement:

The members of the board of directors have already met the requirements for diversity. The company will consider the long-term development goals and the complementarity of directors' professions in the future continuously, or strengthen the training courses to meet the goal of diversification of board members. Although the number of directors of a different gender has not yet reached one-third (inclusive) of the total board seats. The composition of the board of directors primarily considers the professional background, experience, and involvement and contribution of the candidates to the Company's future development. There are no specific gender ratio restrictions, but in the future, the Company will still promote gender equality among board members, setting a long-term goal of having one-third of the directors of different genders.

c. Implementation of Diversity of Board of Directors:

The board of directors is composed of six directors, four independent directors included. The board of directors is independent each other because the six directors do not have a relationship within the spouse or Second-class relatives. Mr. CH Chen, the chairman of the board of directors and the president of the company, also complies with the rule that the number of directors who concurrently serve as the manager of the company should not exceed one-third of the board members. One of the five directors is female director. Additionally, the board members possess cross-industry and cross-field capabilities, demonstrating Board diversity and complementary support among board members. Directors also have their own skills and experiences in various professions, such as law, financial accounting, industrial knowledge, operation management, professional skills and industrial experience.

Name	Gender	Nationality	Age	Term	business management	Leadership decision	industry knowledge	Financial Accounting	Legal
CH Chen	Male	R.O.C.	61~70	6~9 years	✓	✓	✓		
C.S.Yoo	Male	R.O.C.	61~70	Under 1 year	✓	✓	✓		
Wen-Yeu Wang	Male	R.O.C.	61~70	Over 9 years	✓	✓			✓
Robert Hsieh	Male	R.O.C.	71~80	Over 9 years	✓	✓		✓	

Name	Gender	Nationality	Age	Term	business management	Leadership decision	industry knowledge	Financial Accounting	Legal
Stella Wen	Female	R.O.C.	61~70	6~9 years	✓	✓	✓		
Mike Liang	Male	R.O.C.	61~70	Over 1 year	✓	✓	✓		

b. Board independence:

The current board of directors of the company consists of 6 directors, including 4 independent directors (66.7%), and there are no conditions stipulated in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. There are no spouses or relatives within the second degree between the directors, supervisors or between the directors and supervisors.

2. Executive Officers:

March 31, 2025

Title	Name	Nationality	Inauguration date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions	Managers Are Spouse or Within Second-degree Relative of Kinship		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
President	CH Chen (Note 1)	R.O.C.	7/1/2017	200,000	0.07	0	0	0	0	Senior Director of Advanced Packaging and Testing Fab 3, TSMC President of TSMC Solid state lighting President of TSMC Solar President of TSMC China Fab 3 Director, TSMC Vice president, Systems on Silicon Manufacturing Co. Pte. Ltd. Director of Product Engineering Fab 7 Director, TSMC Master, Institute of Electro-Optical Engineering, NCTU Bachelor of Electronic Physics, NCTU	None	None	None	None
Finance Vice President	Simon Lin	R.O.C.	5/17/2002	52,629	0.02	0	0	0	0	Manager, Accounting, GVC Principal, Accounting, LITEON Bachelor, Accounting, Soochow University	None	None	None	None
Supporting Sr. Director	CM Fan	R.O.C.	8/2/2019	16,787	0.01	0	0	0	0	Sr. Director, Zhongli factory / Senior Director of Supporting Deputy Manager, TSMC Bachelor, Electrical Engineering, NTUST	None	None	None	None
RD Sr. Director	TY Liu	R.O.C.	8/2/2019	20,025	0.01	0	0	0	0	Senior Director of R&D Deputy Manager, TSMC Master, Chemistry, NTU	None	None	None	None
Operation Sr. Director	HK Lan	R.O.C.	4/19/2024							Sr. Director, Line A/B factory Manager, TSMC Master, Electronic Physics, NCTU	None	None	None	None
Sales Sr. Director	JW Ma	R.O.C.	11/4/2022	0	0	0	0	0	0	Senior Director of QR Senior Director of Sales Deputy Manager, TSMC Master, Industrial Engineering, University of Missouri	None	None	None	None
Head of Department of Legal Affairs and Company Supervisor	CT Chou	R.O.C.	8/4/2020	5	0.00	0	0	0	0	Top Team International Patent & Trademark Office/copartner JC IP GROUP/patent manager Bachelor, Law, Soochow University	None	None	None	None
Internal Audit Director	LK Huang	R.O.C.	3/6/2014	675	0.00	0	0	0	0	Director, PMM & IT, Xintec Director, Supply Chain, Hannspree Manager, Manufacturing Technology, TSMC Ph.D., Industrial Engineer and Engineering, National Tsing Hua University	None	None	None	None

Note1 : The chairman of the company, Mr. CH Chen, is the legal representative of TSMC, and Mr. CH Chen is appointed by the board of directors as the general manager. Only one of the five directors has the status of concurrent manager, and three of them are independent directors, which meets the requirement that more than half of the directors do not have employees or managers. According to Article 4 of the " Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEX Listed Companies " issued on January 2, 2020, the Chairman of the OTC Company is the same as the General Manager or equivalent For people, the number of independent directors should be no less than 4 before December 31, 2023. The company elected one additional independent director on May 29, 2023.

B. Remuneration to Directors, Supervisors and Management Team

1. Remuneration to Directors:

December 31, 2024, Unit: NT\$Thousand; Thousand shares

Title	Name	Remuneration to Directors								A+B+C+D amount and as % of Net Income		Compensation Earned by a Director Who is an employee of Xintec								A+B+C+D+E+F+G amount and as % of Net Income		Other Remuneration
		Remuneration (A)		Retirement pay(B)		Compensation to Directors(C) (Note2)		Transportation (D)				Salary and Bonus (E)		Retirement Pay (F)		Employee Compensation (G)						
		Xintec	Xintec & Affiliates	Xintec	Xintec & Affiliates	Xintec	Xintec & Affiliates	Xintec	Xintec & Affiliates	Xintec	Xintec & Affiliates	Xintec	Xintec & Affiliates	Xintec		Xintec & Affiliates		Xintec	Xintec & Affiliates			
Chairman	CH Chen Representative of TSMC	0	0	0	0	1,008	1,008	120	120	1,128 / 0.07%	1,128 / 0.07%	5,348	5,348	0	0	5,540	0	5,540	0	12,016 / 0.72%	12,016 / 0.72%	None
Director	YJ Wang Representative of TSMC	0	0	0	0	859	859	110	110	969 / 0.06%	969 / 0.06%	0	0	0	0	0	0	0	0	969 / 0.06%	969 / 0.06%	None
Director	CS Yoo Representative of TSMC	0	0	0	0	149	149	20	20	169 / 0.01%	169 / 0.01%	0	0	0	0	0	0	0	0	169 / 0.01%	169 / 0.01%	None
Independent Director	Wen-Yeu Wang	1,008	1,008	0	0	0	0	120	120	1,128 / 0.07%	1,128 / 0.07%	0	0	0	0	0	0	0	0	1,128 / 0.07%	1,128 / 0.07%	None
Independent Director	Robert Hsieh	1,008	1,008	0	0	0	0	120	120	1,128 / 0.07%	1,128 / 0.07%	0	0	0	0	0	0	0	0	1,128 / 0.07%	1,128 / 0.07%	None
Independent Director	Stella Wen	1,008	1,008	0	0	0	0	120	120	1,128 / 0.07%	1,128 / 0.07%	0	0	0	0	0	0	0	0	1,128 / 0.07%	1,128 / 0.07%	None
Independent Director	Mike Liang	1,008	1,008	0	0	0	0	120	120	1,128 / 0.07%	1,128 / 0.07%	0	0	0	0	0	0	0	0	1,128 / 0.07%	1,128 / 0.07%	None

Note 1: C.S.Yoo was designated to Representative of TSMC on Nov 8, 2024 and Y.J. Wan resigned on Nov 7, 2024.

Note 2: Since CH Chen, YJ Wang, CS Yoo are representatives of TSMC, the directors' Compensation they are entitled to was received by the juristic-person shareholders they represent.

Note 3: The remuneration of independent directors of the company is handled in accordance with the company's articles of association and the company's "Directors' Compensation, Remuneration and Carriage Payment Methods". It was set up depend on the directors' degree of involvement to the company's operation, contribution value, industry standard. The company pays the monthly remuneration and carriage fee for each independent director.

Note 4: In addition to those disclosed in the above table, the remuneration received by the directors of the company in the most recent year for providing services (such as serving as a consultant for non-employees of the parent company / all companies listed in the financial report / transfer investment enterprises, etc.): None.

2. Remuneration to Supervisors: None

3. Remuneration to President and Vice Presidents:

December 31, 2024, Unit: NT\$thousand

Title	Name	Salary (A)		Retirement pay (B) (Note 1)		Bonus (C)		Employee Compensation (D)				A+B+C+D as % of Net Income		Other Remuneration
		Xintec	Xintec & Affiliates	Xintec	Xintec & Affiliates	Xintec	Xintec & Affiliates	Xintec		Xintec & Affiliates		Xintec	Xintec & Affiliates	
								Cash	Stock	Cash	Stock			
President	CH Chen	25,438	25,438	652	652	1,808	1,808	17,343	0	17,343	0	45,241 / 2.7%	45,241 / 2.7%	None
Vice President	MY Chu (Note2)													
Vice President	Simon Lin													
Sr. Director	CM Fan													
Sr. Director	TY Liu													
Sr. Director	HK Lan													
Sr. Director	JW Ma													
Head of Department of Legal Affairs and Company Supervisor	CT Chou													

Note1: The amount was the Company makes contributions to employees' pension account.

Note2: MY Chu, Vice President, resigned on April 30, 2024.

Note3: HK Lan Sr. Director, was promoted to manager on April 19, 2024 (remuneration is calculated from that date)

Range of Remunerations

Range of Remunerations to President and Vice Presidents (NT\$)	Name of President and Vice Presidents	
	Xintec	Xintec
Less than 1,000,000	-	-
1,000,000 (included) ~ 2,000,000 (excluded)	MY Chu	MY Chu
2,000,000 (included) ~ 3,500,000 (excluded)	-	-
3,500,000 (included) ~ 5,000,000 (excluded)	CT Chou	CT Chou
5,000,000 (included) ~ 10,000,000 (excluded))	Simon Lin, CM Fan, TY Liu, HK Lan, JW Ma	Simon Lin, CM Fan, TY Liu, HK Lan, JW Ma
10,000,000 (included) ~ 15,000,000 (excluded))	CH Chen	CH Chen
15,000,000 (included) ~ 30,000,000 (excluded)	-	-
30,000,000 (included) ~ 50,000,000 (excluded))	-	-
50,000,000 (included) ~ 100,000,000(excluded))	-	-
Over than 100,000,000	-	-
Total	8	8

4. Employee compensation granted to the management team

Unit: NT\$Thousand

	Title	Name	Stock	Cash	Total	Remunerations as of Net Income
Management team	President	CH Chen	0	17,343	17,343	1.0%
	Vice President	Simon Lin				
	Sr. Director	CM Fan				
	Sr. Director	TY Liu				
	Sr. Director	HK Lan				
	Sr. Director	JW Ma				
	Head of Department of Legal Affairs and Company Supervisor	CT Chou				

5. Analysis of the proportion of the total remuneration of directors, supervisors, general managers and deputy general managers of the Company paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statements of the recent two years.

(1) Analysis of remuneration to net Income Ratio in the last two years for Company Directors, supervisors and Executive Officers:

The remuneration paid to directors were NT\$6,226 thousand and NT\$6,778 thousand in 2023 and 2024, the proportion of remuneration to net income were 0.5% and 0.4%. The remuneration paid to general managers and deputy general manager were NT\$39,737 thousand and NT\$45,241 thousand in 2023 and 2024, the proportion of remuneration to net income were 2.9% and 2.7%.

(2) Company Remuneration Policy, Pattern, Procedure and Ties to the Operational Result:

a. If company makes a profit, remuneration of board would be contributed less than 2% from the profit according to the regulation, and the boards which fill the position of manager in the company are not included. The remuneration of board would be released according to “Regulation of Paying the Board’s Remuneration, Salary, and Transportation Allowance”. Besides, Board’s remuneration policy would be stipulated based on its contribution and value towards management of the company and standard of the industry domestically and internationally. According to “Board of Directors’ Performance Evaluation Method”, the scope of the board members assessment contains: results of the 6 index which are alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director’s professionalism and continuing education, and internal control would be taken into consideration, referring to standards domestically and internationally, and deliberated by Remuneration Committee discussing and passing through the board of director.

b. According to the regulation, if the Company has annual profits, the Company shall allocate a profit sharing bonus for employees at rates of not less than 1% of annual profits. The remuneration of the manager would be stipulated based on individual’s contribution and value towards management of the company, personal performance, condition of goal achievement, position, and job grade. Items for evaluation are below: ratio of goal achievement, profit rate, operational efficiency, and contribution. After go through consideration, consult with principle from other company in the same industry, and pass Remuneration Committee and the board of director then would it be conducted.

To sum up, remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure are relative with each other.

(3) Regularly review policies, systems, standards, and structure of performance evaluation, salary and remuneration for directors and managers.

Company would periodically reviews performance assessment of the boards and manager. Remuneration Committee reports and discusses performance assessment method of the board in the fourth quarter of each year. At the end of the year, the Committee would conduct the assessment. Explain the result at the first quarter meeting next year and report to the board of directors.

Performance assessment of manager would become the goal and assessment form for the next year by general manager at the fourth quarter meeting. After having the agreement from Remuneration Committee and the board of directors, the verification would be held at the end of next year. The result would be reported and inspected at the first quarter of each year.

Remuneration Committee would deliberate regularly performance assessment and remuneration of the board and manager annually. Please refer to the information of Remuneration Committee meeting.

C. Implementation of Corporate Governance

1. Information on implementation of Board of Directors:

A total of five (A) meetings of the Board of Directors were held in 2024. The attendance of director and supervisor were as follows:

Title	Name	Attendance In person(B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Chairman	CH Chen: Representative of TSMC	5	0	100%	
Director	YJ Wang: Representative of TSMC	4	1	80%	C.S.Yoo was designated to Representative of TSMC on Nov 8, 2024 and Y.J. Wan resigned on Nov 7, 2024.
Independent Director	Wen-Yeu Wang	5	0	100%	
Independent Director	Robert Hsieh	5	0	100%	
Independent Director	Stella Wen	4	1	80%	
Independent Director	Mike Liang	5	0	100%	

Other mentionable items:

1. In the event that the Board of Directors encounters any of the following conditions during the course of its operations, a description of the date, term, and content of the proposed motion of the Board of Directors along with the opinion of the Independent directors and the Company's handling of the Independent directors' opinion shall be provided.

(1) Conditions stipulated in Article 14-3 of the *Securities and Exchange Act*:

Board of Directors	Proposed Motions	Independent Directors' opinion	Action taken by the Company
9th Meeting(10th Term) 2024/2/6	<ol style="list-style-type: none"> 1. Approved remuneration and compensation for directors of 2023, directors' remuneration and compensation policy of 2024. 2. Approved the 2023 special incentive bonuses for the company's managers with the identity of director and managers. 3. Approved the company's managers with the identity of director and managers' performance evaluation of 2023 and salary adjustment of 2024. 4. Approved the company's managers with the identity of director and managers' employee compensation of 2023. 5. Approved the company's managers with the identity of director and managers' salary compensation of 2023 and salary policy of 2024. 6. Approval the total capital expenditure budget shall not exceed NT\$2,434,000,000 for building up the clean room 7. Approval the total capital expenditure budget shall not exceed US\$3,780,000 for purchasing 	None	None

	RD equipment.		
11th Meeting(10th Term) 2024/5/9	1. Approved the Company's revision of the "Corporate Governance Code of Practice". 2. Approval of the Company's revision of the "Internal Major Information Processing Operation Procedures"	None	None
12th Meeting(10th Term) 2024/8/8	1. Approval of the Company's amendment to the "Rules of Procedure for Board Meetings" and "Audit Committee Organizational Regulations". 2. Approve the total capital expenditure budget shall not exceed NT\$1,680,000,000 for building up the clean room and facilities.	None	None
13th Meeting(10th Term) 2024/11/7	1. Approved the signing of a building and facilities and office rental contract with Visera Technologies Co., Ltd. 2. Certified accountants are evaluated with reference to Audit Quality Indicators (AQIs). After evaluation, accountants Mei Chen Tsai and Yu Feng Huang of Deloitte & Touche Accounting Firm met the requirements of independence and competency. Approved the appointment of audit accountants and accountant's fee for 2025. 3. Approved the 2024 special incentive bonuses for the company's managers with the identity of director and managers. 4. Approved the Company to formulate the "Regulations on the Related Financial Business of Related Persons". 5. Approved to revise the Company's "Internal Control System" and "Internal Audit System".	None	None

(2) Other board meeting decisions that are opposed or reserved by independent directors and have record or written statements: None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

- (1) Approved remuneration and compensation paid to directors of 2023 and director remuneration and compensation policy of 2024 on February 6, 2024. Due to the concerns of each director's own interests, they have recused themselves from discussions and resolutions. All other directors present agreed to pass the resolution accordingly.
- (2) Approved the 2023 special incentive bonuses for the company's managers with the identity of director and managers on February 6, 2024. Directors of CH Chen avoided voting causes for avoidance of motions in conflict of interest.
- (3) Approved manager with the identity of director and managers' performance evaluation of 2023 and salary adjustment of 2024 on February 6, 2024. Directors of CH Chen avoided voting causes for avoidance of motions in conflict of interest.
- (4) Approved manager with the identity of director and managers employee compensation of 2023 and on February 6, 2024. CH Chen, Chairman and President avoided voting causes for avoidance of motions in conflict of interest.
- (5) Approved manager with the identity of director and managers' salary remuneration of 2023 and salary policy of 2024 on February 6, 2024. CH Chen, Chairman and President avoided voting causes for avoidance of motions in conflict of interest.
- (6) Approved the signing of a building and facilities and office rental contract with Visera Technologies Co., Ltd on November 7 2024. CH Chen and YJ Wang, the legal representatives of TSMC, avoided voting causes for avoidance of motions in conflict of interest.
- (7) Approved the 2024 special incentive bonuses for the company's managers with the identity of director and managers on November 7 2024. Directors of CH Chen avoided voting causes for avoidance of motions in conflict of interest.

3. Board of Directors self (or peer) evaluation:

Cycle	Period	Scope	Method	Content
Once a year	From Jan. 1, 2024 to Dec.31, 2024	Board of Directors	Board of Directors internal evaluation, director self-evaluation	The Board of Directors overall performance assessment including: Participation in company operations, improvement of board decision-making quality, board composition and structure, selection and continuous education of directors, internal control.
		Members in individual directors	Self-evaluation from Members in individual directors	The performance evaluation of directors includes: mastery of the company's goals and tasks, cognition of directors 'duties, participation in company operations, internal relationship management and communication, directors' professional and continuous education, and internal control.
		Functional Committee	Self-evaluation from Functional Committee	Participation of company's operation, cognition of Functional Committee's responsibility, increase of quality on decision, composition and members of Functional Committee, internal control

4. Measures taken to strengthen the functionality of the board:

- (1) The Company set up Compensation Committee on November 11, 2011, which assisted the Board in executing and evaluating the Company's compensation and benefit policies, and the directors' and executives' compensation.
- (2) The Company set up Audit committee in 2013, made up by three independent directors to strengthen the functionality of the board.
- (3) The Board of the company established the ESG Guiding Committee on November 7, 2023, which consists of three directors (including two independent directors). The chairman is Mr. CH Chen, the chairman of the Board. The committee's responsibilities include (1) formulating the company's ESG policies and (2) overseeing the performance of the ESG implementation committee. The chairman authorized a senior managerial officer to be chairperson and established the Corporate Social Responsibility Committee (CSR Committee) that appoint representatives from various department, including human resources, environmental safety and health, sales, research and development, legal, factory, and procurement in September 2015. The company revised "Corporate Social Responsibility Best Practice Principles " to "Sustainable Development Best Practice Principles" and renamed the committee to ESG Committee for pursuing sustainable corporate development continuity. ESG Committee holds quarterly meetings through representatives from various departments communicate with stakeholders in daily business and collect feedback information to implement various ESG-related tasks, and report the progress of coordination with various departments in the meeting to complete The management and control of various issues related to stakeholders, the implementation of the commitments of senior managers, and the promotion of the balance between the economy, the environment and society and the practice of sustainable development of enterprises. The company has a ESG policy, and continue to promote and improve in accordance with this policy in order to pursue the concept of enhancing the company's competitiveness and giving back to the society, practice the social responsibility that the company should shoulder, and compare the practical results with the interests of the company. Issues of concern to the board of directors are reported to the board of directors once a year. The ESG guiding Committee assisted the board of directors to review the progress of the strategy and urge the management team to make adjustments when necessary.

2. Information on implementation of Audit Committee:

The Audit Committee assists the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company.

The Audit Committee is responsible to review the following major matters :

- Financial reports;
- Auditing and accounting policies and procedures;
- Internal control systems and including related policies and procedures;
- Material asset or derivatives transactions;
- Material lending funds, endorsements or guarantees;
- Offering or insurance of any equity-type securities;
- Derivatives and cash investments;
- Legal compliance;
- Related-party transactions and potential conflicts of interests involving executive offices and directors;
- Ombudsman reports;
- Fraud prevention and investigation reports;
- IT security;
- Corporate risk management;
- Performance, independence, qualification of independent auditors;
- Hiring or dismissal of an attesting CPA, or the compensation given thereto;
- Appointment or discharge of financial, accounting, or internal auditing officers;
- Assessment of Committee Charter and fulfillment of Audit Committee duties.

Four regular Audit Committee meetings (A) were convened in 2024. The attendance status of independent directors was as follows:

Title	Name	Attendance In person(B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Independent director	Wen-Yeu Wang	4	0	100%	
Independent director	Robert Hsieh	4	0	100%	
Independent director	Stella Wen	3	1	75%	
Independent director	Mike Liang	4	0	100%	

Other mentionable items:

1. In the event that the Audit Committee encounters any of the following conditions during the course of its operations, a description of the date, term, the content of the proposed, the independent directors' objections, reservations or major recommendations, the result of the Audit Committee's resolution and the Company's response to the Audit Committee's opinion shall be provided.

(1) Conditions stipulated in Article 14-5 of the Securities and Exchange Act:

Meeting Date (Term)	Contents of Motions	Independent directors' objection, reservation or major proposal	Resolution Adopted by the Audit Committee	Action taken by the Company in Response to Opinion of the Audit Committee
9th Meeting (4th Term)	1. Approve the 2023 Business Report and Financial Statements 2. Approve the 2023 Surplus	None	Unanimously approved by all	None

2024/2/6	Earnings Distribution 3. Approval the total capital expenditure budget shall not exceed NT\$2,434,000,000 for building up the clean room 4. Approval the total capital expenditure budget shall not exceed US\$3,780,000 for purchasing RD equipment 5. Approve Statement of internal control of 2023.		Independent Directors who were present	
10th Meeting (4th Term) 2024/5/9	1. Approve the 2024 First Quarter Financial Statements 2. Approve amendments to Xintec's Corporate Governance Best Practice Principles 3. Approve amendments to Xintec's Procedures for Handling Material Inside Information	None	Unanimously approved by all Independent Directors who were present	None
11th Meeting (4th Term) 2024/8/8	1. Approve the 2024 Second Quarter Financial Statements 2. Approve the total capital expenditure budget shall not exceed NT\$1,680,000,000 for building up the clean room and facilities 3. Approve amendments to Xintec's Audit Committee Charter	None	Unanimously approved by all Independent Directors who were present	None
12th Meeting (4th Term) 2024/11/7	1. Approve the 2024 Third Quarter Financial Statements 2. Approval to evaluate the certified accountant in accordance with AQIs. Upon evaluation, CPA Mei Chen Tsai and Yu Feng Huang meet the independence and suitability auditor requirement 3. Approve Deloitte & Touche CPA Firm's accounting services fee for fiscal year 2025. 4. Approve amendments to Xintec's Internal Control System and Internal Audit System	None	Unanimously approved by all Independent Directors who were present	None

(2) Other resolutions not approved by the Audit Committee but passed by more than a two-thirds majority of all Board members: None.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

3. Communications between the independent directors, the Company's chief internal auditor and CPAs:

(1) The Company's chief internal auditor has communicated the result of the audit reports to the members of the Audit Committee periodically, and has presented the findings of all audit reports.

(2)The CPAs are required to communicate to the Audit Committee the findings for the financial reports, as well as those matters communication of which is required by law.

(3)To read the summary of communication between the Independent Directors, internal audit supervisor, and accountants, please visit the Company's website :

https://www.xintec.com.tw/chi/Legal/CG_Committees_Audit.html

Attendance of Supervisors at Board Meetings:

The Company had been established the Audit Committee on June 13, 2013, and abolished Supervisors.

3. Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the Corporate Governance Best-Practice Principles and disclosed on the Company’s website and Taiwan Stock Exchange Market Observation Post System.	No major difference
2. Shareholding structure & shareholders’ rights				No major difference
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1)The Company has created the spokesman and deputy spokesman system to deal with shareholders’ suggestions, doubts and disputes.	
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2)The Company acquired the statement of shareholding changes from directors and shareholders holding more than ten percent of the total shares of the company to process the list of major shareholders of the actual control of the company.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3)The Company set up and implemented the internal control system and relevant rules. Internal auditors supervised the status of implement periodically.	
(4) Does the company establish internal rules against insiders trading with	V		(4)The Company established the procedure for processing internal significant information against insiders trading with	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
undisclosed information?			undisclosed information. Formulate and publicize stock trading control measures for company insiders from the date they learn about the company's financial reports or related performance content. Including (but not limited to) not trading the company's stocks during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p>	V		<p>(1) The selection of directors of the company should consider the overall configuration of the board of directors. Board members should generally possess the knowledge, skills, and literacy needed to perform their duties, such as operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market outlook, leadership, and decision-making capabilities. In the selection of independent directors, it is advisable to consider whether the members possess such conditions as honesty, steadfastness, impartial judgment, professional knowledge, rich experience, and the ability to read financial statements. The qualifications and selection of independent directors of the company shall comply with the provisions of the "Measures for the Establishment of Independent Directors of Public Offering</p>	No major difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>Companies and the Matters to Be Followed" and shall be handled in accordance with the provisions of Article 24 of the "Code of Practice for the Administration of Listed OTC Companies". The selection of directors of the company shall be conducted in accordance with the procedures for the nomination of candidates as stipulated in Article 192 of the Company Law.</p> <p>The composition of the board of directors should be considered for diversity. Except for the director who is also the manager of the company should not exceed one-third of the number of directors, and formulate an appropriate diversity policy for its own operation, operation type and development needs. The two major standards:</p> <p>a. Basic conditions and values: gender, age, nationality and culture.</p> <p>b. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience, etc.</p> <p>Board of directors diversification goal is to have more than half of the independent directors and at least one female director.</p> <p>Board Diversity Management Goals and Current Achievement</p> <p>The members of the board of directors have already met the requirements for diversity. The company will consider the long-term development goals and the complementarity of directors' professions in the future continuously or strengthen the training courses to meet the goal of diversification of board members.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																																																															
	Yes	No	Abstract Illustration																																																																
			<p>Implementation of Diversity of Board Members</p> <p>The board of directors is composed of six directors, four independent directors included. The board of directors is independent each other because the six directors do not have a relationship within the spouse or Second-class relatives. Mr. CH Chen, the chairman of the board of directors and the president of the company, also complies with the rule that the number of directors who concurrently serve as the manager of the company should not exceed one-third of the board members. One of the six directors is female director. Additionally, the board members possess cross-industry and cross-field capabilities, demonstrating Board diversity and complementary support among board members. Directors also have their own skills and experiences in various professions, such as law, financial accounting, industrial knowledge, operation management, professional skills and industrial experience.</p> <p>Diversification of Board of Directors:</p> <table border="1"> <thead> <tr> <th></th> <th>Gender / Age</th> <th>Nationality</th> <th>Term</th> <th>business management</th> <th>Leadership decision</th> <th>industry knowledge</th> <th>Financial Accounting</th> <th>Legal</th> </tr> </thead> <tbody> <tr> <td>CH Chen</td> <td>Male 61~70</td> <td>R.O.C.</td> <td>6~9</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>CS Yoo</td> <td>Male 61~70</td> <td>R.O.C.</td> <td>Under 1</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Wen-Yeu Wang</td> <td>Male 61~70</td> <td>R.O.C.</td> <td>Over 9</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> </tr> <tr> <td>Robert Hsieh</td> <td>Male 71~80</td> <td>R.O.C.</td> <td>Over 9</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td></td> </tr> <tr> <td>Stella Wen</td> <td>Female 61~70</td> <td>R.O.C.</td> <td>6~9</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Mike Liang</td> <td>Male 61~70</td> <td>R.O.C.</td> <td>Over 1</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> </tbody> </table>		Gender / Age	Nationality	Term	business management	Leadership decision	industry knowledge	Financial Accounting	Legal	CH Chen	Male 61~70	R.O.C.	6~9	✓	✓	✓			CS Yoo	Male 61~70	R.O.C.	Under 1	✓	✓	✓			Wen-Yeu Wang	Male 61~70	R.O.C.	Over 9	✓	✓			✓	Robert Hsieh	Male 71~80	R.O.C.	Over 9	✓	✓		✓		Stella Wen	Female 61~70	R.O.C.	6~9	✓	✓	✓			Mike Liang	Male 61~70	R.O.C.	Over 1	✓	✓	✓			
	Gender / Age	Nationality	Term	business management	Leadership decision	industry knowledge	Financial Accounting	Legal																																																											
CH Chen	Male 61~70	R.O.C.	6~9	✓	✓	✓																																																													
CS Yoo	Male 61~70	R.O.C.	Under 1	✓	✓	✓																																																													
Wen-Yeu Wang	Male 61~70	R.O.C.	Over 9	✓	✓			✓																																																											
Robert Hsieh	Male 71~80	R.O.C.	Over 9	✓	✓		✓																																																												
Stella Wen	Female 61~70	R.O.C.	6~9	✓	✓	✓																																																													
Mike Liang	Male 61~70	R.O.C.	Over 1	✓	✓	✓																																																													

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	V		(2) Our company established the ESG Guiding Committee in November 2023, consisting of three directors, including two independent directors. The committee's responsibilities include (1) formulating the company's ESG policies and (2) overseeing the performance of the ESG implementation committee.	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually and report the results of the performance evaluation to the board of directors and apply them to individual directors' remuneration and nomination renewal ?	V		(3) The company has a board performance appraisal mechanism. The board of directors approved the directors' performance evaluation method in February 2020. To enhance the Company's board functions, and to improve the operation efficiency of the board of directors. The performance evaluation of the board of directors include the following five aspects: A. Participation in the operation of the company; B. Improvement of the quality of the board of directors' decision making; C. Composition and structure of the board of directors; D. Election and continuing education of the directors; E. Internal control. The criteria for evaluating the performance of the board members include the following six aspects: A. Familiarity with the goals and missions of the company; B. Awareness of the duties of a director; C. Participation in the operation of the company; D. Management of internal relationship and communication; E. The director's professionalism and continuing education; F. Internal control.	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?	√		<p>Since February, 2023, performance evaluation from Functional Committee has been added. There are 5 major aspects: A. Participation of company's operation; B. Cognition of Functional Committee's responsibility' C. Increase of quality on decision; D. Composition and members of Functional Committee; E. Internal control.</p> <p>The appraisal is conducted at the beginning of each year, and the appraisal results are reviewed in the first season of directors. Report to the board of directors and use it as a reference for individual directors' remuneration and renewal.</p> <p>The performance evaluation results of the board of directors in 2024 are “Excellent”. Self-evaluation result of directors is “Excellent”. Audit Committee evaluation result of directors is “Excellent”. Compensation Committee evaluation result of directors is “Excellent”.</p> <p>(4) The company regularly evaluates the independence and suitability of certified accountants based on audit quality indicators (AQIs) every year. The Company acquired statement of independence of CPAs and filled the evaluation form of independent and suitable to check it. There is no other financial interest and business relationship between the accountant and the Company except for the audit fees and non-audit fees of the Company. The accountant's family members do not violate the requirements of independence. So CPAs meet the requirements of independence and suitability and approved by the audit committees and Board of directors.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4. Does the Company established with qualified and appropriate number of corporate governance personnel, and designated corporate governance supervisors, responsible for corporate governance related matters (including but not limited to furnish information required for business execution by directors, assist directors and supervisors to follow laws, handle matters relating to board meetings and shareholders’ meetings according to laws, handle corporate registration and amendment registration, produce (or record?) minutes of board meetings and shareholders meetings, etc.	V		<p>The Board adopted a resolution to appoint Mr. C.T Chou as the Corporate Governance Officer on Aug. 4 2020. The main duties of Corporate Governance Officer are to assist Directors in complying with laws and regulations and to ensure well communication between the Board and management team.</p> <p>The Corporate Governance Officer has served as a supervisor in charge of legal affairs at public companies for more than 3 years. Xintec’s Chairman appointed the Vice President of Finance Organization to be the Board secretary. The Board secretary is responsible for assisting in related affairs, including furnishing information required for business decisions by Directors and corporate governance affairs.</p> <p>The corporate governance affairs as mentioned are:</p> <ol style="list-style-type: none"> 1. Handling matters relating to board meetings and shareholders meetings according to laws. 2. Producing minutes of board meetings and shareholders meetings. 3. Assisting in onboarding and continuous development of directors and independent directors. 	No major difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons										
	Yes	No	Abstract Illustration											
			<p>4. Furnishing information required for business execution by directors and independent directors.</p> <p>5. Assisting directors and independent directors with legal compliance.</p> <p>6. To report to the board of directors the qualifications of independent directors complied with relevant laws and regulations at the time of nomination, election and term of office.</p> <p>7. Handle matters related to the change of directors.</p> <p>8. Other matters set out in the articles or corporation or contracts.</p> <p>The implementation of corporate governance business in 2022 is as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Handle matters related to meetings of the board of directors and shareholders' meeting according to law</th> <th>Assist directors to take office and complete continuous training hours</th> <th>Assist directors to follow laws and perform duties</th> <th>Company registration and change registration</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>5 Board meetings and 1 annual Shareholders meetings</td> <td>36 hours</td> <td>Check our internal procedures for compliance with regulatory requirements quarterly. Amended: Standard Operating Procedures for Handling Requests Made by Directors, Performance Evaluation of Boards and Directors, Corporate Governance Best Practice Principles, Rules and Procedures of Board of Directors Meetings, Audit Committee Charter Internal Control System, Internal Audit System, and Rules Governing Financial Transactions and Business Between Related Parties</td> <td>2 amendment registrations completed.</td> </tr> </tbody> </table> <p>Ranked in top 5% in Corporate Governance Evaluation in 2016~2023 and ranked in 6~10% in 2022.</p>	Year	Handle matters related to meetings of the board of directors and shareholders' meeting according to law	Assist directors to take office and complete continuous training hours	Assist directors to follow laws and perform duties	Company registration and change registration	2024	5 Board meetings and 1 annual Shareholders meetings	36 hours	Check our internal procedures for compliance with regulatory requirements quarterly. Amended: Standard Operating Procedures for Handling Requests Made by Directors, Performance Evaluation of Boards and Directors, Corporate Governance Best Practice Principles, Rules and Procedures of Board of Directors Meetings, Audit Committee Charter Internal Control System, Internal Audit System, and Rules Governing Financial Transactions and Business Between Related Parties	2 amendment registrations completed.	
Year	Handle matters related to meetings of the board of directors and shareholders' meeting according to law	Assist directors to take office and complete continuous training hours	Assist directors to follow laws and perform duties	Company registration and change registration										
2024	5 Board meetings and 1 annual Shareholders meetings	36 hours	Check our internal procedures for compliance with regulatory requirements quarterly. Amended: Standard Operating Procedures for Handling Requests Made by Directors, Performance Evaluation of Boards and Directors, Corporate Governance Best Practice Principles, Rules and Procedures of Board of Directors Meetings, Audit Committee Charter Internal Control System, Internal Audit System, and Rules Governing Financial Transactions and Business Between Related Parties	2 amendment registrations completed.										

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has served as the spokesman and deputy spokesman of external communication channels. On the company website set up reporting system of violation of ethical behavior, providing customers, vendors or other interested parties to report the Company’s misconduct.	No major difference
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has appointed Taishin International Commercial Bank Co., Ltd. Stock Transfer Agency Department to handle shareholders.	No major difference
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(1)The company has set up the company website, and instructed relevant departments to maintain and disclose information about the company's financial and operation.	No major difference
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(2)The Company has appointed designated people to file financial or operational information periodically and important information in MOPS. The Company has created the spokesman and deputy spokesman system. The presentation materials, video files of investor conference be put on the Company website.	
(3) Does the company announces and declares the annual financial report within two months after the end of the fiscal year, and announces and	V		(3) The company's annual financial report is announced and declared within two months after the end of the fiscal year. The first, second, and third quarter financial reports and monthly operating conditions are announced early on the premise of	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
declares the first, second, and third quarter financial reports and the monthly operating conditions as early as the prescribed period?			the prescribed period.	
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>(1) Regarding environmental protection, the Company is in compliance with regulations and requirements related to environmental protection, safety, green products, and other aspects of sustainable development. The Company constantly follows the latest trends of international environmental protection to reinforce a sense of eco-responsibility. To fulfill the duties of a member of the global community, the Company takes the initiatives to develop and implement various carbon footprint reduction programs, cutting electric energy consumption and reducing greenhouse-gas (GHG) emissions. These efforts help relieve the greenhouse effect.</p> <p>(2) Regarding labor rights and interests, the Company constantly works on improving its work environment and occupational safety and health management system to provide equal employment opportunity and to prevent injury accidents and occupational diseases.</p> <p>(3) Regarding employee rights aspect, Xintec has created a comfortable working environment through established diverse communication channels, forming of the Employee Welfare committee, implementing employee retirement pension plan, having employee organization insurance and holding periodic medical examination as well as providing various kinds of</p>	No major difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>channels of employee training classes etc. for continuous education.</p> <p>(4) In terms of supplier management, the company has established a supplier assessment system to ensure that suppliers meet the quality and environmental requirements of the corporate policies. Besides, a supplier appraisal system is also established to ensure the conduct of supplier assessment and the effective communication with suppliers, so as to create a good upstream-downstream relationship and achieve the sustainable development of the industrial chain.</p> <p>(5) In terms of information confidentiality, we respect and do our best to protect the security of technical documents and materials of customers. With both the customers and the suppliers, the company will sign a confidentiality agreement with legally binding terms on the specific rights and obligations of different parties. Inside the company, a committee for protection of confidential information is specifically established, and we require our staff to comply with relevant confidentiality regulations and to implement security management policies, so that we can ensure confidentiality of the corporate information and of our customers' information.</p> <p>(6) The Company filed relevant information in accordance with the provisions of the Act to protect the rights of investors and other interested parties.</p> <p>(7) The company holds annual training courses for directors and has not mandated directors to study professional course but</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			encourage them to participate according to individual needs. (8)The Company purchased liability insurance for the directors for the implementation of corporate governance.	

9. Please explain the improvement in the corporate governance evaluation results released by the “Corporate Governance Center of the Taiwan Stock Exchange Corporation” in the most recent year, and propose priority enhancement matters and measures for those that have not yet been improved.

- (1) The items that have been improved in the recent annual corporate governance evaluation results include:
In order to protect the equality of shareholders, we have formulated internal regulations and implementation that prohibit insiders such as directors or employees from using undisclosed information in the market to buy and sell securities. We also openly and transparently disclose dividend policies and distribution situations to facilitate shareholders to obtain relevant information in a timely and equal manner.
- (2) The strengthening matters and improvement measures for those who have not yet improved are explained as follows:
In order to ensure that the board of directors fully considers important sustainability risks and opportunities, it is planned to disclose the policy of linking senior managers’ compensation and ESG-related performance evaluation.

4. Composition, Responsibilities and Operations of the Compensation Committee or Nominating Committee:

Compensation Committee

(1) Composition: The Compensation Committee was established on Nov 11, 2011 and re-elected on May 26, 2022. It comprised of three independent directors by Wen-Yeu Wang (convener) 、 Robert Hsieh and Stella Wen.

Title	Name	Criteria		
		professional qualifications and experience	Independence Attribute	Number of other public companies in which the individual is concurrently serving as a member in Remuneration Committee
Independent director and the initiator of Remuneration Committee	Wen-Yeu Wang	(Note 1)	(Note 1)	0
Independent director	Robert Hsieh	(Note 1)	(Note 1)	0
Independent director	Stella Wen	(Note 1)	(Note 1)	0

Note1: Refer to the attachment on page 7 – relevant contents of Data of Directors and Supervisors.

(2) Responsibilities:

- a. Set and regularly review the company's "Compensation Committee's Procedures" and proposed the suggestion to revise.
- b. Periodically assess and determine the overall remuneration policy.
- c. Periodically assess and determine the remuneration of the directors and managers.
- d. Set and regularly review the policies, regulations, standards and structures for evaluating the directors' and managers' performance and remuneration.

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

- a. Performance assessments and compensation levels of directors and managerial officers shall take into account the general pay levels in the industry, personal performance, and the Company's operational performance and future risk exposure.
- b. There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of the Company.
- c. For directors and senior managerial officers, the percentage of bonus to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of the Company's business.

(3) Operations of the Compensation Committee:

- a. Compensation Committee of the Company's has three members. The Compensation committee shall convene at least twice a year.

b. Tenure period: May 26, 2022 to May 25, 2025. A total of 3 (A) Compensation Committee meetings were held in 2024. The attendance record of the Compensation Committee members was as follows:

Title	Name	Attendance In person(B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Convener	Wen-Yeu Wang	3	0	100%	
Committee Member	Robert Hsieh	3	0	100%	
Committee Member	Stella Wen	2	1	67%	
Other mentionable items:					
1. If the board of directors declines to adopt or modifies a recommendation of the compensation committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the compensation committee's opinion (eg., the compensation passed by the Board of Directors exceeds the recommendation of the compensation committee, the circumstances and cause for the difference shall be specified): None.					
2. Resolutions of the compensation committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.					

(4) The discussion of the compensation and compensation committee and the outcome of the resolution, and the Company's handling of the members' opinions:

Date of Meeting	No.	Proposed Motions
2024/2/6 5 rd Meeting 5 th Term	1	Discuss policy, system, standard, and structure of President performance evaluation. Discuss on the revision of "President performance evaluation Management Policy".
	2	Review the company's 2023 salary budget.
	3	Discuss policy, system, standard, and structure of President remuneration and compensation. Review remuneration and compensation in 2023 of president and remuneration policy case of president in 2024.
	4	Review the special bonus of 2023 for manager with the identity of director and managers.
	5	Discuss policy, system, standard, and structure of Manager performance evaluation and remuneration and compensation. Review the 2023 performance evaluation, salary adjustment case of managers and director manager in 2024.
	6	Review the board with manager identity and manager of employee's compensation in 2023.
	7	Review the remuneration in 2023 and remuneration policy case of managers and director manager in 2024.
Unanimously approved by all members present in the meeting.		

Date of Meeting	No.	Proposed Motions
2024/4/19 5 rd Meeting 6 th Term	1	Review the case of the appointment and remuneration of the company's manager HK.
	Unanimously approved by all members present in the meeting.	
2024/11/7 5 rd Meeting 7 th Term	1	Review the company's 2025 salary budget.
	2	Review the special bonus of 2024 for manager with the identity of director and managers.
	Unanimously approved by all members present in the meeting.	

Nominating Committee: Not applicable

5. Sustainable Development Implementation Status and Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Whether the company has established a governance structure, set up a dedicated (part-time) unit, and the senior management authorized by the Board of Directors to handle, report the execution to the Board of Directors?	V		<p>The company's "ESG Guiding Committee" consists of three directors (including two independent directors), and the chairman is Mr. Chen. The committee's responsibilities include (1) being responsible for formulating the company's ESG vision and strategy; (2) supervising the implementation status of the ESG Executive Committee. The ESG Guiding Committee was convened on August 8, 2024. The chairman of the ESG Executive Committee reported on the implementation results of governance, environment and social aspects, and approved the "ESG Guiding Committee Organizational Rules" to deepen the sustainable governance culture and optimize BOD's function of sustainable governance supervision. The ESG Executive Committee holds regular meetings every quarter. Representatives from each department continue to communicate with stakeholders in daily business and collect feedback information, implement various sustainable development-related tasks, and report on the progress of coordination with various departments during the meeting to complete the management and control of various issues of concern to stakeholders, promote the balance between the economy, environment and society, and ensure that the company's sustainable development strategy is fully implemented in the company's daily operations.</p> <p>The company has an ESG policy to manage the company's economic, environmental and social risks and impacts, in order to pursue the concept of enhancing the company's competitiveness, improving the quality of life of employees and giving back to society, practicing the social responsibilities of the company, and reporting the practical results and issues of concern to stakeholders to BOD on a regular basis every</p>	No major difference

Evaluation Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			year. BOD reviews the progress of the strategy and urges the management team to make adjustments when necessary. The company's ESG Executive Committee issued ESG Report in August 2024. Please see the website: https://www.xintec.com.tw/chi/Legal/ESG.html	
2. Whether the company conducts risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	√		The ESG Executive Committee conducts analysis based on the materiality principle of ESG Report, communicates with internal and external stakeholders, and refers to Chapter 1 of ESG Report. The Company's Risk Management Committee holds meeting every quarter. For relevant risk management strategies please refer to Chapter 3.4 risk management of ESG Report and appendix on page 36-37.	No major difference
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries? (2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment? (3) Does the company assess the potential risks and opportunities of climate change for the company now and in the future, and take measures to respond to climate-related issues?	√ √ √		(1) The Company has built sound environmental management procedures and systems and has obtained ISO 14001 Environmental Management System Certification as of January 2005. (2) The Company is devoted to improving the efficiency and recycling of resources and has formulated related resource management procedures and built an water management and recovery system. In 2024, a total of 22 water-saving and electricity-saving related measures have been implemented, all of which have been completed, with a saving benefit of NT\$13.88 million. (3) Strictly abide by laws and regulations, regularly implement environmental protection laws and regulations, check the latest regulations, implement environmental testing and pollution prevention measures in accordance with the law, while adopting the ISO 14001 environmental management system strategy, evaluate environmental considerations and formulate preventive measures. Audits and third-party reviews check whether they are consistent with the purpose of continuous improvement and enhance	No major difference

Evaluation Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Does the company monitor the impact of climate change on its operations and conduct greenhouse gas inspections, as well as establish company strategies for energy conservation and carbon reduction?	√		<p>employees' awareness of environmental protection. According to the relevant laws on climate change and greenhouse gas emission management issued by the Ministry of Environment, annual inspections and inspections are implemented to grasp the current status of greenhouse gas emissions and effectively implement greenhouse gas reduction measures, so as to implement environmental justice and fulfill the responsibilities of the earth's citizens to ensure sustainable environmental development.</p> <p>In order to optimize the process and replace the energy-saving equipment year by year, the company has established various energy-saving specifications for the plant area and the office, forming a staff awareness of energy conservation and carbon reduction, and expects to reduce the total amount of greenhouse gas emissions.</p> <p>(4) Xintec completed the GHG greenhouse gas emissions inspection and the verification of external certification agencies in 2012. Line-A and Line-B were based in 2015 and Line-C were based in 2020.</p> <p>The greenhouse gas emissions inspection and verification are carried out every year. The greenhouse gas emissions in Xintec's entire factory in 2022 and 2023 are 145,485 and 118,493 ton-CO₂e, respectively, and their emission density is 18.82 and 18.55 respectively (ton-CO₂e/million revenue) (Since greenhouse gas emissions in 2024 have not been verified by external certification agencies, no relevant data has been disclosed), and by continuously improving resource recycling, reducing greenhouse gas emissions, waste generation, wastewater emissions and chemical use, in order to improve the ecological benefits of the process, it is expected to achieve the target of 80% reduction in scope-to-greenhouse gas emissions compared with the benchmark year by 2030.</p>	

Evaluation Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>The external water consumption (including tap water, reclaim water and well water) of the company's entire plant in 2023 and 2024 is 1,752,267 metric tons and 1,739,241 metric tons, respectively. Water consumption decreased by 13,026 metric tons compared with the previous year, a decrease of 0.74%. In 2023 and 2024, the waste of the company's entire plant was 1,046 metric tons (441 metric tons of hazardous waste, 605 metric tons of non-hazardous waste) and 1,056 metric tons (404 metric tons of hazardous waste, 652 metric tons of non-hazardous waste). The waste density is 0.164 metric ton/million revenue and 0.150 metric ton/million revenue respectively, the waste density reduction per million revenue is 8.5%.</p> <p>We are based on the ISO 14001 environmental management system and have adopted the "P-D-C-A" management model to promote our continuous progress in pollution prevention. Quantitative management goals of 1% carbon reduction, 2% waste reduction, and 3% water consumption reduction are achieved every year until a reasonable and feasible water level.</p>	
<p>4. Social issues</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	V		<p>(1) Xintec will establish a system, a wholesome organization, guarantee the employee's lawful rights, specially in abiding the labor standard law and government related orders, Formulate human rights protection measures in accordance with the " Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies " and implement the "Responsible Business Alliance and its Code of Conduct". Formulate recruitment and employment policies as a basis for management and compliance of all</p>	No major difference

Evaluation Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2) Does the company formulated and implemented reasonable employee welfare measures (including compensation, vacation and other benefits), and appropriately reflected the operating performance or results in employee compensation?	V		<p>colleagues. Recruitment, interview, employment, assessment, promotion, etc. of employees are not differentiated based on gender (except the work is only suitable for specific genders). The company shall not employ child labor; recruit employees without discrimination, select according to actual business needs, and strive for equal opportunity by means of open audition. New colleagues must first pass the interview or review, and then be formally hired after being approved by the company's new hire requirements. The company prohibits forced, mortgage, indentured or involuntary labor, all work must be voluntary, and employees have the right to leave freely based on due notice. The company is committed to creating a work environment that eliminates harassment and abuse. They must not threaten or subject their staff to harsh or inhuman treatment.</p> <p>The total trained participants are 1,439 with the total 964.13 training hours. (Implemented annual training about Responsible Business Alliance Code of Conduct including Business Integrity, Legal & Customer Requirements, Human Rights, No Improper Advantage, Fair Business, and Prohibition of Insider Trading training etc.)</p> <p>(2) The company has formulated and implemented reasonable employee welfares and appropriately reflected operating performance or results in employee compensation. According to the company's articles of association, if the company makes a profit in the year, it should allocate no less than 1% as employee compensation, but if the company has accumulated losses, it should retain the compensation amount in advance, and then provide</p>	

Evaluation Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular	V		<p>employee compensation according to the prescribed proportion.</p> <p>Remuneration of employee in company is based on personal working performance, contribution, position, and job grade. Those who are positively related to the business performance results are mainly including base salary, allowances, bonuses, employee remuneration and welfare. The based salary is set according to the position in other companies in same industry and company policy. Allowance is set according to working related matters. Bonuses and remuneration are set according to employee’s performance, goal achievement of department, and company managing performance. Welfare is set under the premise of agreeing with the law, and at the same time taking employee’s needs into consideration.</p> <p>The total number of females in Xintec is over 50%. The top manager of females is 14.3%. Xintec provide better annual leave program than the Labor Standard Act. Employees are eligible for annual leaves after the first 2-month service at Xintec, employees are able to schedule vacation of the year. Different leave types are given in compliance with related laws, and employees therefore can more flexibly arrange work and life. In addition, employees’ subsidy and allowance include marriage subsidy, funeral gift, 3 major holiday gift coupon, birthday gift coupon, and club compensation.</p> <p>(3) Xintec holds the employee health inspection activities yearly and provides the doctors and nurses in accordance with related law. Regularly to implement improvement measures to prevent foreseeable hazards and control losses, thereby</p>	

Evaluation Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
basis?			<p>ensuring employee safety and health by creating an ideal and safe working environment. We also implement health enhance activities and attend ESH monthly meeting to ensure personnel safety and reduce the impact of accidents.</p> <p>In 2024, there were 9 occupational disasters in the factory, accounting for 0.6% of the total number of employees. Relevant improvement measures have been completed for all occupational disasters, and the detailed content has been revealed in the company's website's perpetual report.</p> <p>Fire Event: None.</p>	
(4)Does the company provide its employees with career development and training sessions?	V		<p>(4)Xintec not only assesses and provides feedback on employees’ skills and interests, but also offers training and development activities that match their career development objectives and job needs.</p> <p>Xintec’s annual training programs include managerial training and general training. In 2024, a total of 47 physical training courses were held.</p>	
(5)With regard to customer health and safety, customer privacy, marketing and labeling of products and services, does the company followed relevant regulations and international standards, and formulated relevant consumer protection policies and appeal procedures?	V		<p>(5)The company had established defect prevention mechanism and customer complaint response system, and detection checking mechanism from the entire supply chain upstream and downstream checked for customers and responded quickly. The company upholds the concept of integrity to treat customers, customers oriented, provides customers with the necessary technical, good quality and service.</p>	
(6) Does the company formulate supplier management policies that require suppliers to follow relevant regulations on environmental	V		<p>(6) The company has relevant regulations in the supplier's corporate social responsibility code of conduct. Contracts with suppliers should disclose the suppliers should be transparent, open, pay attention to shareholders’ equity and</p>	

Evaluation Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Abstract Explanation		
protection, occupational safety and health or labor human rights, and their implementation			strive to achieve social responsibility.		
5. Does the company refers to the internationally accepted reporting standards or guidelines to prepare reports that disclose non-financial information of the company, such as sustainability reports? Has the previous disclosure report obtained the assurance or assurance opinion of the third-party verification unit?	V		All information disclosed by the Company in ESG Report has been externally verified by the British Standards Institution (BSI) in accordance with the AA1000 V3 Assurance Standard (2020) and its 2018 Type 1 assurance engagement.	No major difference	
			Published by		Compliance item
			Global Reporting Initiative, GRI		GRI Standards (2021)
			AccountAbility		AA1000AP AccountAbility Principles: 2018
			United Nations		Sustainable Development Goals, SDGs
			Taiwan Stock Exchange		Taiwan Stock Exchange Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Taipei Exchange Rules Governing the Preparation and Filling of Sustainability Reports by TPEX Listed Companies
			Financial Stability Board, FSB		Task Force on Climate-Related Financial Disclosures,TCFD
Sustainability Accounting Standards Board	SASB Standards				
6. If the Company has established the Sustainable Development principles based on “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: The Company has formulated the “Sustainable Development Best-Practice Principles”, and all operations are handled in accordance with it.					
7. Other important information to help understand the implementation of sustainable development : For more information about the Company’s sustainable development operation status, please refer to the section of ESG on the Company’s website.					

Evaluation Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
https://www.xintec.com.tw/eng/Legal/ESG.html				

Climate-related information for listed OTC companies

1 Implementation of climate-related information

Item	Execution situation
<p>1. Describe the board and management’s oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term, long-term).</p> <p>3. Describe the financial impact of extreme climate events and transition actions.</p>	<p>1. Incorporate climate change issues into the company's comprehensive risk management scope. The board of directors appoints a risk management committee to formulate relevant operational goals and plans, conduct regular reviews and improvements, and report climate change-related issues to the board of directors.</p> <p>2. With the Risk Management Committee as the core and composed of senior managers and representatives from various departments, we will identify and inventory potential risks in the company's operations based on the "Climate-related Financial Disclosure Proposal" guidelines issued by the Task Force on Climate Change-related Financial Disclosure (TCFD). Regarding climate change risks, opportunities and financial impacts, relevant information is disclosed under the four categories of governance, policy, risk management, indicators and goals, and a matrix of risk opportunities and major issues is drawn. Based on the matrix analysis results, the major risks are submitted to the board of directors or Senior management discusses and develops risk management strategies as action measures to address climate change. Details have been disclosed in the sustainability report on the company’s website.</p> <p>3. Details have been disclosed in the sustainability report on the company’s website.</p>

<ol style="list-style-type: none"> 4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system. 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained. 6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed. 9. Greenhouse gas inventory and confirmation, reduction goals, strategies and specific action plans (fill in Table 1-1 and 1-2 separately). 	<ol style="list-style-type: none"> 4. In addition to following the risk management policies approved by the board of directors, each functional unit also integrates the climate action mechanism (various ISO management systems) established by the district is based on risk management Integrate steps into operational management processes. Details have been disclosed in the sustainability report on the company's website. 5. Details have been disclosed in the sustainability report on the company's website. 6. Details have been disclosed in the sustainability report on the company's website. 7. Not yet using internal carbon pricing as a planning tool. 8. Details have been disclosed in the sustainability report on the company's website. 9. Please refer to Table 1-1 and 1-2 below.
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1-1 The company's greenhouse gas inventory and confirmation status in the past two years

1-1-1 Greenhouse gas inventory information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/million yuan) and data coverage of greenhouse gases in the past two years.

The entire Xintec factory has greenhouse gas emissions of 145,485 and 118,493 ton-CO₂e in 2022 and 2023 respectively, with emission density of 18.82 and 18.55 (ton-CO₂e/million revenue), respectively. The data scope covers the direct emissions and indirect energy emissions of each plant in fine materials.

1-1-2 Greenhouse Gas Confirmation Information

Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.

The greenhouse gas emissions in 2022 were verified by DNV GL, and issued a verification statement on July 27, 2023. The verification scope includes Xintec Line-A, Line-B and Line-C. The verification standards are based on the greenhouse gas emission inspection and login management measures (2016.01.05), the greenhouse gas emission inspection operation guidelines (2022.05), and other laws and regulations. The latest regulations on the Greenhouse Gas Emission Information Platform issued by the Ministry of Environment, which is confident that the opinion is based on the verification process and procedures implemented by the verifier. There is sufficient evidence to show that Xintec's greenhouse gas claims do not have substantial differences, and are prepared according to the standards for greenhouse gas quantification, monitoring and reporting of the agreement, and fairly present greenhouse gas data and related information.

Greenhouse gas emissions in 2023 were verified by DNV GL, and issued a verification statement on August 12, 2024. The verification scope includes Line-A, Line-B and Line-C. The verification standards are based on the latest regulations of the National Greenhouse Gas Login Platform issued by the Ministry of Environment, and the greenhouse gas emission inspection operation guidelines (2024.06) and other laws and regulations, the inspection opinions are based on the verification process and procedures implemented by the

inspector's confirmation or verification. There is sufficient evidence to show that the greenhouse gas claims of Xintec do not have substantial differences, and are prepared according to the standards for greenhouse gas quantification, monitoring and reporting of greenhouse gases specified in the verification criteria of the agreement, and fairly present greenhouse gas data and related information.

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

Xintec was the first time in 2012 to investigate greenhouse gas emissions due to the regulations on the regulations. Line-A and Line-B were based on 2015; Line-C was based on 2020, and fine materials had set carbon reduction targets. In 2020, emissions of 1 and 2 in the greenhouse gas range were reduced by at least 30%, and green electricity was used accounted for at least 7%. It promised to achieve net zero emissions in 2050. By 2024, the strategies and specific actions have been implemented as follows:

1. Exhaust gas reduction equipment installation plan: The installation plan for fluorine gas reduction equipment has been completed, and the annual output of 44,000 tons-CO₂e carbon emissions are expected to be reduced.
2. Use renewable energy: Jingmao purchases solar renewable energy certificates in 2024, and purchases 1.9 million degrees of renewable energy annually, which can reduce carbon emissions by about 938.5 tons-CO₂e
3. Improve energy efficiency: Fengmei implements various energy-saving projects every year, such as replacement of high-efficiency lighting fixtures, replacement of energy-saving air conditioning equipment, and air conditioning temperature adjustment, and other energy-saving measures. Some factories have passed ISO 50001 energy management verification to achieve the annual energy conservation and carbon reduction environmental management goal and gradually reduce plant energy consumption.

Risk management strategy

Item	Risk Item	Description	Strategies
Financial Risk	Foreign Exchange Volatility	The Company's revenues were mainly denominated in US dollars, and some of the manufacturing costs were denominated in currencies other than NT dollars. Therefore, any significant fluctuation to its disadvantage in such exchange rates would have an adverse effect on the Company's profit and loss.	The company mainly offsets accounts payable (foreign currency liabilities) generated by purchases and accounts receivable (foreign currency assets) generated by revenue to exert the effect of natural hedging to reduce the risk of exchange rate changes. At the same time, pay close attention to exchange rate trends, regularly review the changes in the positions of assets and liabilities denominated in non-functional currencies, use forward foreign exchange contracts and other derivative financial instruments or buy and sell spot foreign exchange to manage exchange rate risk, to reduce the impact of exchange rate fluctuations on profit or loss.
	Interest Rate Fluctuation	The impact of changes in interest rates on the company's profit and loss can be divided into two parts, the non-operating income component, the interest income of cash equivalents increases with interest rates increase, and interest expenses will increase due to interest rates increase.	In order to avoid higher interest rates in the future and increase the uncertainty of financing costs, the company continues to pay attention to interest rate trends. In the future, it will decide whether to sign interest rate exchange transactions with banks according to market conditions and mid-to-long-term liability positions, in order to partially avoid the risk of interest rate fluctuation, Reduce the adverse effects of interest rate hikes.
	Technology development	The rapid development of technology in the semiconductor industry, rapid changes in customer demand, fierce competition among peers, and the increasing demand for advanced processes.	<ol style="list-style-type: none"> 1. In accordance with the market and the new product technology requirements of customers' sensors, we continue to develop new wafer-level process technologies and acquire related equipment for various biometric sensors, image sensors, ambient light sensor, and micro-electromechanical (MEMS) , Power field effect transistors and other products, providing technical services including wafer-level packaging and mid-end wafer-level manufacturing processes. 2. For system in package, we develop liquid molding, through molding via related process to achieve diversity of package 3. Cooperation with customer to increase additional value of product based on core technology.
	Supplier Management	There is a single supplier of raw material suppliers and production equipment, which may cause the risk of material loss or instability in operating production.	Through the development of new suppliers and the audit of the production and quality systems of existing suppliers, the proportion of single suppliers is reduced, and at the same time, the risk of shortage of materials and unstable quality of existing suppliers is reduced.
Operation Risk	Business risk	Customers are too concentrated.	Actively develop diversified products and customer groups to diversify business concentration risks.
	legal risk	Follow all applicable regulations and amendments to laws and regulations.	Each department must monitor the applicable laws and regulations within its business scope. The legal department will also download the latest laws and regulations of the applicable laws and regulations from the relevant website from time to time, and forward them to the relevant units for risk identification, assessment, set up strategy and make proper actions.
Environment Risk	Climate change	The impact of climate change cannot be underestimated. With the increasing greenhouse gas	<ol style="list-style-type: none"> 1. Strictly abide by the laws and regulations, regularly implement the environmental protection laws and regulations, check the latest laws and

Item	Risk Item	Description	Strategies
		emissions in the world, the greenhouse effect has significantly increased leading to global warming, which has caused significant increases in global average surface temperature, ocean acidification, ice melting, and sea level rise. Environmental changes, affecting the ocean and land, and extreme climates caused by global warming have become more frequent in recent years. The first to bear the brunt is environmental and ecological damage, which may even affect social and economic activities and human security.	<p>regulations, implement environmental detection and pollution prevention countermeasures according to the law, and adopt the ISO 14001 environmental management system strategy to evaluate and develop preventive measures against environmental considerations Audit and third-party review to see if it meets the goal of continuous improvement and enhance employees' awareness of environmental protection.</p> <p>2. According to the relevant laws on climate change and greenhouse gas emission management issued by the Ministry of Environment, annual inspections and inspections are implemented to grasp the current status of greenhouse gas emissions and effectively implement greenhouse gas reduction measures, so as to implement environmental justice and fulfill the responsibilities of the earth's citizens to ensure sustainable environmental development.</p> <p>3. Assess the opportunities and risks that climate change may bring to the company, and incorporate climate change factors into the operational strategy planning and decision-making process; actively promote green processes and various environmental protection, energy conservation and carbon reduction measures, evaluate green power purchases, and upgrade exhaust gas reduction equipment. The installation rate, the annual replacement of energy-saving equipment, and the establishment of various energy-saving regulations in the factory area, to form staff awareness of energy conservation and carbon reduction, and to reduce the total amount of greenhouse gas emissions, so as to mitigate and adapt to the impact of climate change on operations.</p>
	Water resources	Extreme climate causes water scarcity.	<p>1. Through the establishment and improvement of recycling equipment, increase the number of water recycling and reduce the amount of tap water.</p> <p>2. Improve process water consumption and reduce water usage during production.</p>
Social Risk	Employee recruitment	The Company's growth and development rely on the efforts and contributions of all employees. In the post-pandemic era, due to talent shortage in the domestic market and intense competition in the labor market, there is a risk that we might not be able to recruit a sufficient workforce in a timely manner. Timely recruitment of suitable and sufficient talent is essential for the Company's operational development.	To address this challenge, we regularly review the supply and demand of manpower from various departments, collaborate with government employment services, utilize employee referrals, and explore other recruitment channels to promptly recruit suitable candidates. Additionally, in compliance with government regulations, the Company is entitled to hire foreign workers in proportion to fulfill our operational manpower needs. We would also conduct regular salary surveys to ensure that we attract top talent while offering comprehensive new employee education and training programs, along with new employee support activities, to enhance employee retention. This would in turn protect Xintec against labor shortage and render the Company more competitive in attracting talents.
	Labor safety	Xintec attaches great importance to occupational safety and believes that good safety and health	All Xintec factories have obtained occupational safety and health management system (ISO 45001: 2018) and "Taiwan Occupational Safety and Health

Item	Risk Item	Description	Strategies
		<p>management is a proper way to take care of employees and their families, and it is also a direct feedback to the community and social commitment. The company formulates environmental, safety and health policies, based on the spirit of risk management, and continuously improves to eliminate foreseeable dangers and control losses to ensure the safety and health of employees and build a good safe and hygienic working environment.</p>	<p>Management System CNS 45001: 2018" certification. Through continuous improvement of the safety and health management system, we achieve the goals of preventing accidents, promoting employee safety and health, and protecting company assets.</p>

6. Ethical Corporate Management and Deviations from “the Ethical Corporate Management Principles for TWSE/TPEX Listed Companies” :

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company declare its ethical corporate management policies approve by the board of directors and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of dishonesty, regularly analyzes and evaluates business activities with a high risk of dishonesty in the business scope, and accordingly formulates a plan to prevent dishonesty, and at least covers the " Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies, and regularly review and revise the pre-disclosure plan?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(1) Xintec established 「 Integrity Operation Code 」 demanding that all employees must understand clearly and abide by the business code of ethics and individual integrity, and insisting on honesty, seriousness and having professional spirit in carrying out one’s job.</p> <p>(2) The company’s 「 Working Rule 」 regulates one cannot request, accept or give any kinds of donation and to be loyal to one’s job, or professionally judge gifts, entertainments or any forms of bribe.</p> <p>(3) Integrity is directly related to the company’s corporate culture and is the most important core value. It will be in the newcomer educational training and employee on-the-job training advocacy, and creation of a complete basis for rule violation punishment and complaint.</p>	No major difference

<p>2. Implement integrity management</p> <p>(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company set up a full-time unit affiliated with the board of directors to promote enterprise integrity management, and regularly (at least once a year) report to the board of directors on its integrity management policies and plans to prevent dishonesty, and to monitor its implementation ?</p> <p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) Whether the company has established an effective accounting system, internal control system, and the internal audit unit shall formulate audit plans based on the assessment results of the risk of dishonest behavior, and to check the compliance to prevent dishonest behavior, or entrust an accountant to perform the audit?</p> <p>(5) Does the company regularly hold internal and external educational trainings on operational integrity?</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p> <p>V</p>	<p>(1)The company evaluated business partners' ethical records before sign the contracts and include ethics-related clauses in business contracts.</p> <p>(2) To achieve sound ethical corporate management, Human Resources Div. is responsible for establishing and supervising the implementation of the ethical corporate management policies. Reports would be submitted to the Board regularly.</p> <p>(3)The company has already establish in 「 Working Rules 」 clearly indicating that one must avoid any possible conflicts between individual interest and company's interest. The board committee's various suggested projects, when there is a conflict of interest, must in accordance to the principle of avoidance, not participate in the discussion, and be absent and not participate in the decision making.</p> <p>(4) The company implements the "integrity management concept" by establishing accounting system and internal control system standards. The internal audit also formulates an annual audit plan in accordance with legal compliance and risk assessment, and checks accordingly to ensure the correctness, soundness and effectiveness of various control operations. As a result, no dishonest behavior such as fraud, illegality or breach of fiduciary obligations was found.</p> <p>(5)The company will periodically hold Integrity Operation educational training to realize the value of integrity. And make a publicity DM for the key publicity matters, which should be paid attention to when the publicity is carried out by colleagues.</p>	<p>No major difference</p>
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<p>3. Operation of the integrity channel</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	V		<p>The company in its 「 Working Rules 」 have clearly indicate its punishment basis, and in the company's website has specify that if any people discover the company's employees or any people that may affect the company's interest who performs any suspicious or possible violation of the company's code of ethics behavior , please inform the company; this reporting action, will be submitted to the chairman of the board or other designated the executive who will directly carry out management, the person who report will be kept confidential, so that he will not encounter inappropriate handling.</p>	No major difference
<p>4. Strengthening information disclosure</p> <p>(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?</p>	V		<p>(1) The business philosophy of integrity, innovation, customer orientation has been disclosed on the company's website. The results of implementation of ethical corporate management disclose on the annual report.</p>	No major difference
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation.</p> <p>The company has established the ethical corporate management policies and no differences between the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.</p>				
<p>6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies): None.</p>				

8. Other Important Corporate Governance Information: None.

8. Implementation status of internal control system

(1) Internal Control System Statement:

Xintec Inc.
Internal Control System Statement

Date: 2025/02/06

Based on the results of self-assessment, the Company's internal control system in 2023 declare as follows:

1. The Company is fully aware that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managers, and the Company has established this system. Its purpose is to achieve the goals of operational effectiveness and efficiency (including profitability, performance and asset security, etc.), reporting reliability, timeliness, transparency, compliance with relevant norms and compliance with relevant laws and regulations, and provide reasonable ensure.
2. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable guarantee for the achievement of the above three goals; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system will be affected, may change accordingly. However, the company's internal control system has self-supervision mechanism. Once deficiencies are identified, the company will take corrective actions.
3. The Company determines whether the design and execution of the internal control system are effective based on the judgment items of the effectiveness of the internal control system stipulated in the "Establishing Internal Control Systems Principles for Publicly Offering Companies" (hereinafter referred to as the "Principles"). The internal control system judgment items adopted in this "Principles" are based on the process of management control and the internal control system is divided into five factors: (1.) Control environment, (2.) Risk assessment, (3.) Control activities, (4.) Information and communication, and (5.) Monitoring activities. Each factor includes several items. Please refer to the provisions of the "Principles" for the aforementioned items.
4. The Company has adopted the above-mentioned internal control system judgment items to evaluate the effectiveness of the design and execution of the internal control system.
5. Based on the evaluation results in the preceding paragraph, the Company believes that the Company's internal control system (including the supervision and management of subsidiaries) as of December 31, 2024, including (a.) understanding the effectiveness and efficiency of operations, is to the extent that goals are achieved, (b.) the reporting systems that are reliable, timely, transparent and in compliance with relevant norms and laws and regulations, etc. The design and execution of the relevant internal control systems are effective and can reasonably ensure the achievement of the above goals.
6. This statement will become the main content of the company's annual report and prospectus and will be made public. If the above-mentioned disclosed content is found to be false or concealed, it will involve legal liability under "Articles 20, 32, 171 and 174 of the Taiwan's Securities and Exchange Act."
7. This statement was approved by the company's board of directors on February 6, 2025. Among the six directors present, none had objections. The rest agreed with the contents of this statement and hereby declare it.

Xintec Inc.
Chairman: C.H.Chen
General Manager: C.H.Chen

(2) Those who entrust an accountant to review the internal control system shall disclose the accountant's review report: None.

9. Major Resolutions of Shareholders' Meeting and Board Meetings:

During the 2024 year and up to the date of this Annual Report, the Company held one annual stockholders' meeting and approved the resolutions and Implementation status as following:

(1) Approved the proposal of 2023 Surplus Earnings Distribution.

The company's net income for the year of 2023 was NT\$1,375,774 thousand. After adding the re-measurement of the determined benefit plan of NT\$2,289 thousand the distributable surplus in the year was NT\$1,378,063 thousand. After appropriating the legal reserve of NT\$137,806 thousand, adding up the undistributed retained earnings from previous years of NT\$2,888,756 thousand, the undistributed surplus at the end of the period will be NT\$4,129,013 thousand. Considering the 2023 surplus earnings, the capital budget, the long-term operational planning and the Company's financial situation, the Company proposed profits distribution is NTD 542,729 thousand as cash dividend. Each common shareholder will be entitled to receive a cash dividend of NTD 2.0 per share. Its dividend base date is set as Jun 30, 2024.

(2) Approved the revision of Articles of Incorporation: None.

(3) Approved the 2023 Business Report and Financial Statements.

(4) Election of directors and supervisors: None.

(5) Other item: None.

During the 2024 year and as of the date of this Annual Report, the Company held six Board Meetings and approved the following resolutions:

Approved the 2023 Business Report and Financial Statements; approved of 2023 employees cash compensation and directors compensation and remuneration; approved of 2023 earnings distribution plan; approved reconvene a Shareholders' meeting of 2024; approval of capital expenditure budget; approved the annual plan of 2024; approved the Company's revision of the "Standard Operating Procedures for Handling Requests from Directors"; approved the company's revised "Board of Directors Performance Evaluation Methods"; approved remuneration and compensation for directors of 2023; approved remuneration and compensation policy for directors of 2024; approved special bonus for manager with the identity of director and mangers of 2023; approved performance evaluation of 2023 and salary adjustment of 2024 for manager with the identity of director and mangers; approved compensation of 2023 to manager with the identity of director and mangers; approved salary of 2023 and salary policy of 2024 to manager with the identity of director and mangers; approved acquire bank credit lines; approved the company's "Internal Control System Statement" for 2023; approved to appoint Mr. HK Lan as the Sr. Director of our company; approved the company's financial statements for the first quarter of 2024; approval of the Company's amendment to the "Code of Practice for Corporate Governance"; approval of the Company's revision of the "Internal Major Information Processing Operation Procedures"; approved the company's financial statements for the second quarter of 2024; approval of the Company's sustainable report of 2023; approval of the Company's amendment to the "Rules of Procedure for Board Meetings"; approval of the Company's revision of the "Audit Committee

Organizational Procedures"; approved the company's financial statements for the third quarter of 2024; approved the signing of a building and facilities and office rental contract with Visera Technologies Co., Ltd.; certified accountants are evaluated with reference to Audit Quality Indicators (AQIs), after evaluation, accountants Mei Chen Tsai and Yu Feng Huang of Deloitte & Touche Accounting Firm met the requirements of independence and competency, approved the appointment of audit accountants and accountant's fee for 2025; approved special bonus for manager with the identity of director and managers of 2024; approved the Company to formulate the "Regulations on the Related Financial Business of Related Persons"; approved to revise the Company's "Internal Control System" and "Internal Audit System"; approved the company's audit plan for 2025; approved the 2024 Business Report and Financial Statements; approved of 2024 employees cash compensation and directors compensation and remuneration; approved of 2024 earnings distribution plan; approval of the Company's amendment to the "Company Articles of Association"; approved to elect 6 directors (including 4 independent directors), and shall be re-elected at the meeting of shareholders of 2025; approved reconvene a Shareholders' meeting of 2025; approved the signing of Xintec Amendment to Collaboration Agreement with TSMC; approved the annual plan of 2025; approved to conduct sales, labor or technical service transactions with its related person TSMC, with an amount not exceeding US\$200 million; approve the company to set the salary level of grassroots employees and adjust the overall salary system; approved remuneration and compensation for directors of 2024; approved remuneration and compensation policy for directors of 2025; approved the second special bonus for manager with the identity of director and managers of 2024; approved performance evaluation of 2024 and salary adjustment of 2025 for manager with the identity of director and managers; approved compensation of 2024 to manager with the identity of director and managers; approved salary of 2024 and salary policy of 2025 to manager with the identity of director and managers; due to the need for internal rotation of the accounting firm, certified accountants are evaluated with reference to AQIs, after evaluation, accountants Mei Chen Tsai and Xin tong Lin of Deloitte & Touche Accounting Firm met the requirements of independence and competency, approved the appointment of audit accountants; approved the company's "Internal Control System Statement" for 2024.

10. Major Issues of Record or Written Statements Made by Any Director or Supervisor
Dissenting to Important Resolutions Passed by the Board of Directors: None

D. Information on Accountants' Fees

1. The audit fee and non-audit fee paid to certified CPA, certified Office of CPA and affiliated company accounts, non-audit content:

Unit: NT\$ thousands

Accounting firm	Name of CPA		Audit period	audit fee	non-audit fee	Total	Remarks
Deloitte & Touche	Mei Chen Tsai	Yu Feng Huang	2024.1.1~2024.12.31	2,380	540	2,920	

Note: Non-audit fee for 2023 was NT\$440 thousand for tax attestation, NT\$80 thousand for review annual report and NT\$20 thousand for Issue a full-time employee of non-supervisors salary information checklist.

2. Alter the CPA Firm and the audit fee in altering year is less than that in the previous year: None.
3. The audit fee is reduced by over 10% compared with the previous year: None.

E. Information on Replacement of Accountants

1. About the former CPA:

Replacement Date	Not application		
Replacement reasons and explanations	Not application		
Descriptions whether the Company terminated or the CPA did not accept the appointment	Parties		CPA The Company
	Status		Not application
	Termination of appointment		
No longer accept (continued) appointed			
Other than unqualified issues in the audit reports within last two years	Not application		
Differences with the Company	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	None	✓	
Descriptions	None		
Other Revealed Matters (Required to be disclosed by Accounting Standards Article 10 section 5 first paragraph item 4)	None		

2. About the Successor CPA:

Firm Name	Not application
CPA Name	Not application
Date of appointment	Not application
Consulting results regarding accounting methods or accounting principles to specific transactions or opinions on the financial statements before appointment	Not applicable
Successor CPA written disagreements to former CPA	Not applicable

3. Reply of the Previous Accountant : Not applicable.

F. Company Chairman, General Manager, Financial of Accounting Head has worked for Certifying Accounting Firm or Its Affiliate Business in the Past Year : None.

G. Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Supervisors, Management and Shareholders of 10% Shareholdings or More

1. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2024		As of March 31, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	Taiwan Semiconductor Manufacturing Company, Ltd.	0	0	0	0
	Representative: CH Chen	-100,000	0	0	0
	Representative: YJ Wang (note 1)	0	0	NA	NA
	Representative: C.S.Yoo (note 1)	0	0	0	0
Independent director	Wen-Yeu Wang	0	0	0	0
Independent director	Robert Hsieh	0	0	0	0
Independent director	Stella Wen	0	0	0	0
Independent director	Mike Liang	0	0	0	0
President	CH Chen	-100,000	0	0	0
Vice President	Simon Lin	-17,000	0	0	0
Sr. Director	TY Liu	0	0	0	0
Sr. Director	CM Fan	0	0	0	0
Sr. Director	JW Ma	0	0	0	0
Head of Department of Legal Affairs and Company Supervisor	CT Chou	0	0	0	0
Major shareholders	Taiwan Semiconductor Manufacturing Company, Ltd.	0	0	0	0

Note 1: C.S.Yoo was designated to Representative of TSMC on Nov 8, 2024 and Y.J. Wan resigned on Nov 7, 2024.

2. Shares Trading with Related Parties: None

3. Shares Pledge with Related Parties: None

H. Top 10 shareholders relation

As of March 31, 2025; Unit: Thousand shares

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Taiwan Semiconductor Manufacturing Company, Ltd. (Representative: CC Wei)	111,282	41.01	0	0	0	0	None	None	
Cathay Life Insurance Co., Ltd. (Representative: Ming-He Hsiung)	13,118	4.83	0	0	0	0	None	None	
Chao-Pao Tsai	7,921	2.92	0	0	0	0	None	None	
Tsung-Han He	2,300	0.85	0	0	0	0	None	None	
Kuo-Feng Li	2,000	0.74	0	0	0	0	None	None	
Feng-Wen Lin	1,979	0.73	0	0	0	0	None	None	
Taishin Life Insurance Co., Ltd. (Representative: Wei-Chun Lin)	1,500	0.55	0	0	0	0	None	None	
New Labor Pension Fund	1,436	0.53	0	0	0	0	None	None	
TransGlobe Life Insurance Inc. (Representative: Wen-Hui Lin)	1,353	0.50	0	0	0	0	None	None	
Kuang-Hsien Liao	1,311	0.48	0	0	0	0	None	None	

I. Long-Term Investment Ownership: Not applicable.

III. Information on Implementation of The Company Funds Utilization Plans

A. Source of Capital

Unit: NT\$ Thousand; Thousand shares, As of March 31, 2025

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Other
9/1998	10	64,000	640,000	28,000	280,000	Foundation 216,000	technology 64,000	9/11/1998 Jing Shang Tzu No.087127301
7/1999	10	64,000	640,000	43,250	432,500	Cash injection 152,500	None	7/26/1999 Jing Shang Tzu No.088127212
9/2000	10	64,000	640,000	55,000	550,000	Cash injection 117,500	None	9/20/2000 Jing Shang Tzu No.089134667
8/2002	12	64,000	640,000	64,000	640,000	Cash injection 90,000	None	8/19/2002 Jing Shou Shang Tzu No.09101336780
3/2003	12	88,000	880,000	73,000	730,000	Cash injection 90,000	None	3/19/2003 Jing Shou Shang Tzu No.09201078970
4/2003	11	88,000	880,000	83,000	830,000	Cash injection 100,000	None	4/30/2003 Jing Shou Shang Tzu No.09201130010
9/2003	15	120,000	1,200,000	103,000	1,030,000	Cash injection 200,000	None	9/1/2003 Jing Shou Shang Tzu No.09201260090
12/2003	20	120,000	1,200,000	115,000	1,150,000	Cash injection 120,000	None	12/4/2003 Jing Shou Shang Tzu No.09201327560
4/2006	10	120,000	1,200,000	120,000	1,200,000	Cash injection 50,000	None	4/10/2006 Jing Shou Shang Tzu No.09501063960
7/2006	-	180,000	1,800,000	120,000	1,200,000	Authorized Capital change	None	7/4/2006 Jing Shou Shang Tzu No.09501131570
2/2007	15	260,000	2,600,000	210,526	2,105,260	Private placement 905,260	None	2/16/2007 Jing Shou Shang Tzu No.09601036790
8/2007	-	260,000	2,600,000	215,739	2,157,391	Capital increase 27,368 by earnings Capital increase 24,763 by Profit sharing in stock	None	8/6/2007 Jing Shou Shang Tzu No.09601184170
7/2008	-	260,000	2,600,000	221,279	2,212,794	Capital increase 21,574 by earnings Capital increase 33,829 by Profit sharing in stock	None	7/24/2008 Jing Shou Shang Tzu No.09701180530
11/2008	-	260,000	2,600,000	221,909	2,219,091	Exercise of Employee Stock Options 6,297	None	11/27/2008 Jing Shou Shang Tzu No.09701302390
3/2009	-	260,000	2,600,000	222,225	2,222,251	Exercise of Employee Stock Options 3,160	None	3/30/2009 Jing Shou Shang Tzu No.09801056560
6/2009	-	260,000	2,600,000	222,660	2,226,601	Exercise of Employee Stock Options 4,350	None	6/26/2009 Jing Shou Shang Tzu No.09801127190
7/2009	-	260,000	2,600,000	224,629	2,246,289	Capital increase 11,111 by earnings Capital increase 8,577 by Profit sharing in stock	None	7/22/2009 Jing Shou Shang Tzu No.09801153270
9/2009	-	260,000	2,600,000	225,533	2,255,327	Exercise of Employee Stock Options 9,038	None	9/9/2009 Jing Shou Shang Tzu No.09801206430
12/2009	-	260,000	2,600,000	225,766	2,257,657	Exercise of Employee Stock Options 2,330	None	12/18/2009 Jing Shou Shang Tzu No.09801290970

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Other
4/2010	-	260,000	2,600,000	226,529	2,265,287	Exercise of Employee Stock Options 7,630	None	4/8/2010 Jing Shou Shang Tzu No.09901068120
7/2010	-	260,000	2,600,000	227,275	2,272,746	Exercise of Employee Stock Options 7,459	None	7/16/2010 Jing Shou Shang Tzu No.09901144980
9/2010	-	260,000	2,600,000	227,367	2,273,666	Exercise of Employee Stock Options 920	None	9/2/2010 Jing Shou Shang Tzu No.09901200650
12/2010	-	260,000	2,600,000	227,968	2,279,684	Exercise of Employee Stock Options 6,018	None	12/6/2010 Jing Shou Shang Tzu No.09901271820
4/2011	-	260,000	2,600,000	228,561	2,285,607	Exercise of Employee Stock Options 5,923	None	4/11/2011 Jing Shou Shang Tzu No.10001069460
7/2011	-	260,000	2,600,000	229,026	2,290,265	Exercise of Employee Stock Options 4,658	None	7/1/2011 Jing Shou Shang Tzu No.10001142280
8/2011	-	260,000	2,600,000	233,256	2,332,557	Capital increase 22,883 by earnings Capital increase 19,410 by Profit sharing in stock	None	8/10/2011 Jing Shou Shang Tzu No.10001184920
9/2011	-	260,000	2,600,000	233,396	2,333,962	Exercise of Employee Stock Options 1,405	None	9/6/2011 Jing Shou Shang Tzu No.10001207740
12/2011	-	260,000	2,600,000	233,579	2,335,794	Exercise of Employee Stock Options 1,831	None	12/2/2011 Jing Shou Shang Tzu No.10001274670
4/2012	-	260,000	2,600,000	233,581	2,335,811	Exercise of Employee Stock Options 17	None	4/2/2012 Jing Shou Shang Tzu No.10101055600
6/2012	-	260,000	2,600,000	233,785	2,337,846	Exercise of Employee Stock Options 2,035	None	6/27/2012 Jing Shou Shang Tzu No.10101120250
7/2012	-	260,000	2,600,000	236,121	2,361,209	Capital increase 23,363 by earnings	None	7/30/2012 Jing Shou Shang Tzu No.10101155880
9/2012	-	260,000	2,600,000	236,153	2,361,526	Exercise of Employee Stock Options 317	None	9/13/2012 Jing Shou Shang Tzu No.10101188740
12/2012	-	260,000	2,600,000	236,205	2,362,046	Exercise of Employee Stock Options 520	None	12/12/2012 Jing Shou Shang Tzu No.10101253820
4/2013	-	260,000	2,600,000	236,208	2,362,079	Exercise of Employee Stock Options 33	None	04/01/2013 Jing Shou Shang Tzu No.10201058510
8/2013	-	260,000	2,600,000	236,267	2,362,667	Exercise of Employee Stock Options 588	None	08/06/2013 Jing Shou Shang Tzu No.10201152570
8/2013	-	260,000	2,600,000	236,290	2,362,896	Exercise of Employee Stock Options 229	None	08/30/2013 Jing Shou Shang Tzu No.10201179150
12/2013	-	260,000	2,600,000	236,371	2,363,714	Exercise of Employee Stock Options 818	None	12/11/2013 Jing Shou Shang Tzu No.10201249330
3/2014	-	260,000	2,600,000	236,402	2,364,019	Exercise of Employee Stock Options 305	None	03/28/2014 Jing Shou Shang Tzu No.10301053810
7/2014	-	260,000	2,600,000	236,474	2,364,739	Exercise of Employee Stock Options 720	None	7/8/2014 Jing Shou Shang Tzu No.10301136750
9/2014	-	260,000	2,600,000	236,481	2,364,814	Exercise of Employee Stock Options 75	None	9/4/2014 Jing Shou Shang Tzu No.10301184300
12/2014	-	260,000	2,600,000	238,051	2,380,508	Exercise of Employee Stock Options 15,694	None	12/5/2014 Jing Shou Shang Tzu No.10301253830
3/2015	-	260,000	2,600,000	238,121	2,381,207	Exercise of Employee Stock Options 699	None	3/6/2015 Jing Shou Shang Tzu No.10401033070

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Other
4/2015	42	300,000	3,000,000	268,121	2,681,207	Cash injection 300,000	None	4/15/2015 Jing Shou Shang Tzu No.10401064200
6/2015	-	300,000	3,000,000	268,427	2,684,265	Exercise of Employee Stock Options 3,059	None	6/8/2015 Jing Shou Shang Tzu No.10401105400
12/2015	-	300,000	3,000,000	268,768	2,687,680	Exercise of Employee Stock Options 3,414	None	12/2/2015 Jing Shou Shang Tzu No.10401254910
3/2016	-	300,000	3,000,000	268,876	2,688,761	Exercise of Employee Stock Options 1,082	None	3/3/2016 Jing Shou Shang Tzu No.10501040250
5/2016	-	300,000	3,000,000	269,195	2,691,948	Exercise of Employee Stock Options 3,187	None	5/31/2016 Jing Shou Shang Tzu No.10501108730
11/2016	-	300,000	3,000,000	269,590	2,695,901	Exercise of Employee Stock Options 3,953	None	11/30/2016 Jing Shou Shang Tzu No.10501277360
3/2017	-	300,000	3,000,000	269,853	2,698,534	Exercise of Employee Stock Options 2,633	None	3/16/2017 Jing Shou Shang Tzu No.10601032450
3/2017	-	300,000	3,000,000	271,353	2,713,534	Issue restricted employee stocks 15,000	None	3/30/2017 Jing Shou Shang Tzu No.10601037310
6/2017		300,000	3,000,000	272,149	2,721,493	Exercise of Employee Stock Options 7,959	None	6/2/2017 Jing Shou Shang Tzu No. 10601069300
8/2017		300,000	3,000,000	272,109	2,721,093	Exercise of Employee Stock Options 1,480 Cancel restricted employee stocks 1,880	None	8/17/2017 Jing Shou Shang Tzu No. 10601111270
11/2017		300,000	3,000,000	271,919	2,719,193	Cancel restricted employee stocks 1,900	None	11/28/2017 Jing Shou Shang Tzu No. 10601158830
2/2018		300,000	3,000,000	271,695	2,716,949	Cancel restricted employee stocks 2,244	None	2/22/2018 Jing Shou Shang Tzu No. 10701019760
8/2018	20	300,000	3,000,000	271,795	2,717,949	Exercise of Employee Stock Options 1,000	None	8/22/2018 Jing Shou Shang Tzu No. 10701106860
3/2019	20	300,000	3,000,000	271,744	2,717,441	Exercise of Employee Stock Options 2,000, Cancel restricted employee stocks 2,508	None	3/15/2019 Jing Shou Shang Tzu No. 10801026540
6/2019	-	400,000	4,000,000	271,744	2,717,441	Change Authorized capital	None	6/18/2019 Jing Shou Shang Tzu No. 10801072960
8/2019	-	400,000	4,000,000	271,723	2,717,225	Cancel restricted employee stocks 216	None	8/26/2019 Jing Shou Shang Tzu No. 10801115200
3/2020	-	400,000	4,000,000	271,364	2,713,643	Cancel restricted employee stocks 3,582	None	3/12/2020 Jing Shou Shang Tzu No. 10901031500

Unit: Shares, As of March 31, 2025

Share Type	Authorized Capital			Note
	Issued Shares	Un-issued Shares	Total	
Common Stock	271,364,316	128,635,684	400,000,000	

B. Major Shareholders

Unit: Shares, As of March 31, 2025

Shares	Shares held	Share holdings
Major shareholder's Name		
Taiwan Semiconductor Manufacturing Company, Ltd. (Representative: CC Wei)	111,281,925	41.01
Cathay Life Insurance Co., Ltd. (Representative: Ming-He Hsiung)	13,118,000	4.83
Chao-Pao Tsai	7,921,000	2.92
Tsung-Han He	2,300,000	0.85
Kuo-Feng Li	2,000,000	0.74
Feng-Wen Lin	1,979,000	0.73
Taishin Life Insurance Co., Ltd. (Representative: Wei-Chun Lin)	1,500,000	0.55
New Labor Pension Fund	1,436,000	0.53
TransGlobe Life Insurance Inc. (Representative: Wen-Hui Lin)	1,353,000	0.50
Kuang-Hsien Liao	1,311,000	0.48

C. Dividend Policy

1. Dividend policy:

The company's dividend policy is formulated by the board of directors based on the company's operating conditions, capital needs, capital expenditure budget, changes in the overall internal and external environment, and taking into account the interests of shareholders. Unless there are other special circumstances to consider, the distribution principle is based on 35%~85% of the current year's after-tax surplus.

According to article 27 of the Company's Articles of Incorporation:

If there is any profit after annual closing, it should be first deducted for income tax and accumulated deficits. Then appropriate 10% as legal reserve until the accumulated legal reserve equals the Company's paid-in capital, and appropriate (or reverse) the special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. Any remaining balance together with any un-appropriated earnings shall be allocated according to the proposal of the board of directors and the resolution of the shareholders' meeting.

According to article 27-1 of the Company's Articles of Incorporation:

The dividend distribution policy of the Corporation, based on the capital budget, middle and long-term operation plan and financial condition, shall be distributed upon the resolution of Board Meeting by following the rules below:

(1) The Corporation shall distribute all divisible surplus based on the considerations of finance, business and operation factors. The surplus distribution shall be by stock dividend or cash dividend. However, the Corporation is in the operation growth period. When distributing the divisible surplus, the proportion of cash dividend shall be no less than 50% of the total dividend.

(2) If the Corporation has no surplus to be distributed, or the surplus balance is far lower than that distributed in the last years, it shall distribute all or a part of the

reserve pursuant to the requirements of laws or competent authority based on the consideration of finance, business and operation factors.

2. Distribution of stock dividends at this shareholders' meeting:

The Company's appropriations of earnings for 2024 had been approved for NT\$678,410,790(NT\$2.5 per share) in the meeting of the Board of Directors held on February 6, 2025.

D. Stock Dividend Distribution : Not applicable.

E. Employee, Directors and Supervisors Compensation :

1. According to article 27 of the Company's Articles of Incorporation:

The Corporation shall set aside not less than 1% of its annual profit as profit sharing bonus to its employees and not more than 2% as compensation to its directors. Directors who also serve as executive officers of this Corporation are not entitled to receive compensation to directors. Employees' profit sharing bonuses and compensation to directors are resolved by a majority vote at a Board of Directors meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting. The Corporation shall have reserved a sufficient amount to offset its accumulated losses and then set aside profit sharing bonuses to employees and compensation to directors in accordance with a predetermined ratio.

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

The Company accrued NT\$267,994 thousand employee compensation and NT\$2,016 thousand compensation to directors and NT\$4,032 thousand remuneration to directors based on a percentage of net profit before employee and director compensation. If there is a change in the proposed amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

3. Information on any approval by the board of directors of distribution of compensation:

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

On February 6, 2025, the board of directors approved of NT\$267,994 thousand for employees compensation, NT\$2,016 thousand for directors

compensation and NT\$4,032 thousand for directors remuneration, which is not different from the annual estimated amount of recognized expenses.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

4. Actual distribution of employee compensation, remuneration of directors / supervisors in the previous year:

The Company paid NT\$227,024 thousand for employees compensation, NT\$1,980 thousand for directors compensation in 2023. The Company's actually distributed number does not differ from the recognized one.

F. Share Buyback : None.

G. Issuance of Corporate Bond, Preferred Stock, Depositary Shares Issuance : None.

H. Status of Employee Stock Option Plan : None.

I. Status of Restricted Employee Shares : None.

J Status of Mergers and Acquisitions : None.

K. Fund Plan Implementation : None.

IV. Operational Highlights

A. Business Content

1. Business Scope

(1) The main content of the business service and the proportion

Unit: NT\$ Thousand

Item	Total sales in Year 2024	(%) of Total Sales
Wafer level package	4,615,707	65.38
Wafer Test	1,947,371	27.58
Wafer level PPI	346,774	4.91
Others	150,089	2.13
Total	7,059,941	100.00

(2) The Company's Off-the-Shelf Services

a. Current Service Items:

(a) Wafer Level Chip Scale Packaging

- Image Sensor
- Optical sensor
- Inertial sensor (IMU)
- New biometric sensor

(b) Wafer Level Post Passivation Interconnection

- Finger Print Sensor
- IMU
- Micro- Electro-Mechanical Systems (MEMS) Speaker

(c) Wafer Level Testing

- 300mm Wafer Chip Probing

b. New Services Planned to Be Developed:

Xintec keeps developing new wafer-level packaging technology for various consumer electronics applications such as mobile phones, notebook computers, personal mobile electronic devices, wearable devices, advanced driver assistance systems, automotive safety system, medical, health technology and optical image sensors, AR/VR devices, etc. Also these services will be applied for micro-electromechanical systems, radio frequency components, power components, and new biometric readers packaging..

2. Global Macro-economic Environment

With the global economic recovery and driven AI, the semiconductor market has recovered. In 2024, Taiwan's semiconductor output value will exceed NT\$5 trillion with an annual growth of 22%, surpassing the average performance of the global market. Global inflation slows down and consumer market demand is gradually warming up. In addition, the AI applications demand led a rapid growth of the semiconductor industry. According to the World Semiconductor Trade Statistics Association (WSTS), the global semiconductor output value is expected to reach US\$611.2 billion in 2024 with an annual growth of 16.0%. It will grow to US\$687.4 billion in 2025 with an annual growth of 12.5% reflecting strong market performance.

3. Glance of Industry

(1) Advanced packaging market

The accelerated growth of the IoT (Internet of Things) and AI plus the demand of many fields such as industrial automation, medical and health, low-carbon green energy, automotive and consumer markets have driven the continuous growth of the sensor market. With the end of the pandemic, countries have gradually entered the stage of economic recovery around 2022. 5G technology is rapidly implemented with the rapid growth of industrial robot applications, electric vehicle industry and hybrid vehicles, pushing the transformation of sensing technology to systematic and systematic collaborative innovation. In 2022, the global sensor market size rebounded to around US\$184.4 billion. In 2023, the global sensor market size has reached more than US\$203.2 billion in 2018 with nearly 20,000 types of sensors.

The technological innovation of smart sensors based on image sensors and MEMS provides potential for the popularization of sensors in the future from the applications of smartphones, wearable devices, cars and humanoid robots. For example, CMOS image sensors are easy mass produced with relatively low cost. They have been widely used in consumer electronic imaging systems, security monitoring, automotive active safety (ADAS), industrial testing and medical care. The global market size in 2023 exceeded US\$25 billion. MEMS sensors are also widely used. The MEMS accelerometer can sense the object motion. MEMS gyroscope can accurately measure angular changes. MEMS pressure sensor is used to detect changes in ambient air pressure, assist in positioning and other functions. Therefore, it has been widely used in consumer, industry, aviation, automobiles, wearable AR/VR and other fields. In addition, in the consumer electronics field, MEMS microphones can provide high-quality call and recording capabilities. According to Yole, the global MEMS sensor market size will be about US\$15 billion in 2023.

(2) Current status and development

Taiwan's IC design industry returned to growth in 2024 with output value reaching NT\$1.28 trillion, a record high with a growth rate of 16.5%. In 2025, the output value

will continue to reach NT\$1.41 trillion with an annual growth of NT\$10.2%. Beyond 2025, the penetration rate of AI capabilities of personal smart terminals will gradually increase and continue to drive the growth of consumer products. Not only are AI PC products launched one after another, wearable devices are also a new market for AI applications.

Taiwan's IC industry continues to show technological leadership in the global semiconductor landscape mainly driven by the demand for AI and high-efficiency computing. With output of 3 nm and 5 nm In 2024, Taiwan's IC manufacturing output value will hit a new height of reaching NT\$3.39 trillion with an annual growth of 27.5%. It is estimated that it will break through the NT\$4 trillion mark in 2025 with an annual growth of 19.6%. Mobile devices such as smart phones and tablets are growing rapidly. In order to accommodate more advanced functions in thinner appearance sizes and to achieve a perfect balance between cost, efficiency and reliability. Research unit TechSearch pointed out that global packaging and testing factories will continue to increase their investment in advanced packaging and testing capital expenditures, among which the demand for thin packaging promotes the continued growth of wafer-level (WLP) packaging.

Due to the increasingly complexity of IC products, the process is miniaturized with precision. The investment in machine equipment becomes enormous. Many IDMs have successively outsourced wafer manufacturing with more than half of them have outsourced production in packaging and testing. Such changes in the industrial chain have allowed the semiconductor industry to gradually move from the past integrated component model toward professional division of labor in IC design (Fabless) and Fab-lite. This trend will allow Taiwanese manufacturers to play a key role in the global semiconductor supply chain.

(3) Global Advanced packaging market and semiconductor industry analysis

According to the latest global semiconductor market forecast released by the World Semiconductor Trade Statistics Organization (WSTS) recently, the output value of the global semiconductor market will reach US\$627 billion in 2024, an increase of 19% YoY, a year of strong rebound. WSTS believes that the global semiconductor market will continue its strong growth in 2025 with an expected output value of US\$697 billion, an increase of 11.2% year-on-year. In addition, according to the estimates of the Institute of Obstetrics and Research Institute of Technology (IEK), the output value of Taiwan's semiconductor industry will reach NT\$5.3 trillion in 2024. In 2025, the output value of Taiwan's IC industry will further exceed 6 trillion with an annual growth rate of 16.5%.

Advanced packaging transcends traditional packaging. As transistor miniaturization approaches the limitation, further extension of Moore's Law also faces

challenges. Heterogeneous integrated packaging technologies such as FOPLP, 2.5D packaging and 3DIC will play an important role and create new opportunities for the semiconductor industry. Research agency Yole Group estimates that the market share of advanced packaging will officially exceed traditional packaging in 2025, reaching 51.03%. It can be seen that the importance of advanced packaging processes in the semiconductor industry is not only increasing year by year, but also growing quite strongly.

(4) Industry Upstream, Midstream and Downstream Associations

The upstream of the semiconductor industry chain is IP design and IC design, the midstream is IC manufacturing, wafer manufacturing, related production process testing equipment, photomasks, chemicals, etc., and the downstream is IC packaging testing, related production process testing equipment, components (Such as substrates, lead frames), IC modules, IC pathways and other industries. Taiwan has the most complete semiconductor industry settlement and professional division of labor in the world. After the product design is completed, the IC design company is entrusted by a professional wafer foundry or IDM factory (integrated semiconductor factory, from IC design, manufacturing, packaging, testing to final sales) All are handled by one hand) to make semi-finished wafers, after the front-end test, they are transferred to professional packaging factories for cutting and packaging, and finally the professional testing factory conducts back-end testing, and the finished products after testing are sold to system manufacturers through sales channels for assembly and production into systems product.

In the post-Moore's Law era, the complexity of IC products has been difficult to achieve by a single semiconductor technology node. For IC design industry , not every IP can shrink the technology node. IP or designs of different technology nodes should be used in a mixed manner, such as System On a Chip (SOC) is one of the methods. But sometimes due to the different maturity of different nodes, integrating circuits of different technologies on the same chip is not only not cost-effective, but also affects the yield rate; system-in-package (SiP) came into being to solve this problem . The product owner can use SiP to integrate ICs designed by different specialty design houses into the same package. The flexibility of this integration can not only cross technology nodes, but even cross platforms, integrating silicon-based ICs with non-silicon-based components (such as III-V or passive components), creating unlimited possibilities.

The rise of this kind of packaging has expanded the mid-end (Mid-End) process platform between the front-end (Front-End) and back-end (Back-End) processes , in addition to the previously known wafer bumping technology (Wafer Bumping) , Wafer Level Package (Wafer Level Package), such as Fan-out Wafer Level Package

(FOWLP) , Wafer Level Chip Scale Package (WLCSP) , 3D WLP, WL In addition to technology types such as Optics and 3D IC , these technologies can also be mixed to customize various forms of SiP . The company is a leader in professional WLP and the first company to commercialize 3D WLP technology.

3D WLP technology can be applied to various market segments, including consumer electronics, communications, portable computers and automobiles. Product applications include image sensors, optical sensors, power management integrated circuits, power discrete components, analog integrated circuits, mixed signal integrated circuits, MEMS sensors, various biometric chips (such as: fingerprint reader) and integrated passive components, etc.

Xintec mainly provides wafer-level packaging technology (WLCSP) services that are used in various sensing components, micro-electromechanical packaging and customized wafer-level architecture service for consumer electronics, communications, computers, industry and automobiles.

(5) Competition Situation

The company's main services items are for image sensors, new biometric devices, fingerprint readers, micro-electromechanical devices and wafer-level packaging of power control components. At present, the main competitors are as follows:

Major Products	Primary Competitors in Wafer Level Packaging
Image sensor / New Biometric sensor	WLCSP, HuaTian Technology, STMicroelectronics N.V.

4. Research and Development

(1) Research and development expense for recent years

Unit: NT\$ Thousand

Item	Year	2024	As of March 31, 2025
	R&D expense		411,971
Revenues		7,059,941	1,545,411
R&D expense to revenue (%)		5.84%	5.66%

(2) Technical and R&D Overview

- a. TSV (through-silicon via Package) packaging technology: successfully imported CIS (CMOS Image Sensor) mass production, and other related applied MEMS packaging process has been completed and verified the package into volume production.
- b. CIS-CSP process improvement technology: imported vehicle regulations imaging packages, package verification has been completed vehicle regulations into mass production.

- c. Introducing special optical glass coating and applied to a variety of advanced optical sensor.
- d. Development of thick copper process, successfully applied to the integrated passive components products and RF components products.
- e. Application of infrared glass coating, glass coating and applied to the import of advanced infrared optical sensor element mobile phones.
- f. A new generation of improved through-silicon via packaging (TSV CSP) wafer-level packaging technology research and development.
- g. Development GaN package process and delivery samples to customer.
- h. Development and production of new-generation biometric sensor.
- i. Development of glass protection on CIS wafer for iBGA application.
- j. Make use of TSV core technology to develop the package combing Cu RDL route continuously on 12". Focus on the application of CIS, MEMS in future.
- k. Taiwan has achieved 284 patents, 205 China patents, 8 Japanese patents, 1 Germany patent and 272 US patents. In 2024, the number of new patents obtained by the company is: 9 patents in Taiwan, 2 patent in China, 4 patents in the United States.

(3) Successful development of the technology or product in recent years

Year	Item	Main function/Benefit
2023	Develop glassless package on CIS wafer. Deliver sample to customer already	That package is suitable to AR/VR application
2024	<ul style="list-style-type: none"> a. Provide more thinner package on CIS wafer and pass reliability evaluation. Plan to migrate into ramp up of mass production. b. 12-inch copper conductor silicon perforation process (Cu-TSV), thin line width and copper conductors are used in advanced image sensing chips. 	That package is suitable to AR/VR application

5. Long-term and short-term business development plans

In response to the rapid changes in the market and the increasing pressure of domestic and foreign peer competition, the company has formulated long-term and short-term plans as follows:

(1) Short-term plan:

- a. Establish customer-oriented professional packaging services to enhance customer satisfaction; improve the trustworthy high-quality service of the company's customers; meet the needs of customers with faster and better technology and services; and provide more diverse packaging technologies on

the wafer-level process platform to meet the needs of diversified products.

- b. Strengthen cooperation in the upstream, midstream and downstream industrial chains.

The demand for advanced manufacturing processes is getting higher and higher, and the cooperation and integration of upstream, midstream, and downstream are the key to the success of advanced high-end manufacturing processes. Fine Material Technology is committed to strategic alliances with wafer foundry manufacturers and major test companies, and international integration. The technical cooperation and development of major component manufacturers is committed to becoming a leading manufacturer of advanced wafer-level packaging technology services.

- c. Improve the company's operating system, take functions as the core of cultivation, and improve management and operating performance

To achieve the company's business strategy goals through education and training, to improve management and technical expertise as the appeal, to effectively function as the core of training, and to improve work effectiveness as the guide, to further improve employee work efficiency, so that the company can respond to rapid changes in the environment and constant changes challenge.

(2) Medium and long term plan:

- a. Pay attention to the long-term cooperative development relationship between customers and suppliers.

Emphasizes long-term cooperation with upstream and downstream manufacturers; In the trend of industrial division of labor, the company will become a packaging factory trusted by customers; providing quality and service that customers need; establishing good cooperative relations with suppliers..

- b. Strengthen R&D and innovation capabilities

Committed to the research and development of derivative processes and new processes, such as the application of advanced 3D wafer layer stacking, the application of new biometric products, the carrier board for silicon wafer connection, the application of various micro-electromechanical products , etc. The categories of products will expand from consumption, automobiles, computers, etc. to monitoring, medical and other electronic industries.

B. Market and Production and Sales Overview

1. Market Analysis

(1) Sales region

Unit: NT\$ Thousand

Region \ Year	2024	
	Amount	%
Asia	6,974,801	99
United States	47,633	1
Europe	37,507	0
Total	7,059,941	100

(2) Advanced packaging market analysis and market share

Using IC packaging to improve the performance, reliability and cost-effectiveness of electronic systems is driving the demand growing in various end-user industries verticals integration. According to Yole Group data, the global packaging market size in 2023 is US\$94 billion, of which the advanced packaging market accounts for 50%. It is expected that the proportion of advanced packaging market to cross over traditional packaging market to 51.03% in 2025. The scale of the advanced packaging market will increase to US\$78.6 billion in 2028 and reach 55% with the annual compound growth rate (CAGR) of 10.05%.

The semiconductor industry continues to turn to advanced packaging (AP) as the key to innovation. AP enhances product functionality, improves performance and reduces costs. AP trends include small chiplets and 2.5D/3D packaging to increase yields and reduce costs.

According to the Yole Group report (Status of the Advanced Packaging 2023), the advanced packaging market will grow at a compound annual growth rate (CAGR) of approximately 10% between 2022 and 2028. By 2028, the advanced packaging market will exceed US\$78 billion. . Among various advanced packaging technologies, the revenue of 2.5D/3D will increase from US\$9.2 billion to US\$25.8 billion, with a CAGR of 33%. The revenue of SiP will increase from US\$8.6 billion to US\$10.7 billion, with a CAGR of 13% growth.

Xintec's current projects include wafer-level size packaging, wafer-level back-layer packaging, etc., which all fall into the advanced packaging market. In the future, we will cooperate with front-end wafer process shrinkage and customer application integration development to respond to new packaging and processes, and continue to expand market share in advanced packaging.

(3) The future supply and demand situation of the market and various product development trends

In view of the future driven by the trend of intelligent Internet of Things (AIOT), new and diverse applications such as AI, 5G, Internet of Things, Industry 4.0, and autonomous driving are all development opportunities for semiconductors. The output value of the global professional packaging and testing industry from advanced applications and packaging processes is still It will become an important driving force for the growth of output value. The company's main services are wafer-level packaging foundry services, and its application products include applications such as mobile devices, 5G communications, automotive electronics, and wearable devices. The supply and demand situation and growth analysis of its main application fields are as follows:

a. Biometric Sensor

Biometric refers to a technology that can identify the user's identity through the uniqueness of body organs such as human fingerprints, face, sound, iris, and even human DNA molecules. According to Statistics MRC, the global facial recognition market size will reach US\$6.6 billion in 2023 and is expected to reach US\$22.4 billion in 2030 with a compound annual growth rate of 19.2% during the forecast period. Facial authentication is a biometric technology that recognizes and verifies individuals by analyzing and comparing facial feature patterns. The technique uses algorithms to map unique features such as distances between eyes, shapes of noses, and chin contours to create facial features, often called facial fingerprints. Comparing these facial fingerprints with those stored in the database, or with real-life images, to verify and identify the person. In addition, face authentication is also used to unlock smartphones and other devices, providing a convenient and secure authentication method.

b. CMOS Image sensor (CIS)

CIS is undoubtedly one of the key components of many innovative applications. From the front and rear lenses of mobile phones, digital cameras to emerging application levels such as remote medication, unmanned vehicles to traditional fields such as security monitoring systems and visual inspection in manufacturing. The ubiquity of image sensors is becoming an important core technology to promote various industries toward intelligence and automation. CIS always plays a key role of converting optical signals into digital image information. Image sensors are not only used in general home appliances such as digital cameras and smart phones, but also in cameras with special purpose such as surveillance cameras, vehicle cameras, and medical cameras.

According to Research Nester's image sensor market size in 2024 exceeds US\$28.34 billion. It is expected to reach US\$79.9 billion by the end of 2037 with a compound annual growth rate 8.3% during the forecast period (i.e., 2025-2037).

c. Micro electromechanical sensors (MEMS)

Micro-electromechanical systems (MEMS) can be used as sensors or actuators. They have the advantages of small size, low power consumption, high sensitivity and high reliability. They have now become an indispensable and important component of various products in daily life. The scope of application covers important industrial fields such as consumer electronics, health, defense, telecommunications, and industry. For example, inertial sensors and pressure sensors can be applied to wearable devices such as smart watches to monitor personal physical parameters or location. It can also be applied to production lines to monitor production and manufacturing processes to ensure product quality. MEMS microphones, speakers and optical MEMS (Optical MEMS) can be applied to AR/VR glasses and True Wireless Stereo (TWS) headsets.

According to the Yole Development industry analysis report, in addition to continuous size and cost reduction, other important trends include: new materials such as aluminum nitride (AlN), PZT and other piezoelectric ceramic materials to improve device performance, sensitivity and power consumption reduction. Combining artificial intelligence to develop smart sensing systems. Using advanced packaging technologies, such as system-level packaging (System in a Package, SiP), integrates IC, sensor, power supply, computing and other components into the same system to reduce system size, improve energy usage efficiency and achieve more functions.

According to GII Global information MEMS market size is expected to be US\$16.81 billion by 2024 and reach US\$25.19 billion by 2029 with a compound annual growth rate of 8.43% during the forecast period (2024-2029).

(4) Favorable and unfavorable factors and countermeasures for competitive niches and development prospects

a. Competitive Niche

(a) Improve production efficiency, reduce costs and enhance competitive advantage

In recent years, we have actively accelerated equipment automation and production line process optimization to improve productivity and capacity utilization. We have also integrated resources and utilized the flexible allocation of production capacity in various factories to provide products and services quickly and gain long-term and stable trust from customers..

(b) Technology leadership and product application diversification

Xintec Technology is deeply involved in the wafer-level packaging market, and is committed to technology research and development and expanding

service product applications. In addition to excellent quality, fast delivery, and good after-sales service, it is deeply trusted by customers. The marketing and R&D teams have established complete new technology patents, and developed a variety of advanced wafer-level packaging to meet customer product needs, and obtained qualified suppliers certified by international brand manufacturers.

(c) Group Consolidation

The company is a transfer investment company of TSMC. It not only uses its own technology and marketing capabilities to establish a strong customer base, but also combines TSMC's semiconductor manufacturing technology with the company's downstream wafer-level packaging expertise to provide in the semiconductor supply chain. Complete one-stop customer service (Turn-key service), form a long-term partnership with customers, and continue to circulate positively.

(d) Advantages of international division of labor

The development of Taiwan's packaging industry acts as a partner in the supply chain of the global semiconductor industry. With the help of advanced technology development strategies and the integration of overall logistics advantages in quality, cost, delivery, production capacity and service, it creates an overall competitive position in the international division of labor system. The company is a provider of advanced wafer-level packaging services. It not only provides packaging services for domestic and foreign customers, but also provides a complete supply and production chain system by cooperating with wafer foundry companies to solve related issues derived from the production process.

b. Favorable factors for development prospects

(a) Growth of Advanced Wafer Level Packaging

In response to the demand of end products, the development of wafer-level packaging process continues to advance. At present, the process goals pursued by packaged products include: size reduction, power reduction, function and bandwidth increase, in order to surpass Moore's Law, and hope to combine semiconductor components and modules. Functionality and integration are maximized. From the context of technological development, it can be found that the semiconductor packaging industry is constantly pursuing 3D stacked packaging technology that can reduce chip thickness and material costs, improve chip performance, and reduce electromagnetic interference and power consumption. Faced with the market opportunities driven by the

trend of wafer-level packaging, Taiwan has the advantage of ecological development of wafer-level packaging due to its complete semiconductor industry chain. It is expected that the application field of wafer level packaging technology will be very broad in the future.

- (b) Develop new niche applications and continue to invest in medium and long-term business opportunities

In view of the rapid changes in industry demand, the company continues to expand the development of new customers and new niche services, such as expanding 5G GaN communication high-frequency power component processing services and new customers, customized micro-electromechanical component processing services, continuous development of component thin With optimized manufacturing process and innovative module technology, we assist customers in creating new product requirements and continue the 12-inch wafer testing business.

- (c) Independent research and development of key technologies

Xintec keeps strengthening RD capacity, PPI service and wafer-level size packaging related to automotive electronics . Due to the excellent product quality, it has obtained qualified suppliers from many international brand manufacturers and automobile manufacturers. In addition, in recent years, the company has also developed a variety of micro-electromechanical sensors, fingerprint recognition sensors, wafer-level backcoat packaging and wafer-level size packaging technologies for new biometric sensing components. It is of great help to the lightweight of emerging mobile devices and wearable devices.

- c. Unfavorable factors and countermeasures for development prospects

- (a) Smartphones tend to be saturated, and the replacement cycle of consumers is prolonged

The smartphone market is facing unfavorable factors such as product maturity, reduced product differentiation, high market penetration rate, and emerging market procurement momentum supporting growth, which makes the operation of the mobile phone industry relatively difficult.

Countermeasures:

In response to the constant changes in the electronic industry and semiconductor industry market and its technology, the company's competitive niche is to continuously develop advanced manufacturing processes and new derivative technologies and meet the needs of emerging applications,

strengthen cooperation with key customers and integrate leading technologies in upstream industries to provide customers with high-quality products, value-added packaging solutions, and to ensure that customers' products are published to the market immediately, and continuous improvement of manufacturing management to improve productivity and reduce operating costs.

(b) Sino-US trade war and geopolitics affect the semiconductor industry

The recent changes of international situation and the intensified global trade barriers create variables to trade agreements and regional competitive relations. Trump returned to the White House, and the Sino-US trade war 2.0 sounded the clarion call and imposed tariffs also increased the uncertainty of the development of the semiconductor industry.

Countermeasures:

Focus on the development of advanced wafer level packaging, in response to various functional applications to achieve product differentiation, introduce automation equipment, improve productivity and quality, and effectively reduce costs. Turn into niche application markets, including medical, automotive, monitoring electronics and other fields. There is a high demand for chips such as analogs and sensors, and a strong patent map is deployed to enhance and widen the differentiation of competitiveness. At the same time, we will strengthen the integration of Taiwan-US industrial supply chains, strengthen the economic and trade partnership between the two sides, and develop a diversified international market.

2. Usage and manufacturing processes for the company's main products

(1) Usage for the company's main products

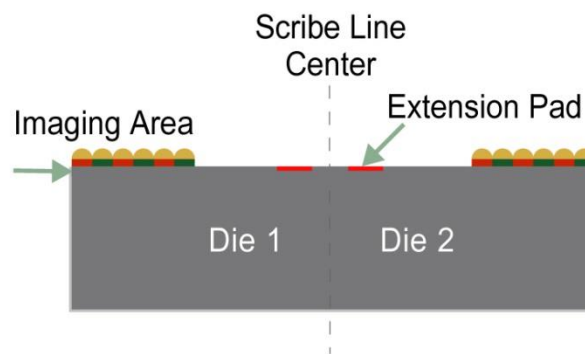
Product	Main purpose	Main application
Wafer Level Chip Scale Packaging	Image sensors, environmental sensors	Phone, tablet, notebook, computers, automotive, medical
Wafer Level Post Passivation Interconnection	Fingerprint sensors, actuators sensors, micro-electromechanical components, power, analog and RF components	Phone, tablet, notebook computers, cars

(2) Manufacturing processes for the company's main products

a. Wafer level CSP packaging technology manufacturing processes:

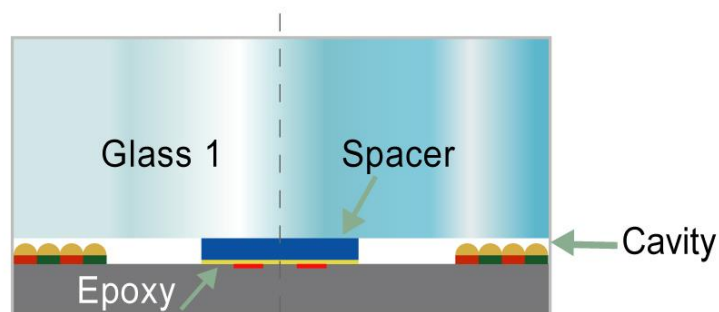
That has not been carried out before cutting the wafer, the entire wafers complete the package via a film, yellow and etching the wafer process, and finally cut into a single IC, this process can be seen as extending front semiconductor fab process. The biggest advantage is in the process of packaging, the whole piece by way of a wafer manufacturing process, but at the same time the individual IC package complete packaging process to reduce expenditures. The basic step of the packaging process, such as the following:

- (a) With a piece of adhesive high light-transmissive thin glass wafer affixed to the front of the customer to protect the wafer surface from contamination.



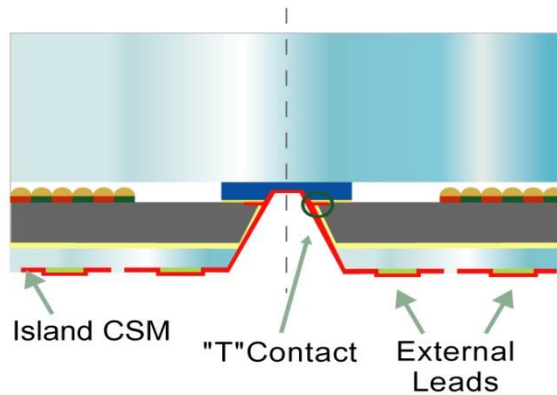
Step A: Passivation and Pad Extension Layers

- (b) Grinding sticky back glass wafer so that the thickness of the wafer becomes thin, thereby reducing the thickness of the package after. And of etching the wafer scribe the back of the silicon material removal, so the dolphin independent IC produced on the adhesive protective sheet of glass.



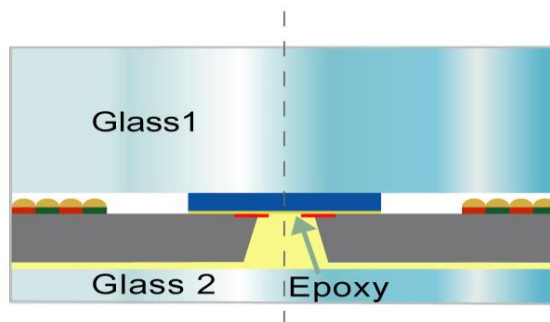
Step B: Glass 1 Attachment

(c) The protective layer of glass affixed to the back of the wafer, in order to achieve the protective effect completely covered the IC.



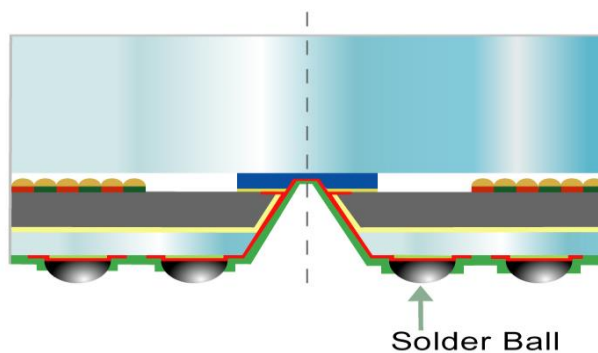
Step C: Etching and Glass-2 bonding

(d) In the glass surface ready to make welding points (Solder Joint) is covered with a layer of organic material as an insulating buffer layer.



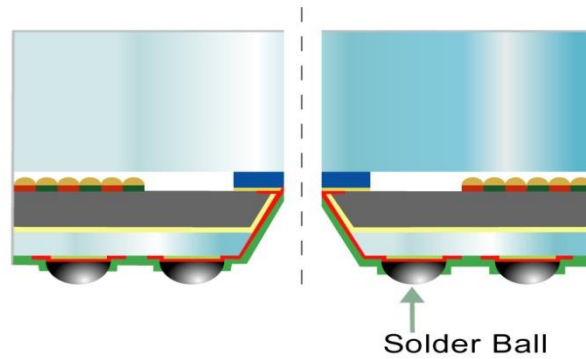
Step D: Barrier deposition and T-contact formation

(e) Cutting between individual IC exposed pad sectional then sputtered metal layer, then use the three-dimensional exposure, developing and etching processes required to complete the metal line so that the line of the IC pad sectional communicating.



Step E: Passivation coating and BGA formation

(f) On the metal line covered with a protective layer.



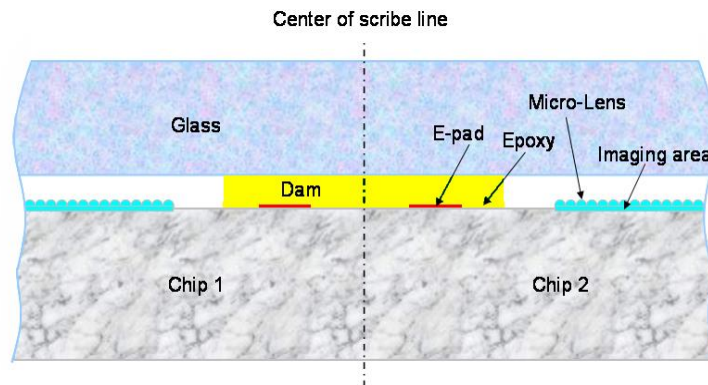
Step F: Dicing and Final inspection

(g) BGA form of printing element places a manner where the solder paste is printed on the entire wafer chip solder joints, after reflow (Reflow) the formation of solder balls.

(h) Cutting the wafer become single package complete IC.

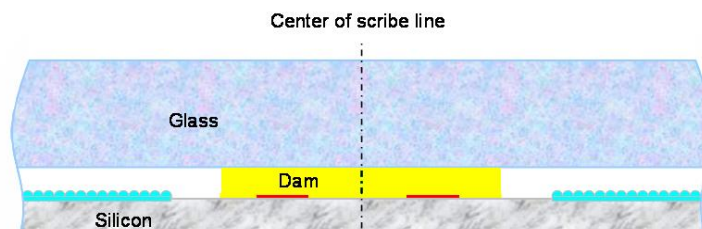
b. TSV (through-silicon via packaging) technology step description:

(a) In a piece of adhesive high light-transmissive thin glass wafer affixed to the front of the customer to protect the wafer surface from contamination.



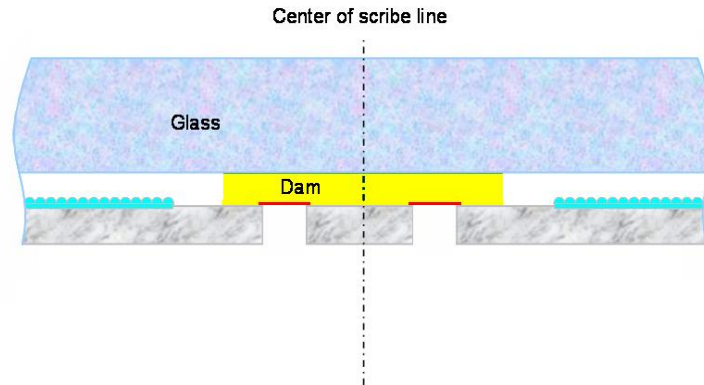
Step A: Glass attachment

(b) After grinding sticky back glass wafer so that the thickness of the wafer becomes thin, thereby reducing the thickness of the package.



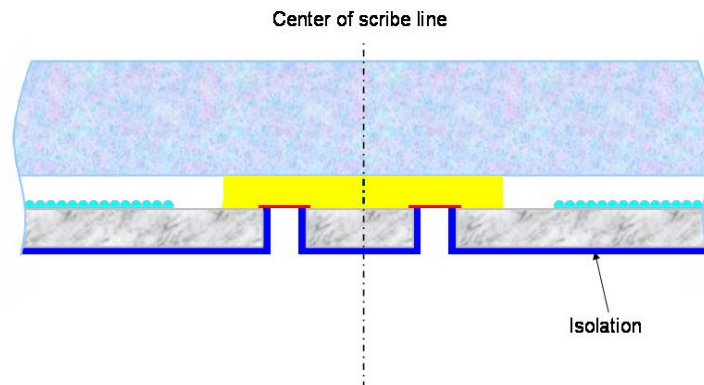
Step B: Wafer thin down

(c) Perform TSV etching as the hole RDL line connection.



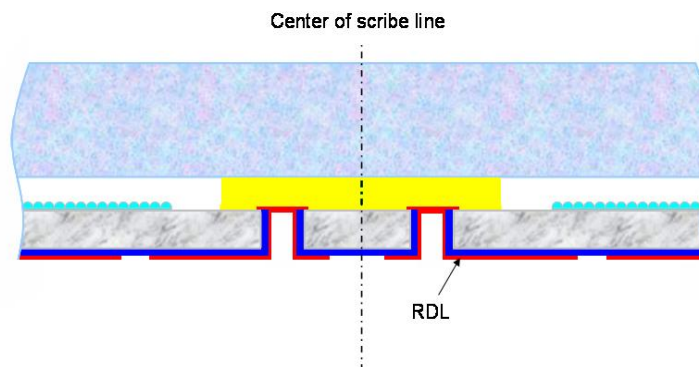
Step C: TSV formation

(d) In the surface of the wafer is coated with a silicon dioxide as the insulating layer.



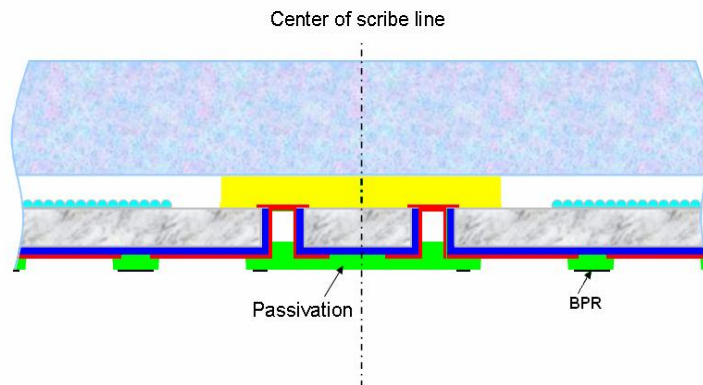
Step D: Isolation formation

(e) Sputtering surface of the wafer on the metal layer, then use the three-dimensional exposure, developing and etching processes required to complete the metal line so that the line of the IC pads sectional communicated.



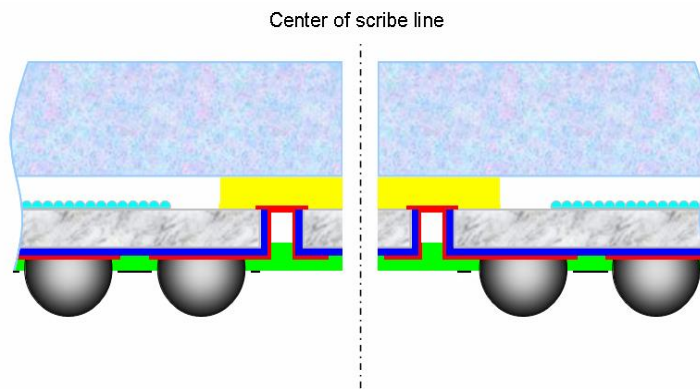
Step E: RDL process

(f) On the metal line covered with a protective layer.



Step F: Passivation process

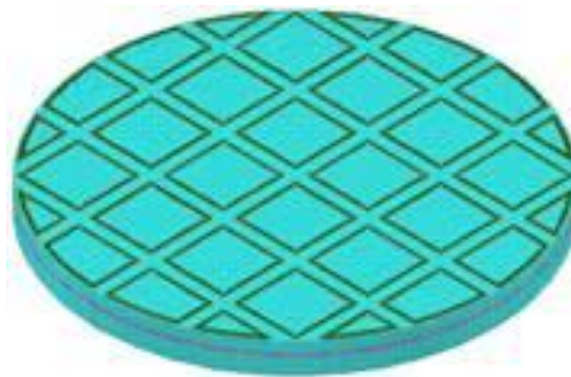
(g) BGA type printing element places manner solder paste printed on the entire wafers weld position where, after reflow (Reflow) the formation of solder balls. Finally, the wafer is diced into single pieces to complete the package of IC.



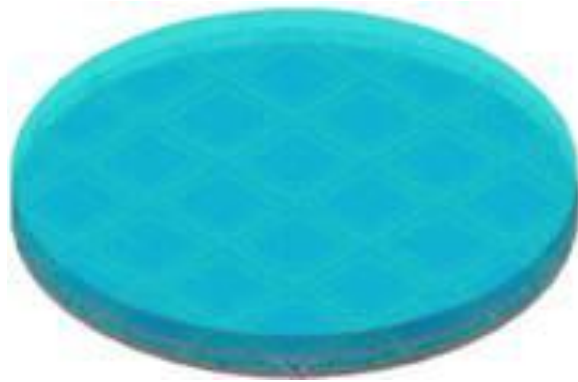
Step G: BGA & Dicing processes

c. CIS IR glass module assembly flow

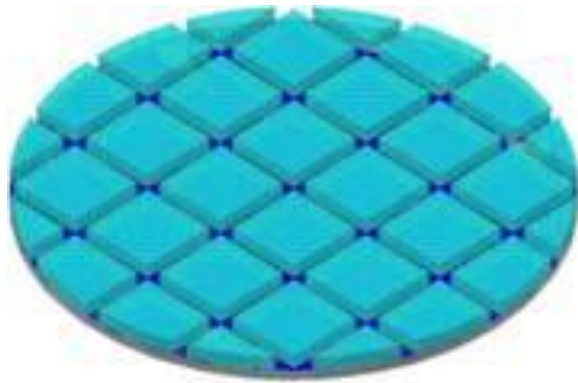
(a) IR glass modulize by blade cutting



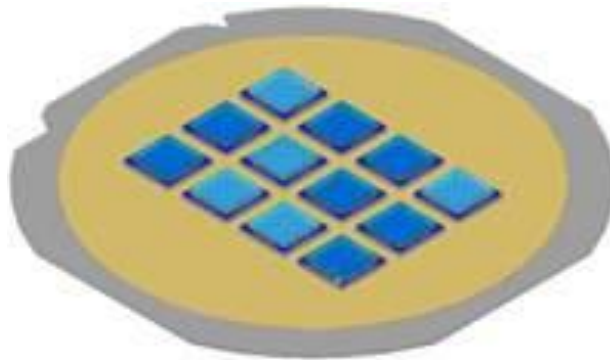
(b) Si device and IR glass bond



(c) Si device thin down and blade cutting



(d) Pick and place (Re-distribution) and packing delivery by frame type



d. Glassless TSV technology

Develop land grid array process combining TSV process for Glassless TSV.
Finally, package delivers by frame type



(3) Future development plans:

To fulfill the market and customer demand for new product technologies, we continue to develop wafer-level new process technologies including liquid molding, through molding via and so on for diverse biometric sensors, image sensors, ambient light sensors, and micro-electromechanical systems (MEMS), MOSFETs and other products. To provide technical services including wafer-level packaging and wafer-level processes at backend market.

3. Supply situation for the company's major raw materials

Major Raw Materials	Supply Name	Foreign	Domestic	Supply Situation
Thin Glass	SCHOTT · NEG	✓		Good
Target	Umicore · Grikin · Materion Taiwan co,Ltd		✓	Good
OPC Muden Gold	OKUNO	✓		Good
Solder Mask	DDP Specialty Products Taiwan Co.,Ltd		✓	Good
Slury	HOPERSONIC Inc Company		✓	Good

4. Major Suppliers and Clients:

(1) A list of any suppliers accounting for 10 percent or more of the company's total procurement amount in either of the 2 most recent fiscal years:

Unit: NT\$ Thousand

Item	2023				2024			
	Company Name	Amount	%	Relation with issuer	Company Name	Amount	%	Relation with issuer
1	NIPPON ELECTRIC GLASS CO., LTD.	192,574	27	None	NIPPON ELECTRIC GLASS CO., LTD.	207,461	23	None
	Others	523,226	73		Others	700,264	77	
	Net Purchaes	715,773	100		Net Purchase	907,725	100	

(2) A list of any clients accounting for 10 percent or more of the company's total sales amount in either of the 2 most recent fiscal years:

Unit: NT\$ Thousand

Item	2023				2024			
	Company Name	Amount	%	Relation with issuer	Company Name	Amount	%	Relation with issuer
1	Company A	5,076,877	79	Investors that have significant influence over the Company	Company A	5,324,805	75	Investors that have significant influence over the Company
2	Company B	958,343	15	None	Company B	1,246,065	18	None
	Others	351,648	6		Others	489,071	7	
	Net Sales	6,386,868	100		Net Sales	7,059,941	100	

C. Personnel Structure

Year		2023	2024	As of March 31, 2025
Number of Employees	Direct Labor	796	812	851
	Indirect Labor	615	633	622
	Total	1,411	1,445	1,473
Average Age (years)		39	39	39
Average Years of Service (years)		9.0	9.1	9.0
Education	Ph.D.	20	19	18
	Masters	279	281	276
	Bachelor's Degree	740	797	838
	Senior High School	337	315	308
	Below Senior High School	35	33	33

D. Environmental Protection Measures

1. The loss or penalty caused by environmental pollution:
2023 and 2024: None.
2. Countermeasures: NA.

Besides operating and maintaining waste water and air pollutant treatment facilities as well as conducting waste sorting pursuant to environmental regulations, as a member of the global community, the Company constantly follows the latest trends of international environmental protection and is dedicated to developing and implementing various carbon footprint reduction programs. By means of the above actions, the Company hopes to conserve electric energy and reduce greenhouse gas (GHG) emissions in order to alleviate greenhouse effect and global warming.

Xintec has passed the verification of ISO 14001 environmental management system, ISO 45001 occupational safety and health management system, TOSHMS Taiwan occupational safety and health management system and the Ministry of Environment greenhouse gas emission verification. It also conducts regular reviews and checks whether it meets the purpose of continuous improvement every year through internal and external audits and 3rd party periodic reviews to achieve the company's environmental safety and health policy (High customer satisfaction, No safety hazard incidents, Environmental Sustainability).

E. Labor Relations

1. List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:
(1) Employee Benefit Programs

- a. According to "Employee Welfare Fund Ordinance", Xintec has organized the Employee Welfare Committee for employee benefits and bonuses.
- b. All employees will be participating in the national health insurance, labor insurance and group insurance. Each employee can apply the insurance benefits.
- c. Xintec's compensation program includes year-end bonuses. When annual settlement, after paying taxes, making up a deficit, reserving dividends and fund, if have any surplus, Xintec will pay compensation in according to related regulations.
- d. Xintec has performance management system. Depending on the operating results, the President can decide whether to grant special incentive bonus.

(2) Training & Development

In Xintec, we treat our employees as the most important assets. We have established a comprehensive learning roadmap with ample career development opportunities, and focus on personal effectiveness, technical, or managerial training program to strengthen and broaden employees' view and competencies for employees' career.

In 2024, a total of 47 physical training courses were held, with a total training time of 190.84 hours and a total of 1,485 participants. In addition, a total of 49 professional technical e-courses were recorded and reproduced, with a total of 20.7 hours. Xintec's training programs include:

a. New Employee Training

Provide basic knowledge and ESH training for new employees.

b. Personal Effectiveness

Provide personal effectiveness training courses to have our employees equipped to work efficiently and effectively. The course includes time management, presentation skill, how to hold the meeting, confrontation management, and so on.

c. Technical Training

Align internal and external experts to develop technical training courses to strengthen our competitiveness.

d. On-the-Job Training

Provide technical and professional training required by different functions within the Company.

e. Managerial Training

According to required manager's competencies, provide different level managerial training courses to enhance manager's managerial skills.

f. Specific Qualification

According to related regulations or their performance, implement certificate training for upgrading the product quality by means of improving the competencies and skills of the employees.

(3) Retirement Policy:

According to the related laws and regulations, Xintec contributes an amount equal to 2% of salaries paid each month to employees' respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan. According to the related laws and regulations, implement pension payment program. As of the end of 2024,

company welfare program contains total \$NTD 61,638 thousands. Since July 1, 2005, according to the Labor Pension Act, Xintec has made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. In 2024, the total amount of recognized expense is \$NTD 52,988 thousands.

(4) Labor-Management relationship:

Xintec has established the related regulations for recruitment, promotion, retirement, pension, created a comfortable working environment through established diverse communication channels, and other benefits to enhance Labor-Management relationships.

(5) Working Environment and Employee Safety Protection:

Xintec's ESH policy is focused on establishing a safe working environment, preventing occupational injury and illness, keeping employees healthy, enhancing every employee's awareness and sense of accountability to ESH. The entrances to the company are equipped with access control device; the gym and nursing room with an emergency pressure deduction; the main entrance and public areas have 24 hours security guards to protect the personal safety. Aiming to the prevention of human factor hazards, abnormal work loading which triggers illness, the program design and execution of maternity health protection and illegality in order to safeguard employees' safety and well-being.

Frequently pushed workplace health events such as work out/exercise/weight control plan, regular physical examination for employees, visually impaired massage service, employed medical staff for caring employees' health condition, and encouraged employees to keep their health in balance. Created a working environment which is perfect for employees' health, and was awarded "Badge of Accredited Healthy Workplace: Health Promotion" from Health Promotion Administration.

(6) Employee Care:

Employee satisfaction investigation will be conducted irregularly to comprehend employees' satisfaction towards the systems of training development, job adaptation, and human rights management.

(7) Privacy Management

With respect to personal privacy, Xintec has established a personal data protection management procedure in accordance with the Personal Data Protection Act, which serves as a guideline for our business operations and management of personal data protection. Identify privacy management regulations and customer requirements to ensure that the Company's internal procedures and practices comply with relevant regulations and identify the risks associated with privacy management. Conduct quarterly regulatory reviews and risk assessments to fulfill the Company's social responsibility and safeguard Xintec's reputation.

2. List any loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of printing of the annual report, disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken: None.

F. Information Security Management:

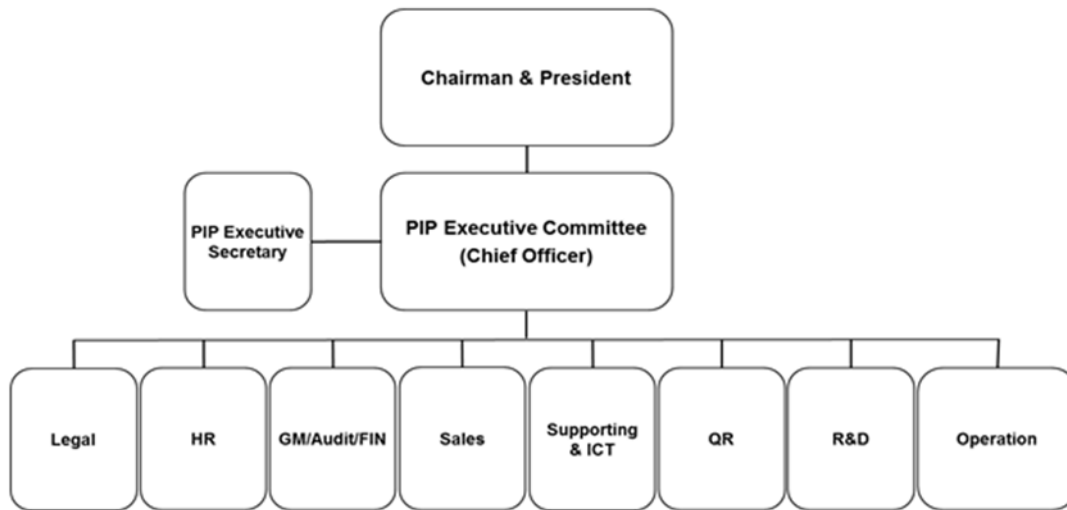
1. Xintec has established Proprietary Information Protection Committee (PIP Committee) since January, 2008 to protect company and customer's confidential information. PIP Committee is responsible for managing and supervising the control of confidential information, and also they enact "Confidential Information Protection Policy" and "Confidential Information Protection Management Regulation" which clearly list management policies, procedures, and specifications of confidential information protection. Xintec's Information security objective is to build a complete information security system and comprehensive security defensive ability to ensure information security. Identify risks, prevent and improve weakness through various security technologies. Make employees have correct concept and awareness on information protection, and reduce the risks from information leakage and cyber-attacks. Maintain company's competitive advantages.

5 main goals; fulfill PDCA Cycle:

- (1) Build and fulfill confidential information and information security management system.
- (2) Comply with requests from the laws and contractual obligations related to information security.
- (3) Indeed give education and propaganda about confidential information protection and information security to employees and related groups.
- (4) Assess and identify risks. Set a goal for improving and control measures.
- (5) Improve information security management system through internal audit.

PIP Committee's duty is to manage, plan, supervise, and promote departments for information security. PIP Committee and IT department would together build a complete system and comprehensive defensive ability. Meetings would be held seasonally by the Committee members to check information security policy and its result. Annually, PIP Committee would make report to the board, letting the board understand situations of implementing information security.

- (1) PIP Committee: It is composed of representatives assigned by each department head. Duty: Discuss, establish, audit, and promote confidential information security controls.
- (2) PIP Executive Department: Plan, supervise, and promote confidential information security controls
- (3) IT: Build and manage information security system. Assist in evaluating, setting up and managing software and hardware based on PIP Committee's decision and requirement. Conduct abnormal data of communication and information storage analysis. If there is any abnormality, notify PIP Committee.



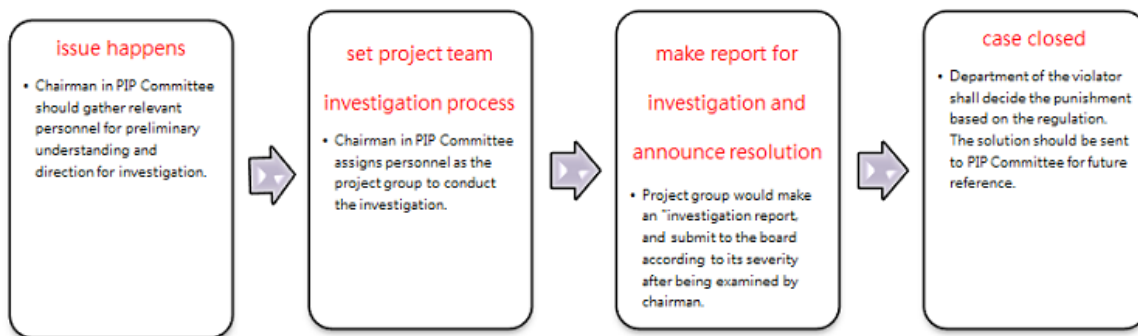
Risks Management and Resources

- (1) Strengthen information security defense, evaluate and improve the weaknesses of external services through the third-party security risk management platform.
- (2) Make emergency response plan and drill. Clearly enact Recovery Time Objective (RTO) and Recovery Point Objective (RPO) of the main business. Settle proper backup system and backup plan.
- (3) Regularly hold hazard identification, risk assessment, and improvement operation.
- (4) Set up a Security Operation Center (SOC) to control real-time information security status, focus on relative events, manage the rising alarm, and become the command center when any issue happens.
- (5) Establish SIEM (Security Information and Event Management), concentrate records collected by each system, integrate event alarms, correlation analysis, output data reports to assist security personnel in establishing overall environmental visualization more efficiently and promptly troubleshoot problems.
- (6) Social Engineering – Adding suspicious email recognition mechanism, Phishing email, drill and cases propaganda.
- (7) Regularly hold propaganda and conduct audit to check the implementation of confidential information protection
- (8) Examining, classifying and labeling confidential information, and establishing a system to prevent the leakage of sensitive information.
- (9) Strengthening external security defense equipment to prevent zero-day attacks and block phishing emails.
- (10) Strengthen server protection, management and abnormal movement mechanism.
- (11) Questionnaire surveys and visits for important suppliers.

2024 Training and Audit

- (1) Total 12 PIP management meetings and 4 PIP Committee meetings.
- (2) All employees in company completed PIP training and audit in 2024.
- (3) IT personnel, total 20 trainings were done in 2024.

Information Security Incident Response Flow:



2. Losses due to major information security incidents in the recent year:

There was no loss due to major information security incidents in the recent year.

G. Major Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Lease agreement	Ministry of economic affairs	02/2004~02/2029	Zhongli Industrial Park (A5-3)	The contract shall not be subleased, lended or for others to use.
		02/2004~02/2029	Zhongli Industrial Park (A1-3,A1-4, A2-4)	
		4/2021~4/2027	Zhongli Industrial Park (A4-3)	
		01/2013~10/2026	Zhongli Industrial Park (C7-1,C7-2)	
		01/2013~11/2027	Zhongli Industrial Park (C9-1,C9-2)	
		03/2012~02/2028	Zhongli Industrial Park (C10-1,C10-2)	
		05/2010~04/2030	Zhongli Industrial Park (A5-4、A7-2)	
		01/2021~08/2032	Zhongli Industrial Park (A1-1)	
	Unice E-O services Inc.	11/2020~12/2030	Zhongli Industrial Park (A3-3, A3-4)	
Innovative AI Lab, Inc.	04/2023~03/2026	Zhongli Industrial Park (C2-2)		
Borrowing contracts	Far Eastern International Bank	11/2023~11/2028	Working capital	None
Borrowing contracts	Far Eastern International Bank	12/2023~12/2028	Mid-term project loan	The key points of project loans should be followed and the loan should not be diverted
Borrowing contracts	Taipei Fubon Bank	03/2024~02/2029	Mid-term project loan	The key points of project loans should be followed and the loan should not be diverted
Backend service contract	TSMC	06/2013~(Note1)	Backend packing service	Duty of confidentiality
Equipment Consignment Agreement	TSMC	10/2019~10/2020 (Note 2)	Consign equipment for back-end service	Duty of confidentiality
Collaboration Agreement	TSMC	11/2019~11/2024 (Note 3)	Backend wafer testing service	Duty of confidentiality Duty of compensation

Note 1: The contract is still valid except with the consent of the parties to terminate.

Note 2: Unless otherwise specified, the agreement will be renewed automatically every year for successive one (1) year period.

Note 3: The contract shall commence on the Effective Date and continue for five (5) years, and renew automatically every year for successive one (1) year periods, unless earlier terminated.

V. Financial Position, Operating Results and Risk Management

A. Financial Position

Unit: NT\$, in Thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	6,765,340	5,385,219	1,380,121	25.63
Property, plant and equipment	5,768,982	4,341,020	1,427,962	32.89
Intangible assets	14,532	20,784	(6,252)	(30.08)
Other assets	281,151	254,142	27,009	10.63
Total assets	12,830,005	10,001,165	2,828,840	28.29
Current liabilities	2,009,562	1,469,496	540,066	36.75
Noncurrent liabilities	1,729,417	577,522	1,151,895	199.45
Total liabilities	3,738,979	2,047,018	1,691,961	82.65
Capital stock	2,713,643	2,713,643	-	-
Capital Surplus	396,424	396,424	-	-
Retained earnings	5,980,959	4,844,080	1,136,879	23.47
Other equity	-	-	-	-
Total equity	9,091,026	7,954,147	1,136,879	14.29

Items will be analyzed and explained if ratio changed more than $\pm 20\%$:

1. Current assets increased were due to cash and cash equivalents increased NT\$1,315,732 thousand.
2. Property, plant and equipment increased were due to Equipment under Installation and Construction in Progress increased NT\$1,760,692 thousand, Machinery and Equipment increased NT\$169,086 thousand and Accumulated depreciation increased 545,445 thousand.
3. Intangible assets decreased were due to patents decreased NT\$7,142 thousand.
4. Total assets increased were due to cash and cash equivalents increased NT\$1,315,732 thousand and Property, plant and equipment increased NT\$1,427,962 thousand.
5. Current liabilities increased were due to Payables to contractors and equipment suppliers increase NT\$458,596 thousand.
6. Noncurrent liabilities increased were due to Long-term borrowing increased NT\$1,188,415 thousand.
7. Total liabilities increased were due to Payables to contractors and equipment suppliers increase NT\$458,596 thousand and Long-term borrowing increased NT\$1,188,415 thousand.
8. Retained earnings increased were due to net income increased in 2024.

B. Financial Performance

1. Financial Performance in Most Recent 2 Years:

Unit: NT\$, in Thousands

Item \ Year	2024	2023	Difference	%
Operating revenues	7,059,941	6,386,868	673,073	10.54
Operating costs	4,567,013	4,207,658	359,355	8.54
Gross Profit	2,492,928	2,179,210	313,718	14.40
Operating expense	597,440	541,708	55,732	10.29
Other revenue and expense	80,215	67,590	12,625	18.68
Income from operation	1,975,703	1,705,092	270,611	15.87
Non-operating income and expense	84,671	45,410	39,261	86.46
Income before income tax	2,060,374	1,750,502	309,872	17.70
Income tax	390,654	374,728	15,926	4.25
Net income	1,669,720	1,375,774	293,946	21.37
Items will be analyzed and explained if ratio changed more than $\pm 20\%$: 1. Non-operating income and expense increased were due to Interest income increased NT\$ 13,725 thousand, foreign exchange gain increased NT\$86,136 thousand and net gain (loss) arising on financial instruments designated as at FVTPL decreased NT\$ 59,804 thousand. 2. Net income increased were due to the increase in operating revenue, which leads to the increase in profits.				

2. The expected sales volume and its basis, the possible impact on the company's future financial business and the response plan

The company has been committed to developing new types of sensors with wafer-level packaging and Post passivation interconnects. Mass production of 12-inch wafer tests in 2020 will bring new revenue and stable growth to the company. In 2023, 12-inch CIS special processing technology will also be introduced and new profit-making projects will be brought in 2024. It is expected that 12-inch CIS wafer-level packaging will gradually expand to automotive, AR/VR and other markets in 2025. We will also move towards system-level packaging (SiP) and customized demand development.

In the future, the company will continue to actively cooperate strategically with customers to develop innovative technologies and expand applications in consumer products such as mobile devices, automotive electronics, industrial and medical applications. Automotive electronic products, industrial and medical products have the characteristics of high technical threshold, long product life cycle and stable revenue and gross profit. The company will continue to expand cooperation projects with customers.

C. Cash Flow

1. Analysis of Cash Flow

Unit: NT\$, in Thousands

Item \ Year	2024	2023	Difference	%
Operating activities	2,138,696	1,887,859	250,837	13.29
Investing activities	(1,441,994)	(821,412)	(620,582)	75.55
Financial activities	619,030	(856,632)	1,475,662	(172.26)
Total	1,315,732	209,815	1,105,917	527.09
<p>1. Cash flow from operating activities increased were mainly due to net income increased NT\$309,872 thousand and depreciation decreased NT\$64,668 thousand.</p> <p>2. Cash out flow from investing activities increased was mainly due to capital expenditures increased NT\$648,111 thousand.</p> <p>3. Cash inflow from financial activities increased were mainly due to proceeds from long-term borrowing increased NT\$1,206,000 thousand and Cash dividends paid decreased 271,365 thousand.</p>				

2. Remedial Actions for Liquidity Shortfall

Cash flow generated from operation. Not applicable for liquidity shortfall.

3. Cash Flow Projection for Next Year

Unit: NT\$, in Thousands

Cash Balance 2025/1/1	Net cash provided by operating activities in 2025	Net cash used in investing and financing activities in 2025	Cash Balance 2025/12/31	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
5,035,697	1,457,135	(3,046,206)	3,446,626	—	Bank loan
<p>1. Analysis of cash flow for 2025:</p> <p>(1) Cash provided by operating activities was mainly from cash receipted from customers.</p> <p>(2) Cash used in investing and financing activities was mainly due to capital expenditures, pay cash dividend and cash from long-term loan.</p> <p>2. Remedial actions for cash shortfall and liquidity analysis: bank loan.</p>					

D. Major Capital Expenditure

The capital expenditure was mainly used for the expansion of the new factory office building, the factory facilities for wafer testing and R&D machines in 2024, which cash flow generated from operation and bank loan. There was no unfavorable impact on the finance and operation.

E. Long Term Investment: Not applicable.

F. Risk Management

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

(1) Interest Rate Fluctuation

The company's long-term bank borrowing rate is based on floating interest rates, and interest rate changes will affect future cash flows. The Company took attention on interest rate fluctuation and entered into interest rate swap contracts to mitigate the risk of changes in interest rates on the cash flow exposure related to the outstanding variable rate debt.

(2) Foreign Exchange Volatility

The company's operating activities are mainly in foreign currency transactions, so foreign currency exchange rate risks arise. In order to avoid the decline in the value of foreign currency assets and fluctuations in future cash flows due to exchange rate changes, the Company utilizes derivative financial instruments such as currency forward contracts, to partially hedge its currency exposure. It can help the company reduce but still can't completely rule out the impact of foreign exchange rate changes.

(3) Inflation Volatility

The Company monitors the supply status of the raw material, seeks the second source of the both good quality and price advantage, and improves the manufacturing process and products yield, and cost reduction to reduce the impact of rising prices.

2. Risks Associated with High-risk/high-leveraged Investment; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions:

The Company did not make high-risk of high-leveraged financial investments, loan to other parties, either the endorsements recently. The company's derivatives transactions are mainly to avoid exchange rate risks of foreign currency assets and liabilities. To control various types of financial transactions, The Company has established internal policies and procedures based on sound financial and business practices, all in compliance with the relevant rules and regulations issued by the Taiwan Securities and Futures Bureau. The policies and procedures are "Procedures for Lending Funds to Other Parties", "Procedures for Endorsement and Guarantee" and "Procedures for Acquisition or Disposal of Assets," ("Policies and Procedures for Financial Derivative Transactions" included).

3. Future Research & Development Projects and Corresponding Budget:

In response to the needs of market and customers for sensors, we continue

to provide wafer-level packaging technology such as TSV CSP and 3D IC package for applications in various sensor components. Extend the product line and services to micro-electromechanical (MEMS), power field effect transistors, power control and analog components and other products by innovative wafer-level packaging technology. The budget for R&D expense will be NT\$ 389,653 thousand in 2025.

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

The Company consistently pays close attention to any changes in Policies and Regulations Relating to Corporate Finance and Sales. Changes in related laws during 2024 have not had a significant impact on our operations.

5. Effects of and Response to Changes in Technology(Including information security risks) and the Industry Relating to Corporate Finance and Sales:

The Company carefully monitors market trends and assesses the impact they may have on the company's operations and attaches great importance to improvements in technology. At the same time, the company will continue to promote information security-related plans to reduce the risk of information security, so as to achieve the goal of continuous operation.

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

The company had been honored as top 5% ranking at "Corporate governance Evaluation" by OTC from 2016 to 2023 and it was ranked in the 6%~10% In 2022. The company won the Silver Award of the Tier 2 Group, Taiwan Continuous Improvement Awards (TCIA) in year 2024.

To manage the corporate image effectively, the company attaches great importance to emergency response drills in the event of natural or man-made disasters, such as typhoons, earthquakes, environment pollution, IT services disruption, strikes, shortage of raw materials and utility supply disruption. The company sets emergency command plan, including the process and steps for setting up an ad hoc emergency response team for the event of a disaster. The company has a standing emergency response center with 24-hour on-duty staff to respond to various emergencies that may cause environmental pollution. It is beneficial to activate the response mechanism and take response measures in the early stage of environmental accidents, restrain and prevent the continuous expansion of accident disasters, and reduce the severity of accidents. In addition, the company has established emergency response management procedures for environmental pollution incidents such as air pollution, gas or chemical substance leakage. The company formulates an emergency response drill plan every year.

The emergency response drill is carried out by the unit supervisor as the commander by means of actual military deduction and to strengthen the response capacity. To coordinates relevant departments in each fab, conduct regular emergency response drills and continuously improve their notification and operational procedures to ensure smooth communication channels with stakeholders in crisis management. The Spokesperson serves as the designated gateway for external communications. Up to the printing date of this Annual Report, the company has not been faced with risks which may have a major impact on the daily operation and on the corporate image.

7. Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

8. Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: please refer to pages 96 of the Annual Report.

9. Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

The Company procured raw materials from different suppliers as far as possible to ensure the smooth supply of raw materials and reduce the risk of centralized purchasing. Although the Company still made part of the raw materials from a single supplier, but the Company will continue to look for other suppliers to reduce the risk of centralized purchasing.

The largest customer, TSMC Group's net sales accounted for 75% of the company's sales of 2024. The company will continue to actively develop new markets and new customers and maintain a good relationship with the existing customers continue to reduce risk.

10. Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%:

The price of the Company's stock may be impacted by possible future sales of the Company's shares owned by the major shareholders. TSMC will remain as the largest shareholder of Xintec with approximately 41% ownership. TSMC announces to continue its close collaboration with Xintec in the business areas of CMOS image sensor, MEMS, CP testing and etc.

11. Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

12. Litigation or Non-litigation Matters

(1) Major ongoing lawsuits, non-lawsuits or administrative lawsuit:

a. Major ongoing civil lawsuit relating to land occupancy compensation: None.

b. Major non-lawsuits or administrative lawsuits: None.

(2) Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors, supervisors or shareholders with over 10% shareholdings

Major ongoing lawsuits, non-lawsuits or administrative lawsuit by the director of the company, TSMC:

As is the case with many companies in the semiconductor industry, the Company has received from time to time communications from third parties asserting that its technologies, its manufacturing processes, or the design of the semiconductors made by TSMC or the use of those semiconductors by its customers may infringe upon their patents or other intellectual property rights. These assertions have at times resulted in litigation by or against the Company and settlement payments by the Company. Irrespective of the validity of these claims, the Company could incur significant costs in the defense thereof or could suffer adverse effects on its operations. The Company is also subject to antitrust compliance requirements and scrutiny by governmental regulators in multiple jurisdictions. Any adverse results of such proceeding or other similar proceedings that may arise in those jurisdictions could harm TSMC's business and distract its management, and thereby have a material adverse effect on its results of operations or prospects, and subject the Company to potential significant legal liability.

Currently, TSMC's material legal proceeding is as follows:

In February 2025, Longitude Licensing Ltd. and Marlin Semiconductor Limited (collectively, "Marlin") filed complaints in the U.S. International Trade Commission ("ITC") and the U.S. District Court for the Eastern District of Texas alleging that TSMC and customers infringe five U.S. patents. The ITC instituted an investigation on March 21, 2025. The outcome cannot be determined, and we cannot make a reliable estimate of the contingent liability at this time.

Other than the matter described above, as of the date of this Annual Report, TSMC is not currently a party to any other material legal proceedings.

As described above, TSMC's litigations are causing from commercial acts and there is no relationship with us, it has no materially affect shareholders' equity or the prices of the company's securities.

13. Other Major Risks and Countermeasures: None.

G. Other Important Matters: None

VIII. Special Notes

A. Affiliated Information: None.

B. Private Placements Securities: None.

C. Any Events in Y2024 That Had Significant Impacts on Shareholders' Right or Security Prices as Started in Item 2 paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: None.

D. Other Necessary Supplement: None.

Xintec Inc.

Chairman : CH Chen