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Responsibility Sharing

2.1 Business Performance and Taxation

2.2 Governance Regulations and Framework

2.3 Regulatory Compliance and Professional Ethics

2.4 Risk Management

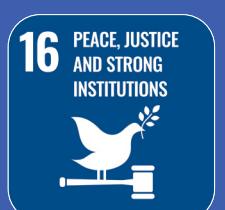
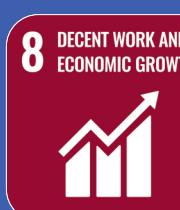
2.5 Information Security

Corresponding Stakeholders and Material Topics

				
Shareholder/ Investor	Employee	Government Agency	Supplier	Customer
				
Financial Performance	Information Security	Information Security		

Policy and Response to SDGs

Under the premise of legal compliance and ethical corporate management, we will continue to strengthen the assessment and response of operational risks and opportunities; optimize external communication channels; establish a convenient, quick, accurate, and secure information network; and implement effective stakeholder communication and engagement to develop the core literacy and attitude required for sustainable development.



2.1 Business Performance and Taxation

Introduction and Overview

1 Value Co-Creation

2 Responsibility Sharing

3 Partner Co-prosperity

4 Environmental Symbiosis

5 Labor-Management Common Good

6 Social Inclusion

Appendices

2024 Sustainability Report

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Goals and Achievements

Achieved

2024 Goals

- Quarterly financial reports released within 30 days of accounting quarter closure, English version within 60 days ✓
- Annual financial reports released within 60 days of accounting quarter closure, English version within 90 days ✓
- Annual earnings conference completed by mid-February of the following year ✓

Short-term Goals (2025-2026)

- Quarterly financial reports released within 30 days of accounting quarter closure, English version within 60 days
- Annual financial reports released within 60 days of accounting quarter closure, English version within 90 days
- Annual earnings conference completed by mid-February of the following year

Medium to Long-term Goals (2027-2030)

- Continuously optimize external communication channels and maintain favorable relationships with global capital markets to enhance investor confidence
- Identify appropriate investment targets that contribute to product business expansion based on industry trends and market conditions, maintaining sound financial structure to create investment value

Evaluation Indicators

- Financial indicators and stock value
- Management strategy

Responsibilities

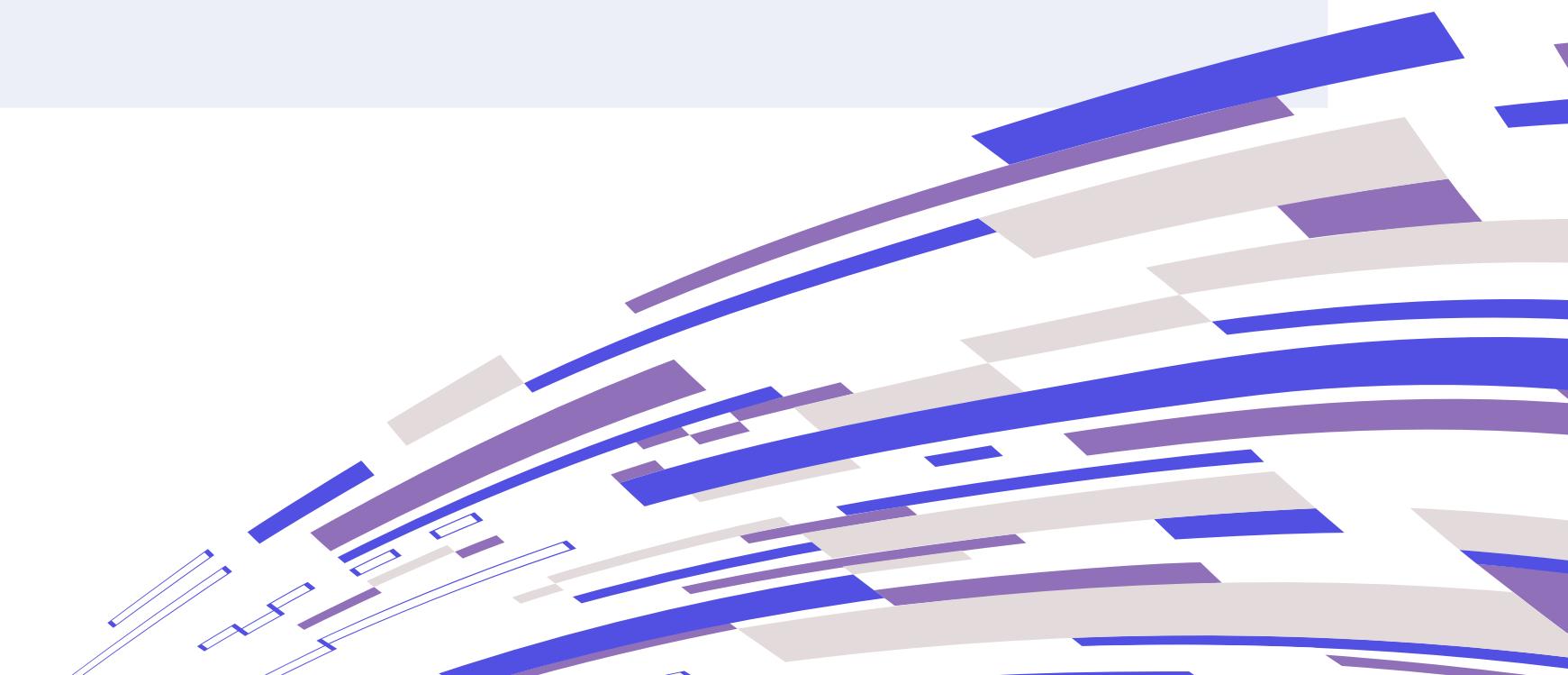
- Management Team/Board of Directors
- R&D Unit
- Finance Unit
- Sustainability Unit

Key Stakeholders

- Shareholder/Investor

Communication Mechanism

- Please refer to the "[Key Stakeholders Communication Comparison Table](#)" and match it with the key stakeholders mentioned above.



I Financial Performance

In 2024, despite the gradual easing of inflationary pressures, major global economies maintained high interest rate policies, combined with geopolitical conflicts and supply chain uncertainties, making the global market recovery process challenging. The consumer electronics market showed moderate recovery, but demand recovery momentum varied, with the industry in the early stages of restocking cycles following inventory adjustments. Facing multiple external risks and market volatility, Fitipower continued its strategy of organizational deployment and flexible resource allocation, extending related management approaches to the entire group and overall product value chain, establishing a foundation for stable operations in an uncertain environment.

Through vertical integration and horizontal division of labor across domestic and international subsidiaries, we developed supply localization and regionalization to respond to deglobalization and product carbon reduction trends. On the customer side, we developed diversified innovative products, expanding product applications in AIoT, automotive, electronic paper, communications and other fields to align with market trends. In 2024, Fitipower provided 2.04 billion product services (680 million display driver chips; 1.05 billion power management chips; 310 million other chips). The consolidated revenue for 2024 was NT\$19.199 billion, with earnings per share of NT\$16.08.

Item	Sub-item	2021	2022	2023	2024
Direct economic value generated	Net sales (NT\$ thousands)	22,868,238	19,680,425	16,286,520	19,199,740
	Income from financial investments (NT\$ thousands)	59,555	84,410	343,492	302,631
	Income from asset sales (NT\$ thousands)	43	0	1,118	1,544
Economic value distributed	Operating costs (NT\$ thousands)	12,794,460	13,272,318	11,757,297	14,658,922
	Employee compensation and benefits (NT\$ thousands)	2,337,095	2,532,201	2,175,538	2,323,394
	Payments to capital providers (NT\$ thousands)	415,549	3,164,997	1,582,499	1,288,127
Economic value retained	Payments to the government (NT\$ thousands)	214,877	1,061,572	702,881	656,107
	Community investments (NT\$ thousands)	200	20,000	3,000	4,500
	(NT\$ thousands)	7,165,655	(286,253)	409,915	572,865
Investment value	Return on equity	60.39%	19.67%	13.64%	14.14%
	Return on assets	38.14%	13.22%	9.42%	9.69%
	Gross profit margin	46.63%	36.31%	32.43%	28.61%
	Operating margin	33.75%	19.66%	14.40%	11.48%
	Net profit margin	27.94%	16.61%	14.53%	12.98%
	Earnings per share (NT\$)	33.83	16.49	13.29	16.08
	Cash dividend per share (NT\$)	17	8.5	10.64	12.87
	Market capitalization (NT\$ hundred millions)	526	215	312	282
Other	Capital expenditure (NT\$ thousands)	544,939	748,490	465,492	733,939
	Government subsidies (NT\$ thousands)	45,218	26,591	95,366	185,426

Note 1 : "Economic value retained" represents "direct economic value generated" minus "economic value distributed"

Note 2 : Market capitalization calculated based on stock price as of December 31 of respective year

Note 3 : Financial consolidation scope covers all entities in the "Organizational Chart of Affiliates"

Note 4 : "Income from financial investments" and "Payments to the government" have been restated for 2021-2023 due to definitional differences; "Economic value retained" information adjusted accordingly

Note 5 : 2023 "Government subsidies" information was misleading and has been restated



Tax Policy

- All operational activities are conducted in compliance with relevant regulations.
- Transactions between affiliated enterprises are based on arm's length principles and comply with internationally recognized transfer pricing guidelines published by the Organization for Economic Co-operation and Development (OECD).
- Important operational decisions consider tax implications.
- We do not use tax havens for planning purposes or deliberately transfer profits to low-tax countries or regions for tax avoidance.
- Financial report information is transparent, and tax disclosures are handled in accordance with relevant regulations and standards.
- We maintain good communication channels with tax authorities.

Fitipower and its subsidiaries' main operational bases are located in Taiwan, Hong Kong, and China. We continuously monitor tax risks in all operational regions and formulate response strategies to ensure operations are not affected. Main tax risks include:

- Changes in tax regulations may adversely affect business performance and increase corporate tax costs.
- Changes in tax regulations or incentive measures may affect existing corporate tax planning.
- Variable economic environments, such as US-China trade tariff conflicts, affect changes in international investment locations and related tax implications.

► Recent Tax Payments

Year	2021	2022	2023	2024
Tax payments (NT\$ thousands)	214,877	1,061,572	702,881	656,107

2.2 Governance Regulations and Framework

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Goals and Achievements

Achieved

2024 Goals

- Corporate Governance Evaluation ranking within top 20% ✓
- Board meeting attendance rate >90% ✓
- Independent directors account for 1/2 of the board seats; female directors account for 1/3 ✓
- No significant deficiencies in internal control audits ✓

Short-term Goals (2025-2026)

- Corporate Governance Evaluation ranking within top 20%
- Board meeting attendance rate >90%
- Independent directors account for 1/2 of the board seats; female directors account for 1/3
- No significant deficiencies in internal control audits

Medium to Long-term Goals (2027-2030)

- Corporate Governance Evaluation ranking within top 5%
- Selection for one corporate governance-related index
- Board meeting attendance rate >90%
- Independent directors account for 1/2 of the board seats; female directors account for 1/3
- No significant deficiencies in internal control audits

Evaluation Indicators

- Board of Directors performance evaluation
- Annual internal audit reports
- Corporate Governance Evaluation

Responsibilities

- Board of Directors and related functional committees
- Internal Auditing (IA)
- Management Team

Key Stakeholders

- Employee
- Government Agency

Communication Mechanism

- Board of Directors and Functional Committee Meetings (Compensation Committee, Audit Committee, Sustainability Committee)
- Please refer to the "[Key Stakeholders Communication Comparison Table](#)" and match it with the key stakeholders mentioned above.

Since our first participation in the "Corporate Governance Evaluation," we have recognized Fitipower's deficiencies in information disclosure and institutional frameworks, and have since undertaken improvements. Through the redesign of the Company's official website, we enhanced the completeness of governance-related information disclosure and established the Sustainability Committee and related regulations to improve management processes and mechanisms. Under continuous improvement in corporate governance, Fitipower's Board composition demonstrates high diversity. In 2024, female directors comprised 43%, significantly higher than the average level of listed companies, while independent directors reached 71%, ensuring independence and professionalism in corporate decision-making. These efforts are reflected in governance evaluation performance, with Fitipower achieving progressive improvements year by year, obtaining a ranking of 6%-20% in the 10th Corporate Governance Evaluation in 2024, demonstrating steady progress in corporate governance. Facing dramatic global upheavals and unknown challenges, Fitipower will continue to strengthen governance systems, enhance information transparency and board diversity, ensuring the Company advances steadily on the path of sustainable operations. We understand that transparent corporate governance systems and organizational composition and operations are crucial. To

ensure that the responsibilities of various governance organizations and individuals align appropriately, the Company has established relevant "Internal Regulations" and through supervision and checks and balances by the management team, reasonably defines and allocates the rights and responsibilities among all shareholders, operational teams, and stakeholders to implement corporate governance. Regarding employee and director compensation regulations, we comply with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange," clearly stipulated in the Company's articles of incorporation: "If the Company is profitable, it shall allocate no less than 5% for employee compensation and no more than 1% for director compensation. However, if the Company still has accumulated losses, it shall reserve amounts for compensation in advance."

This protects the interests of all stakeholders and advances toward sustainable corporate operations. In 2024, the ratio of the highest individual compensation to the median compensation of other employees was 10.82. To further strengthen corporate governance, we revised the "Board of Directors Performance Evaluation Regulations," clearly stipulating that at least once every three years, an external professional independent team shall conduct Board performance evaluation, and we conducted the first external evaluation of Board performance in 2024. At the same time, we also regularly conduct internal evaluation operations annually. The overall performance score for 2024 was 4.98 out of 5, indicating good board operations. Additionally, we encourage members of the Board and colleagues to actively participate in relevant continuing education courses to ensure that the highest governance team's judgment and decision-making, as well as various unit colleagues, truly align with Fitipower's operational purposes and understand international and industry trend changes and responses.

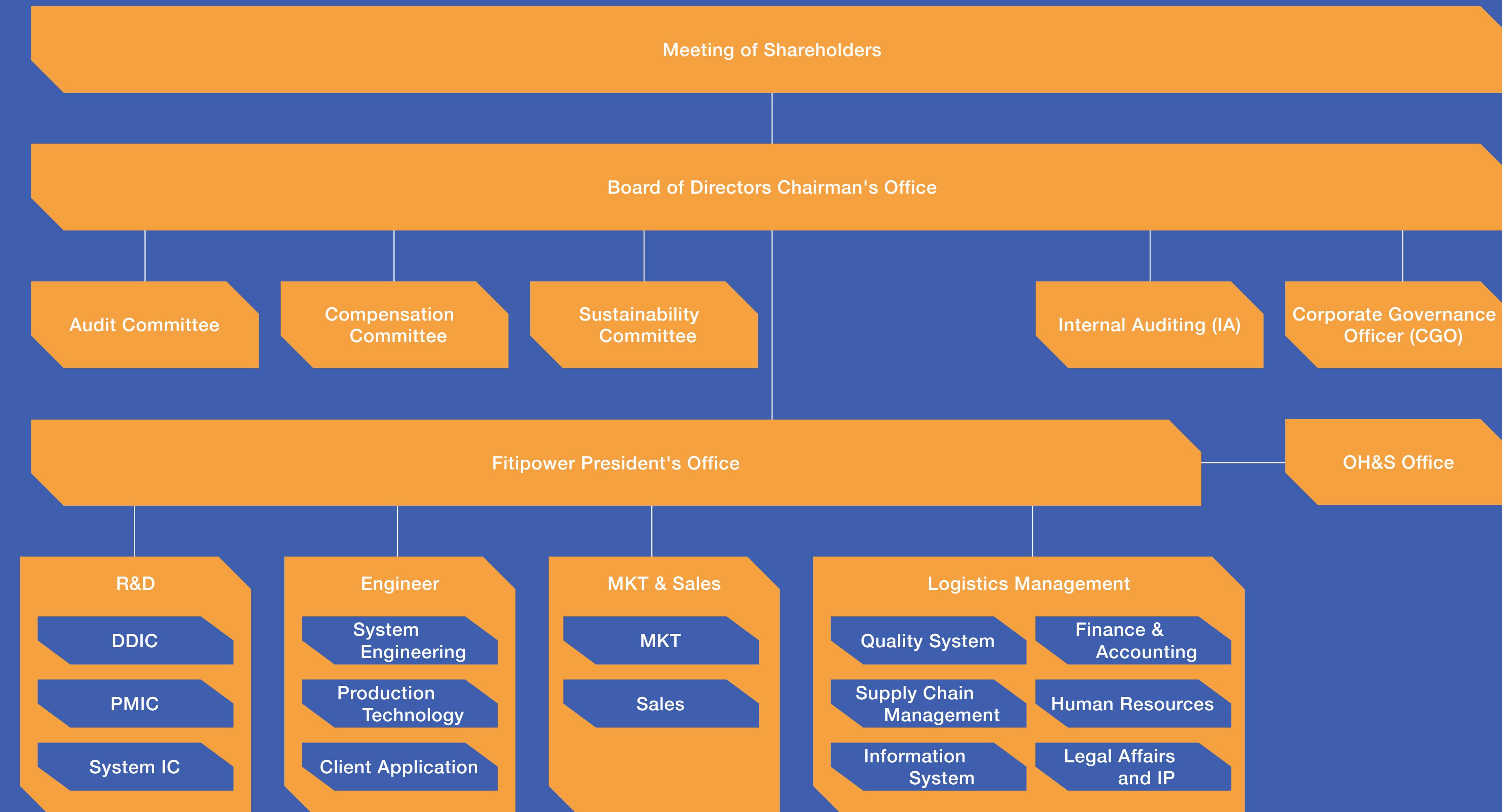
► Corporate Governance-Related Continuing Education Courses

Participants	Course Title	Total Training Hours
Members of the Board of Directors	<ul style="list-style-type: none"> The ESG Legal Issues Faced by Board of Directors Impact of Export Controls on Corporate Operations and Risk Management & Control Application of Modern Enterprise Risk Management Strategies in Corporate Governance Listed Company Director Training Course - Application of Generative AI and ChatGPT Corporate Sustainability Governance Gender Equality and Diverse Decision-making Trade Secrets Protection and Prevention of Insider Trading Analyzing Corporate Performance and Risk Prevention through Financial Statements How to Adjust the Internal Control System to Adapt to New ESG Regulations? 	42
Corporate Governance Officer (CGO)	<ul style="list-style-type: none"> GHG Protocol Corporate Standards and Scope 3 Standards Training Course 2024 Insider Equity Trading Legal Compliance Briefing Listed Company - Using Derivatives to Expand Asian Asset Management Territory Seminar 	13
Accounting Officers	<ul style="list-style-type: none"> Continuing Development Course of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges 	24
Internal Audit Officer	<ul style="list-style-type: none"> Using "Intellectual Property Management" to Improve Corporate Governance and Internal Control Law Compliance Legal Responsibility and Internal Control/Internal Auditing Practices for Employee Fraud Information Governance and Internal Control & Audit (Personal Data, Business Secret Protection, and Artificial Intelligence) The Latest Regulations on "Annual Report/Sustainability Information/Financial Report Compilation" and Practice of Internal Control Management 	24

Fitipower's governance organization is structured as follows, with a Corporate Governance Officer and one Corporate Governance personnel appointed by board resolution. Primary responsibilities include legally handling meetings related to the Board of Directors, Audit Committee, Compensation Committee, and Shareholders' Meeting; preparing meeting minutes

for the aforementioned meetings; assisting directors with onboarding and continuing education; providing directors with necessary information for business execution; and assisting directors in legal compliance. The responsibilities and execution status of the relevant units are described as follows:

► Fitipower Organizational Chart

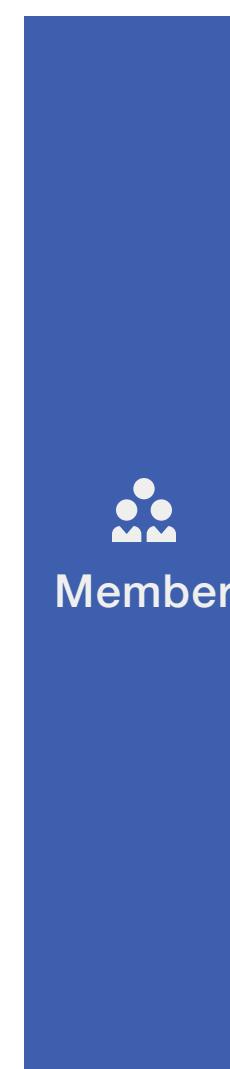




I Board of Directors



- Establish important regulations, contracts, and procedures (including governance organization charters and meeting rules, asset acquisition or disposal, derivative transactions, lending funds to others, endorsements or guarantees for others, and procedures for major financial business activities, internal control systems and effectiveness assessments)
- Resolve major matters (including management decisions and operational plans, capital increases/decreases, reinvestments, major donations)
- Supervise company operations and execution (such as financial performance, non-financial advancement)
- Performance evaluation and appointment/dismissal of financial, accounting, and internal audit officers



Following the 2024 director election, Fitipower's Board of Directors comprises 7 directors with terms expiring in May 2027. The selection and succession of board members follow the provisions of the "Articles of Incorporation" and the "Procedures for Election of Directors" using a candidate nomination system. Beyond considering professional and diverse core competency capabilities, we emphasize behavioral conduct, ethical reputation, and independence assessment to achieve proper planning and effective supervision. The Company has seven directors, all of whom possess diverse backgrounds, including various industries, finance and accounting, and legal backgrounds. Additionally, we have established "Board of Directors Performance Evaluation Regulations" through internal and external evaluations and multiple measurement items to ensure proper board operations and serve as reference for director selection. For detailed information on the diverse composition of the Board of Directors members' academic and professional backgrounds and capabilities, please refer to the Company's official website under the ["Board of Directors"](#) section.



Women account for 43%

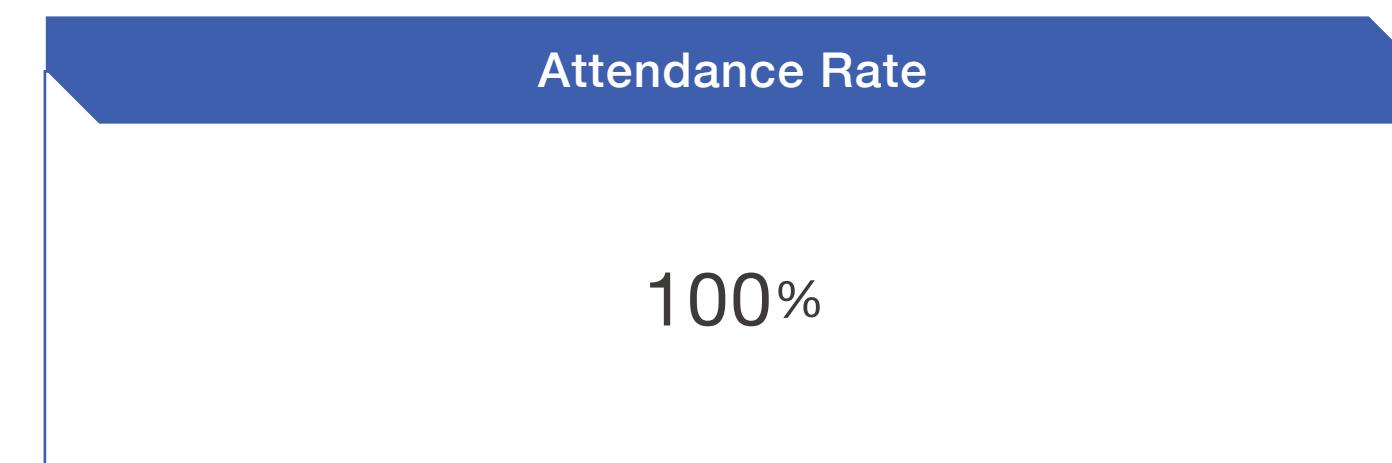
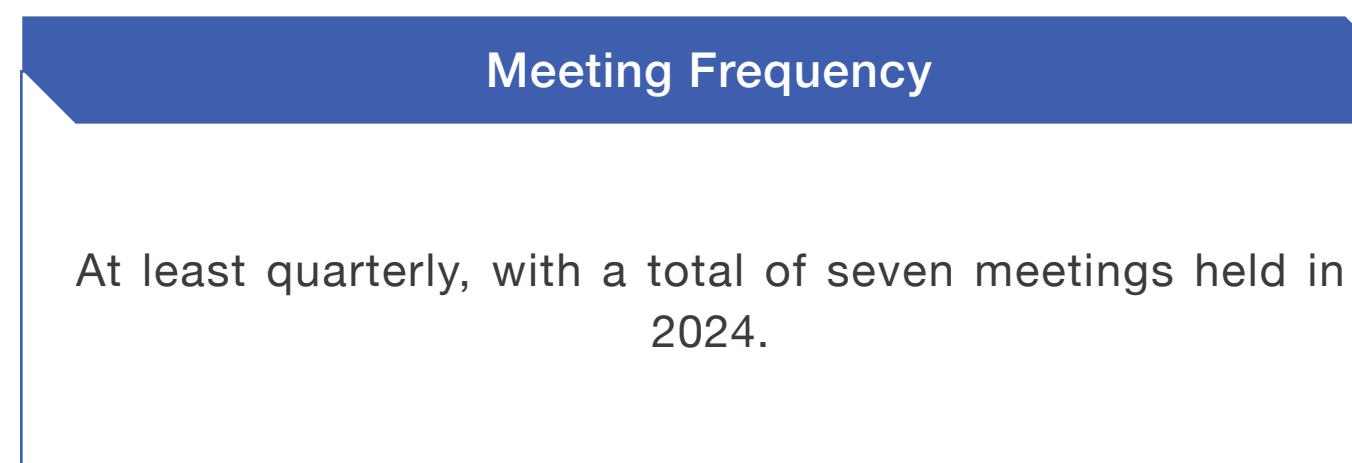


All directors are over 50 years old



Ratio of directors who are employees is 29%

Ratio of independent directors is 71%

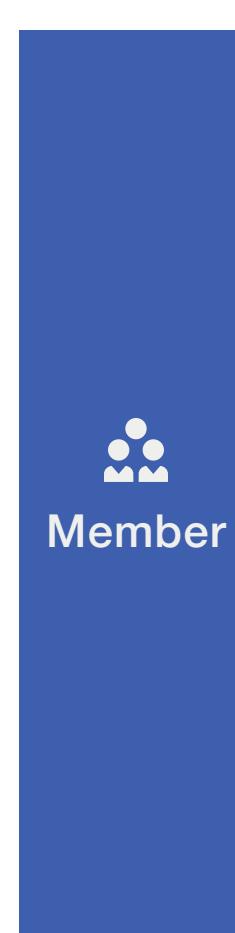


I Functional Committees of the Board

Audit Committee



- Supervise appropriate expression of company financial statements
- Establish or revise internal control systems and effective implementation of internal controls
- Selection (or dismissal) and independence assessment of CPAs
- Management authority for existing or potential company risks
- Company compliance with relevant laws and regulations
- Material transactions involving assets, derivatives, fund lending, and endorsement guarantees
- Matters involving directors' personal interests



Fitipower's Audit Committee comprises five independent directors elected by the shareholders' meeting, with terms concurrent with the Board of Directors.



Women account for 40%



All committee members are over 50 years old



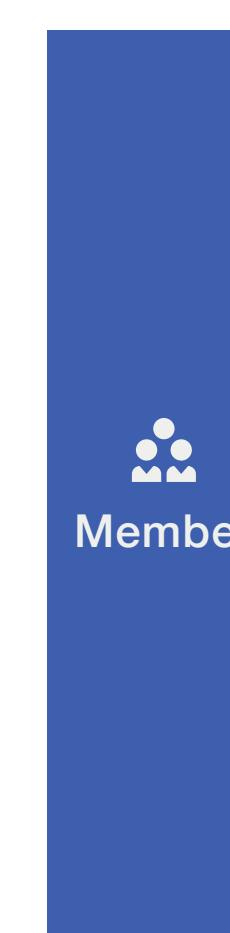
Ratio of independent directors is 100%

Compensation Committee



The primary function is to evaluate the compensation policies and systems for the Company's directors and managers from a professional and objective position, and provide recommendations to the Board of Directors for decision-making reference.

- Establish and regularly review annual and long-term performance targets and compensation policies, systems, standards, and structures for the Company's directors and managerial officers.
- Regularly evaluate achievement of performance targets for the Company's directors and managerial officers and determine individual compensation content and amounts.



Fitipower's Compensation Committee comprises three independent directors appointed by the Board of Directors, with terms concurrent with the Board of Directors.



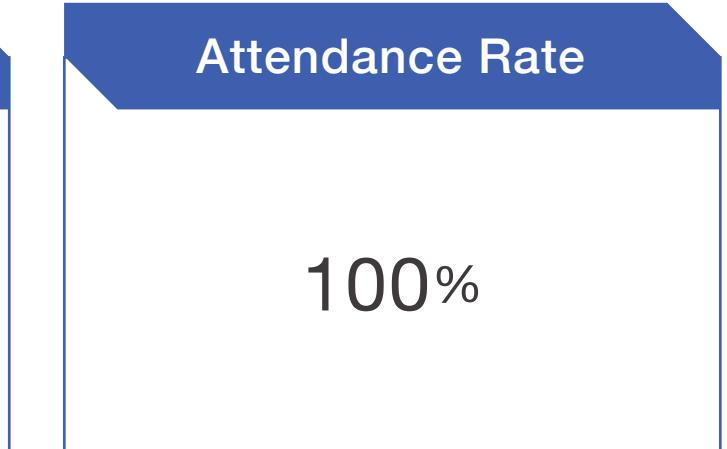
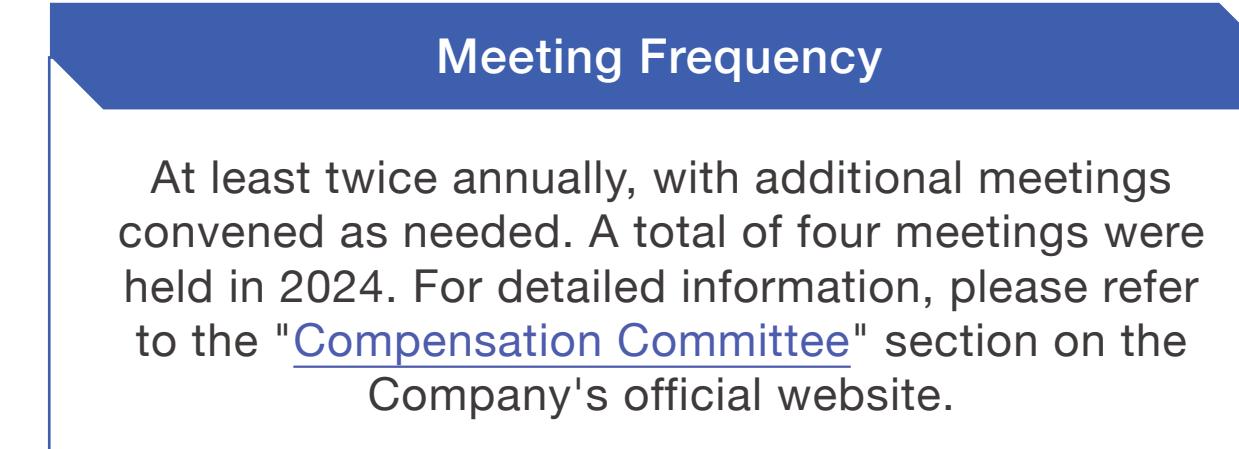
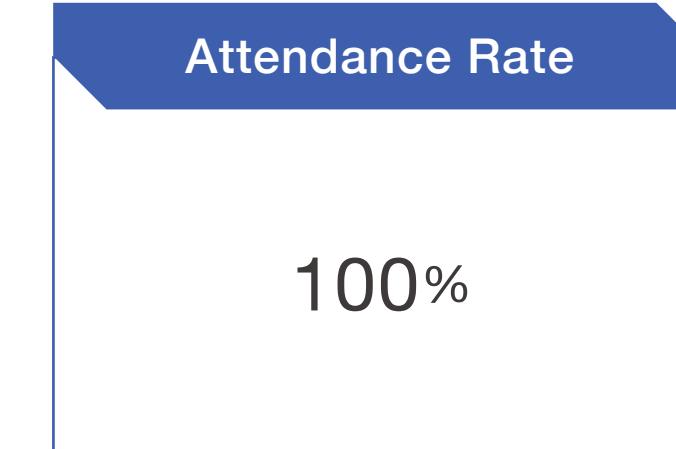
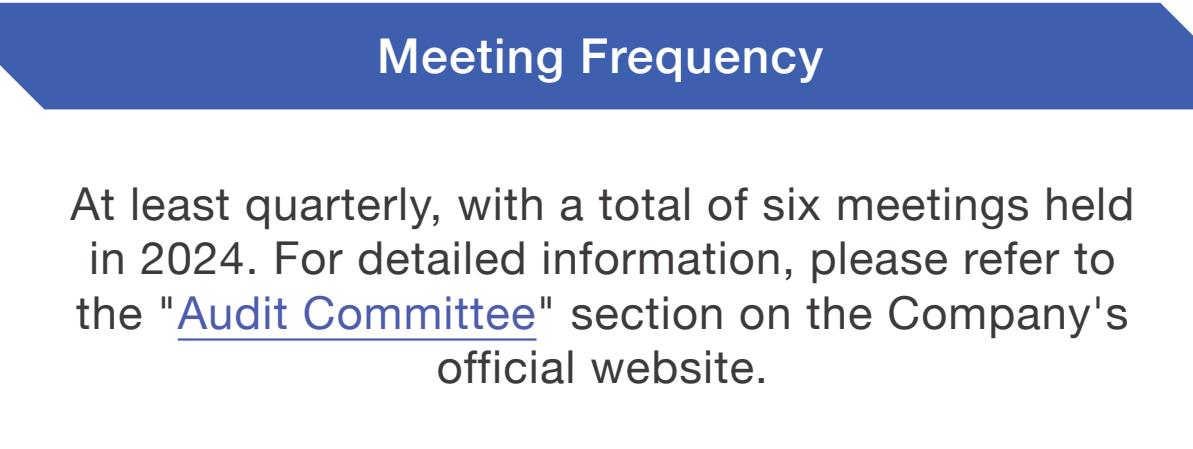
Women account for 33%



All committee members are over 50 years old



Ratio of independent directors is 100%





I Sustainability Committee



- Review and approve the formulation and revision of the Group's sustainability development vision, policies, objectives, and sustainability-related regulations, codes, and procedural guidelines.
- Identify risks and opportunities related to the Group's sustainability development issues, determine response strategies and related investments.
- Supervise the planning and implementation of the Group's sustainability development strategies.
- Monitor the Group's sustainability development performance and information disclosure.
- Report the Group's sustainability development work plans and implementation performance to the Board of Directors.
- Other matters assigned to this Committee by Board resolution.



Fitipower's Sustainability Committee comprises the Chairman, President, and four independent directors, with terms concurrent with the Board of Directors.



Women account for 50%



All directors are over 50 years old



Ratio of directors who are employees is 33%
Ratio of independent directors is 67%

Meeting Frequency

The Committee shall convene at least twice annually, with extraordinary meetings convened as needed. A total of 2 meetings were held in 2024. For detailed information, please refer to the "[Sustainability Committee](#)" section on the Company's official website.

Attendance Rate

100%

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1 Value Co-Creation

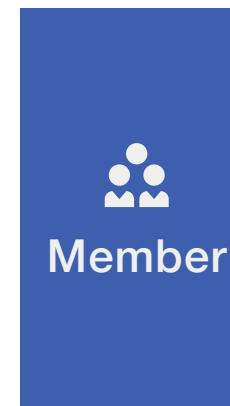
2 Responsibility
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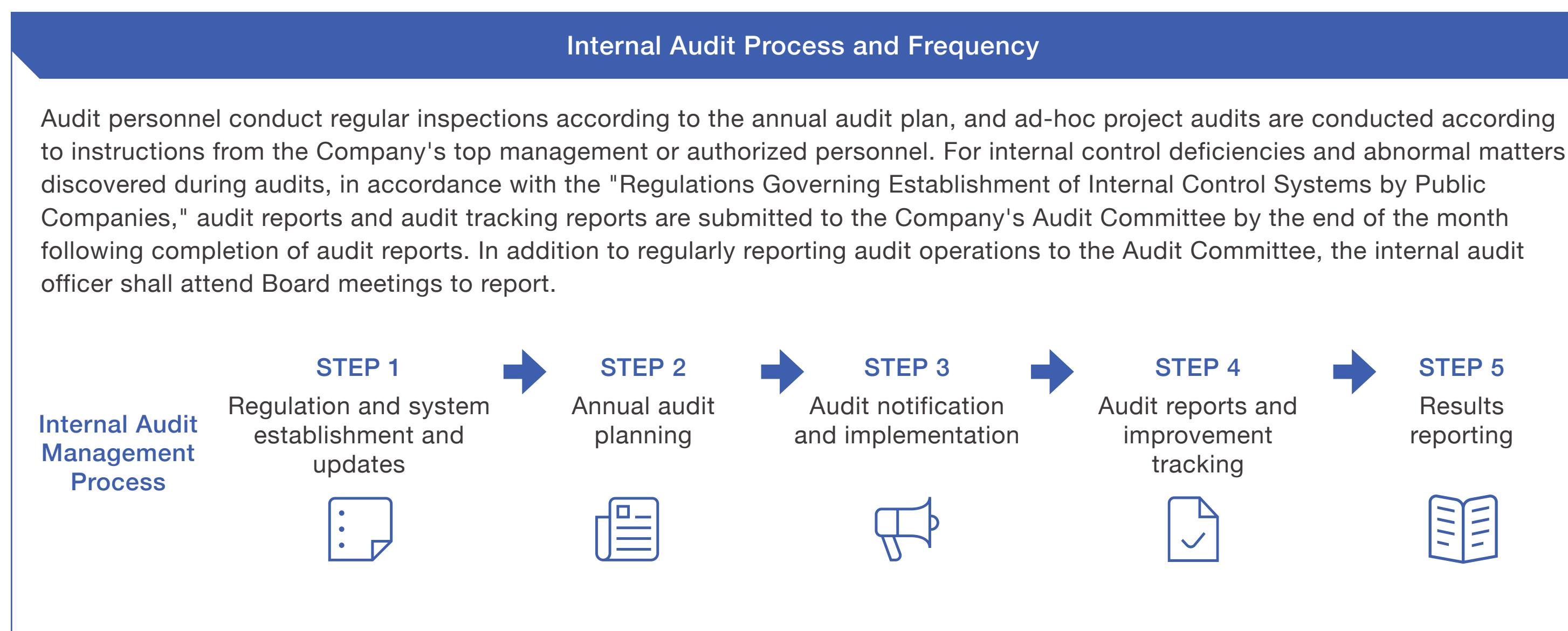
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- Evaluate the soundness, reasonableness, and effectiveness of the Company's internal control systems and various management systems.
- Evaluate the efficiency of various units within the Company in executing plans or policies and their designated functions (ensuring appropriate personnel organization for each unit, branch, or department; maintaining proper records for all transaction cycles; and appropriately preventing waste, fraud, or inefficient use of cash, securities, or other assets, while conducting comparative analysis of operational performance and reviewing business results to implement effective strategies for efficiency improvement).
- Review audit reports and self-assessment reports submitted by various units and subsidiaries, and track improvements in internal control deficiencies and abnormal matters.



The Company employs one internal audit officer appointed by resolution of the Board, dedicated to internal audit-related operations.



Proportion of Deficiencies Completed for Improvement

No internal deficiencies were identified in 2024.



2.3 Regulatory Compliance and Professional Ethics

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 **Goals**

 **Achieved**

2024 Goals

- No major legal violations 
- 100% completion rate for mandatory annual courses on business ethics and regulatory compliance 

Short-term Goals (2025-2026)

- No major legal violations
- 100% completion rate for mandatory annual courses on business ethics and regulatory compliance

Medium to Long-term Goals (2027-2030)

- No major legal violations
- 100% completion rate for mandatory annual courses on business ethics and regulatory compliance

 **Evaluation Indicators**

- Violations and litigation matters

 **Key Stakeholders**

- Employee
- Government Agency
- Supplier

 **Responsibilities**

- Internal Auditing (IA)
- Legal Affairs Unit
- Human Resources Unit

 **Communication Mechanism**

- Please refer to the "[Key Stakeholders Communication Comparison Table](#)" and match it with the key stakeholders mentioned above.

To strengthen corporate business conduct, business ethics, and compliance culture, Fitipower has established internal ethical standards based on national regulations including the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," "Personal Data Protection Act," "Trade Secrets Act," "Fair Trade Act," and "Securities and Exchange Act" (available for download and review under "Major Internal Rules" on Fitipower's official website). The administrative management unit is responsible for formulating and supervising the implementation of integrity management policies and prevention programs, reporting implementation results to the Board of Directors annually. In addition to requiring board members and company colleagues to comply with relevant regulations, we also conduct employee training and assessments to enhance colleagues' awareness of integrity management and business ethics. In 2024, total employee training hours reached 4,216 hours.

Regarding conflict of interest management, Fitipower has established interest avoidance provisions in the Rules of Procedures for the Board of Directors and organizational regulations of committees such as the Audit Committee. Committee members must disclose important content of their interests regarding meeting matters that involve themselves or legal entities they represent. If there is potential harm to company interests, they may not participate in discussions and voting, must recuse themselves during discussions and voting, and may not exercise voting rights on behalf of other directors. The Company has established the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Regulations Governing Finance and Business-Related Affiliates between Affiliated Parties," which clearly stipulate interest avoidance for relevant stakeholders.

Additionally, Fitipower has established an independent whistleblower mailbox (wb@fitipower.com) for use by internal and external personnel. When the responsible unit receives a report, it shall process the reported matter according to procedures specified in the Company's "Ethical Corporate Management Operating Procedures and Code of Conduct," reporting to department heads or independent directors based on the subjects involved in the reported matter to investigate relevant facts. After investigation and processing, the reported matter, its handling method, and subsequent review and improvement measures shall be reported to the Board of Directors. We encourage internal and external personnel to report dishonest or inappropriate behavior, offering rewards of up to NT\$10,000 based on the severity of the situation, and commit to protecting whistleblowers from inappropriate treatment due to reporting matters. Regarding legal compliance, responsible units for various management procedures and regulations promptly update relevant internal regulations in accordance with the law, and the Internal Auditing (IA) examines regulatory compliance according to the internal audit system. In 2024, we did not receive any reports related to violations of integrity management, nor did we discover any violations of regulations (including laws related to environment, health and safety, labor, marketing promotion and product labeling, unfair competition, etc.).

2.4 Risk Management

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Goals Achieved

Short-term Goals (2025-2026)

- Implement Company-wide Enterprise Risk Management (ERM)
- Conduct in-depth climate risk identification and align with TCFD framework ✓
- Introduce Business Continuity Planning (BCP)

Medium to Long-term Goals (2027-2030)

- Conduct in-depth nature-related risk identification and align with TNFD framework (2030)

Evaluation Indicators

- Annual risk reports

Responsibilities

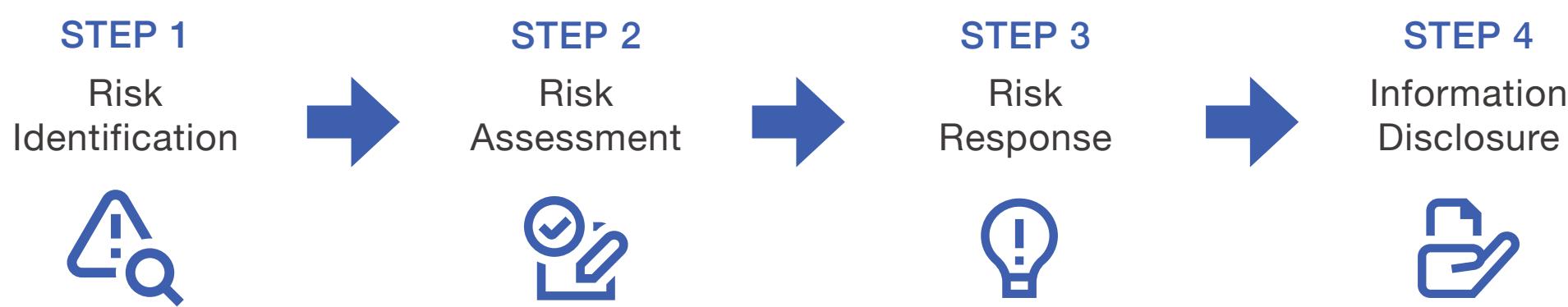
- Risk Management Unit

Key Stakeholders

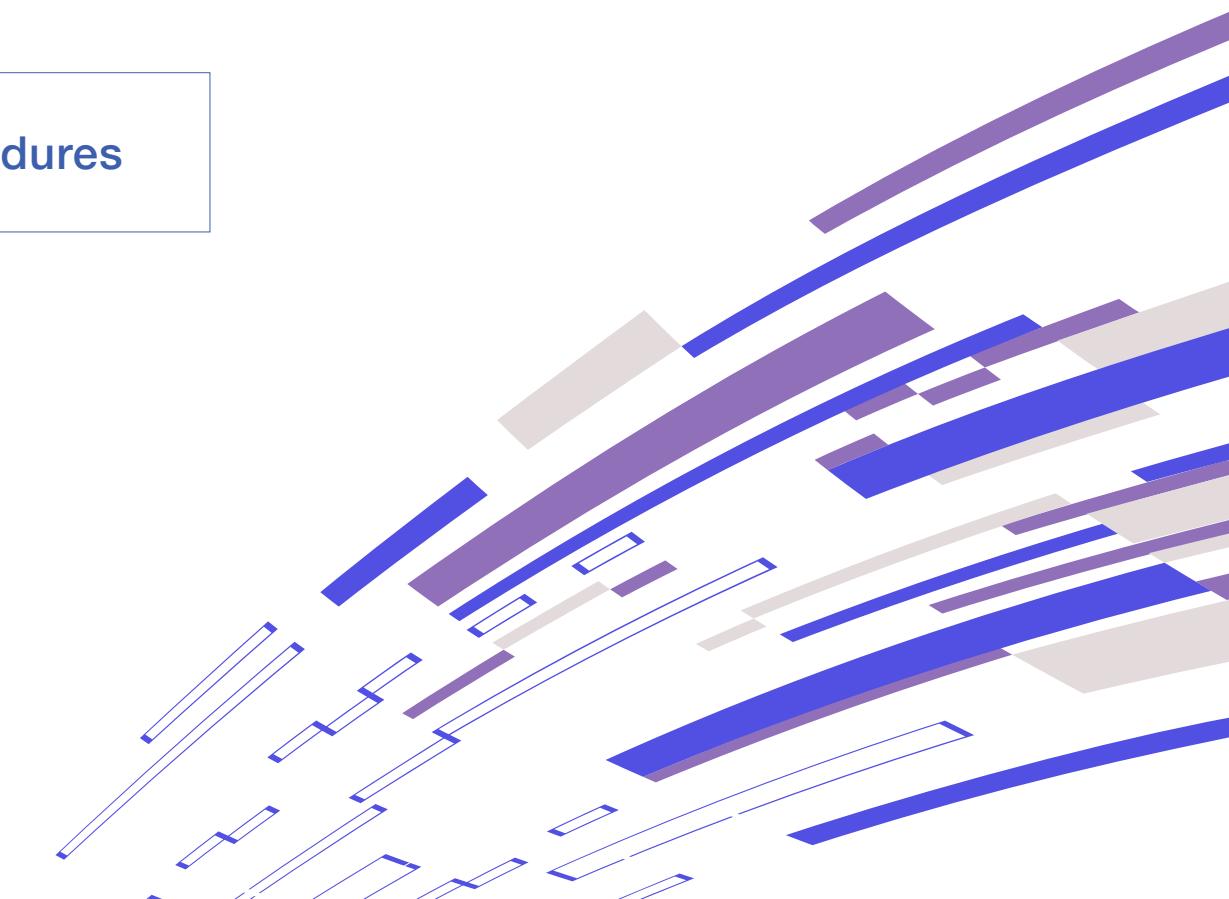
- Shareholder/Investor
- Customer
- Supplier
- Employee
- Government Agency

To implement Fitipower's sustainable business objectives, we are committed to appropriately assessing, effectively identifying, measuring, monitoring, and managing potential risks in all business operations, maintaining risks within acceptable ranges. To this end, the Company has established the "Fitipower Risk Management Policy and Procedure" as the highest guiding principle for all units to promote risk management work.

Risk management operations should follow the Company's overall business strategy and objectives, comprehensively considering factors such as business growth, risk tolerance, and return potential to establish risk tolerance standards, regularly assess and monitor risk exposure, and establish risk indicators and early warning mechanisms. Furthermore, we simulate possible future scenario changes as reference for risk response. The Company's risk management is based on relevant company policies and internal control systems, with each operational unit conducting risk identification, analysis, measurement, monitoring, response, and reporting according to their business characteristics and degree of risk impact, continuously reviewing and improving response measures. The risk management process includes the following four core procedures:



[Risk Management Policy and Procedures](#)





Each management unit must regularly assess and review risk issues. The President, based on extensive operational experience and senior professional judgment, consolidates these into major risk matters and regularly reports to the Board of Directors on prevention, control, and establishment of relevant early warning measures for various risks during business management processes.

Risk Category	Risk Item	Risk Description	Response Strategy
	Environmental	Climate Change	In response to climate change, major global countries have declared net-zero targets, with many international brands and enterprises responding and setting their action targets. As one of the major suppliers of chip integration solutions, Fitipower will directly face customer and government requirements, leading to increased related costs and potential risk of cooperation termination.
	Human Resources	Long Talent Development Period and Turnover	Power management IC R&D talent requires a longer development period, and with a late start domestically, the overall environment still focuses primarily on developing digital design R&D personnel. Compared to overseas, there are fewer engineers with practical mass production experience in power management IC design and manufacturing.
		Semiconductor Manufacturing Process Improvements	Domestic semiconductor processes required for high-end power management ICs, such as high voltage, BCD (Bipolar-CMOS-DMOS), and BiCMOS processes, are still immature at domestic wafer fabs and await development to compete with overseas manufacturers.
	Operations	Rising Complexity of Product Functionality Requirements	Future smart lifestyle trends will emphasize interaction and connectivity, personalization, and convenience in information access. Therefore, future display requirements include characteristics such as thin, robust, portable, easy information reading, and multi-functional integration. Additionally, with green energy efficiency gradually becoming a major issue in human life, IC product design must evolve accordingly.
		Capacity Supply	As Fitipower's cultivation in various product lines gradually takes effect, revenue growth will be supported. However, due to current industry supply-demand tensions, to avoid shipment impacts from wafer and assembly/test capacity shortages.

Risk Category	Risk Item	Risk Description	Response Strategy
Operations	Impact of Interest Rate Fluctuations	Interest rate changes may cause capital flows toward investment targets with rising interest rates and increase the Company's borrowing costs.	The Company maintains good interactive relationships with banks to obtain more favorable interest rates and will adjust capital utilization according to financial interest rate changes to reduce the impact of interest rate changes on company profit and loss. Interest expenses for 2024 were NT\$8,047 thousand, representing only 0.042% of operating revenue for that year, with no significant impact.
	Impact of Exchange Rate Fluctuations	The currency pricing of the Company's imports and exports directly affects financial performance. For highly export-oriented enterprises, effectively using exchange rate hedging tools and enhancing forecasting and judgment capabilities is indispensable.	The Company's import and export business activities are primarily denominated in US dollars. For sales and procurement transactions denominated in currencies other than the functional currency, exchange rate risks arise. Through net assets and liabilities in the same currency denomination and derivative financial instruments such as forward foreign exchange and currency swap transactions, foreign exchange risk management is conducted. Transaction amounts are limited to not exceed net foreign currency positions generated by operations, ensuring achievement of financial hedging strategic objectives. Exchange gains for 2024 were NT\$136,249 thousand, contributing positively to the Company's finances.
	Impact of Inflation	Due to inflation, material costs have increased.	Fitipower continuously monitors raw material market price fluctuations and maintains good interactive relationships with suppliers and customers to mitigate the impact of inflation. The Company was not significantly affected by inflation in 2024.
	Procurement Concentration	Procurement concentration increases supply disruption risks.	Actively establish long-term cooperative relationships with various contract manufacturers, constantly monitor product production status, maintain close contact, and maintain relationships with two or more suppliers to achieve production risk diversification.
	Sales Concentration	Over-dependence on a few customers or markets can have immediate and significant impacts on business operations when they are affected by market volatility.	The Company will continue to actively expand diversified markets and new customers to reduce excessive dependence on single customers. In 2024, only one customer accounted for more than 10% of total sales. Overall, the Company does not face significant sales concentration risks.
	Capital Utilization and Financial Operations	Engaging in high-risk, high-leverage investments, lending funds to others, endorsements and guarantees, and derivative transactions	<ol style="list-style-type: none"> Based on conservative and prudent business principles, the Company does not engage in high-risk, high-leverage investment operations. The Company has established "Fund Lending and Endorsement Guarantee Operating Procedures" and "Asset Acquisition or Disposal Processing Procedures" as compliance basis for the Company and its subsidiaries in related activities. During this reporting period, except for endorsement guarantees provided by subsidiaries to other subsidiaries due to operational needs, there were no instances of lending funds to others.
	Information Security	With the rapid advancements in technology and extensive use of mobile devices, IoT, cloud services, remote work infrastructure, and corporate digital transformation responses, information security risks are increasingly growing with broader scope of impact. Beyond causing damage to our own interests, this may also affect cooperative relationships with business partners.	Fitipower signs mutual confidentiality agreements with all customers and establishes comprehensive information security risk assessment and management systems (ISO 27001) to ensure achievement of related objectives and continuous improvement. We continuously invest resources in strengthening information security management across three major areas: "external defense," "internal control," and "information security awareness."

2.5 Information Security

 **Goals**  **Achieved**

2024 Goals

- Maintain ISO 27001 effectiveness 
- 100% completion rate for information security education and training 
- Zero major information security incidents 

Short-term Goals (2025-2026)

- Maintain ISO 27001 effectiveness
- Subsidiary (JADARD) obtains ISO 27001 certification
- 100% completion rate for information security education and training
- Zero major information security incidents

Medium to Long-term Goals (2027-2030)

- 100% ISO 27001 coverage
- 100% coverage and completion rate for employee information security education and training
- Zero major information security incidents

 **Evaluation Indicators**

- Information security training and drills
- Customer information leakage incidents

 **Key Stakeholders**

- Customer
- Employee

 **Communication Mechanism**

- Please refer to the "[Key Stakeholders Communication Comparison Table](#)" and match it with the key stakeholders mentioned above.

 **Responsibilities**

- Information Unit

With the rapid advancements in technology and extensive use of mobile devices, IoT, cloud services, remote work infrastructure, and corporate digital transformation responses, information security risks are increasingly growing with broader scope of impact. Beyond causing damage to our own interests, this may also affect cooperative relationships with business partners. Therefore, we sign mutual confidentiality agreements with all customers and protect both parties' sensitive data through rigorous operational processes. To strengthen information security management and ensure the confidentiality, integrity, and availability of information assets, providing an environment for continuous operation of the Company's information services while protecting against internal and external intentional or accidental threats, Fitipower has established information security policies.

 **Information Security Policy**

Vision Strengthen personnel awareness, prevent data breaches, implement routine maintenance, and ensure service availability

Goals

- Ensure that the Company's information operations comply with relevant legal requirements.
- Ensure all personnel understand their information security responsibilities, protect information assets, and reduce the risk of information security incidents.
- Ensure confidentiality of the Company's information assets, implement data access control, and allow information access only by authorized personnel.
- Ensure integrity and data accuracy of the Company's information operations management, hence preventing unauthorized modifications.
- Ensure the continuous operation of the Company's information operations, meeting operational service level requirements.

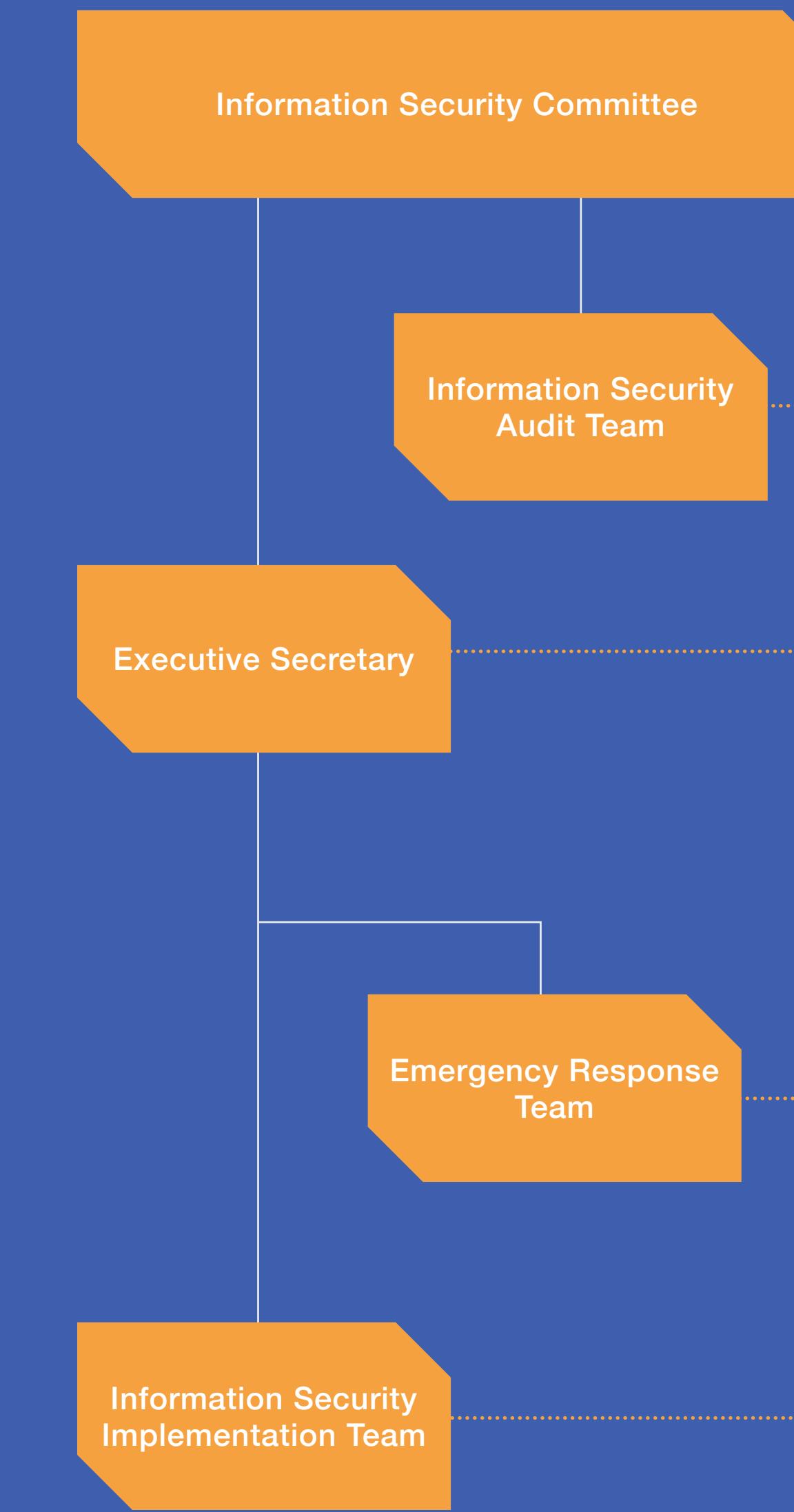
To ensure effective operation and execution of Fitipower's various information management systems and address potential risks, we began establishing comprehensive information security risk assessment and management systems (ISO 27001) and a Security Operation Center (SOC) in 2022, and established an Information Security Committee that regularly reports operations and planned actions to the Board of Directors to ensure goal achievement and continuous improvement. In 2024, the Company introduced Managed Detection and Response (MDR) services provided by Trend Micro, leveraging external professional teams for 24-hour security monitoring and real-time threat response, effectively strengthening overall security protection capabilities and improving incident response efficiency and system resilience. Fitipower continuously implements management across three major areas: "external defense," "internal control," and "information security awareness." During the reporting period, the Company had no complaints related to customer privacy violations, information theft, leakage, or loss, and conducted one security drill (phishing simulation). Colleagues with insufficient security awareness received retraining and testing, and all colleagues who participated in post-testing passed the qualification standards to ensure effective implementation of information security policies.

 **ISO 27001 Certification**

► Information Security PDCA Cycle Management



► Information Security Committee



The President serves as the convener, with six members including the Chairman and relevant senior officers.

- Ensure information security management and goal setting align with the Company's business strategy.
- Review matters related to information security management.
- Coordinate allocation of resources required for information security management system implementation.

- Develop internal information security audit plans.
- Execute internal audits, issue findings, and track improvements.

- Coordinate the Information Security Executive Team and the Emergency Response Team in performing information security tasks.
- Responsible for early warning and monitoring of information security status, and handling information security situations and incidents.
- Provide recommendations for information security management improvements and assist in executing information security self-assessments.

- Coordinate and guide emergency response handling during major information security incidents.
- Coordinate development, maintenance, revision, and execution of disaster recovery procedures.
- Conduct emergency incident testing and drills.
- Consolidate disaster scene evidence and assess disaster damage.

- Identify information security-related regulations and contracts, and establish internal related management standards and systems.
- Execute resolutions of the committees and information security-related activities.
- Research new information security products or technologies and conduct information security-related education and training.
- Plan corrective measures and execute audit improvement recommendations.

**External Defense**

Hacker attack defense, virus threats

**Internal Control**

Protection of the Company's intellectual property, trade secrets and improvement of internal information security

**Information Security Awareness**

Employee information security awareness, education and training, security drills and other information security awareness enhancement initiatives

Information Security Aspect	Information Security Control Items	Related Operations	Audit and Verification
External Defense	Network Security Management	<ul style="list-style-type: none"> Establish firewalls to separate internal, external, and DMZ networks Regularly review/adjust firewall policies Control internal and external network access behavior (IPS, URL filter, sandbox) Remote connection HIP detection, 2FA authentication Implement Trend Micro's MDR 	Strengthen internal and external network access security
External Defense	Computer Virus Protection	<ul style="list-style-type: none"> Comprehensive protection mechanisms from gateway to endpoints Mail spam filtering and antivirus scanning Regular vulnerability detection and system updates for servers/computers Virus protection and malicious program behavior monitoring 	Strengthen internal information environment and service security
Internal Control	Data Protection and System/Application Access Control	<ul style="list-style-type: none"> Internal data access permission control Internal data export/transmission control Personnel account permission management and review Personnel change account permission review and adjustment 	Ensure company internal data protection mechanisms
Internal Control	Information Record Protection	<ul style="list-style-type: none"> Establish SOC & DLP systems with the following measures Internal and external system access control/records Operational behavior control/trail records Abnormal event control/records/alerts Protection and preservation of related records 	Ensure record effectiveness and evidence capability while complying with regulations
Information Security Awareness	Information Security Incident Management	<ul style="list-style-type: none"> Establish information security incident handling procedures 	Strengthen information security incident handling procedures, reduce occurrence probability and operational impact
Information Security Awareness	Information Security Policy and Training	<ul style="list-style-type: none"> Regular review, formulation, approval, and publication of information security policies by management Enhance colleague information security literacy through education training, e-learning, and information security awareness campaigns 	Confirm applicability and effectiveness of information security policies; enhance colleague information security awareness