2 Responsibility Sharing

- Business Performance and Taxation
- Governance Policies and Structure
- Regulatory Compliance and Business Ethics
- Risk Management
- Information Security

Corresponding Stakeholders

- Shareholders/Investors
- Employees
- Government Agencies
- Suppliers
- Customers

Corresponding Material Topics

- Financial Performance and Taxation
- Regulatory Compliance
- 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.

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Business Performance and Taxation

Targets

Achieved

2025Targets

- 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（2026）

- English quarterly financial reports released within 60 days of accounting quarter closure
- English annual financial reports released within 90 days of accounting year closure
- 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

Responsibilities

- Management team / Board of Directors
- R&D unit
- Finance unit
- Sustainability unit

Evaluation Indicators

- Financial indicators and stock value
- Business strategies

Key Stakeholders

- Shareholders / Investors

Communication Mechanism

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

Financial Performance

In 2025, although inflationary pressure gradually eased, major economies around the world continued to maintain high interest rate policies. Combined with geopolitical conflicts and supply chain uncertainty, this made the global market recovery challenging. The consumer electronics market showed a moderate rebound, but the strength of demand recovery varied across applications, and the industry remained in the early stage of a post-inventory-adjustment replenishment cycle. In the face of multiple external risks and market fluctuations, Fitipower continued its strategy of flexible organizational deployment and resource allocation. The Company also extended relevant management approaches across the Group and the overall product value chain, laying the foundation for stable operations amid uncertainty.

Through vertical integration and horizontal specialization among domestic and overseas subsidiaries, we promoted localized and regionalized supply arrangements to respond to deglobalization and product decarbonization trends. On the customer side, we developed diversified innovative products and expanded product applications in AIoT, automotive, e-paper, communications, and other fields to align with market trends. In 2025, Fitipower provided nearly three billion product units and services, including 690 million display driver ICs, 1.12 billion power management ICs, and 490 million other ICs. Consolidated revenue for the year was NT$17.993 billion, and earnings per share reached NT$9.65.

Item	Sub-item	2022	2023	2024	2025
Direct economic value generated	Net Sales (NT$ thousand)	19,680,425	16,286,520	19,199,740	17,993,045
	Financial Investment Income (NT$ thousand)	84,410	343,492	302,631	444,165
	Asset Sales Income (NT$ thousand)	0	1,118	1,544	5
Economic value distributed	Operating Costs (NT$ thousand)	13,272,318	11,757,297	14,658,922	14,141,829
	Employee Salaries and Benefits (NT$ thousand)	2,532,201	2,175,538	2,323,394	2,505,990
	Payments to Capital Providers (NT$ thousand)	3,164,997	1,582,499	1,288,127	1,560,534
	Payments to Governments (NT$ thousand)	1,061,572	702,881	656,107	227,015
	Community Investments (NT$ thousand)	20,000	3,000	4,500	2,500
Economic value retained	(NT$ thousand)	(286,253)	409,915	572,865	653
Investment value	Return on equity	19.67%	13.64%	14.14%	9.18%
	Return on assets	13.22%	9.42%	9.69%	6.17%
	Gross margin	36.31%	32.43%	28.61%	28.50%
	Operating margin	19.66%	14.40%	11.48%	7.42%
	Net profit margin	16.61%	14.53%	12.98%	9.04%
	Earnings per share (NT$)	16.49	13.29	16.08	9.65
	Cash dividend per share (NT$)	8.5	10.64	12.87	7.72
	Market capitalization (NT$100 million)	215	312	282	174
	Capital expenditure (NT$ thousand)	748,490	465,492	733,939	567,736
Other	Government subsidies (NT$ thousand)	26,591	95,366	185,426	136,023

Note1：“Economic value retained” represents “direct economic value generated” minus “economic value distributed”

Note2：Market capitalization is calculated based on the share price as of December 31 of the reporting year.

Note3：The scope of consolidated financial information covers all entities listed in the "Affiliated Enterprises Organizational Chart," excluding fitipower Malaysia Sdn. Bhd. The company was newly incorporated during the reporting year; however, as its capital contribution had not been paid in as of December 31, 2025, it is not included in the disclosure.

Tax Management

Fitipower proactively monitors changes in tax regulations and potential tax risks in the regions where its operating sites are located. To further ensure the effective operation of the tax management mechanism, the Company has established a tax policy and a tax management unit to effectively control tax risks. Routine tax administration and management are carried out by the accounting supervisor, with professional and experienced accounting personnel assisting the accounting supervisor in fulfilling the Company's tax obligations. The Chief Financial Officer bears ultimate responsibility for tax management. Relevant tax disclosure information is also reviewed by the CPA firm for accuracy. In addition, we strengthen our professional knowledge through services provided by external tax advisory organizations and actively participate in preferential subsidies such as tax credits for innovation and investment.

Tax Policy

- Operating activities are conducted in compliance with applicable regulations.
- Transactions among affiliated companies are conducted based on the arm's-length principle and in compliance with internationally recognized transfer pricing guidelines published by the Organisation for Economic Co-operation and Development (OECD).
- The tax impact is considered in all major operating decisions.
- The Company does not use tax havens for planning purposes or deliberately transfer profits to low-tax countries or regions for the purpose of tax avoidance.
- Financial reporting information is transparent, and tax disclosures are prepared in accordance with relevant regulations and standards.
- The Company maintains sound communication channels with tax authorities.

The principal operating locations of Fitipower and its subsidiaries are in Taiwan, Hong Kong, and China. We continuously monitor tax risks in each operating region and formulate response measures to ensure that operations are not affected. The major tax risks are as follows:

- Changes in tax regulations may adversely affect operating performance and increase the Company's tax burden.
- Changes in tax laws or incentive measures may affect the Company's existing tax planning.
- Changes in the economic environment, such as the tariff tensions between China and the United States, may affect changes in international investment locations and related tax impacts.

▶ Tax Payments in Recent Years

Year	2022	2023	2024	2025
Tax payments (NT$ thousands)	1,061,572	702,881	656,107	227,015

Governance Standards and Structure

Targets

Achieved

2025-2026Targets

- Rank in the top 20% in the Corporate Governance Evaluation. ☑
- Board attendance rate >90% ☑
- Independent directors to account for at least one-half of Board seats; female directors to account for at least one-third of Board seats. ☑
- No major deficiencies in internal control special audits ☑

Medium to Long-term Goals （2027-2030）

- Top 5% in Corporate Governance Evaluation
- Selected as a constituent of one corporate governance-related index
- Board attendance rate >90%
- Independent directors to account for at least one-half of Board seats; female directors to account for at least one-third of Board seats.
- No major deficiencies in internal control special audits

Responsibilities

- Board of Directors and relevant functional committees
- Audit Office
- Management team

Evaluation Indicators

- Board performance evaluation
- Annual internal audit report
- Corporate Governance Evaluation

Key Stakeholders

- Employees
- Government Agencies

Communication Mechanism

- Board and functional committee meetings, including the Remuneration Committee, Audit Committee, and Sustainability Committee
- Please refer to the "Key Stakeholders Communication Comparison Table" and match it with the key stakeholders mentioned above.

Since first participating in the Corporate Governance Evaluation, we have recognized shortcomings in Fitipower's information disclosure and governance systems and have begun making improvements. By redesigning the Company's website, we enhanced the completeness of governance-related disclosures. We also established the Sustainability Development Committee and related regulations to improve management processes and mechanisms. As corporate governance continues to advance, the composition of Fitipower's Board also demonstrates a high level of diversity. In 2025, women accounted for 43% of directors, significantly higher than the average among listed companies, while independent directors accounted for 71%, ensuring the independence and professionalism of corporate decision-making. These efforts are reflected in the Company's governance evaluation performance. Fitipower has improved its ranking year by year, achieving the 6%-20% tier in the 11th Corporate Governance Evaluation in 2025 and being selected as a constituent of the Taiwan Stock Exchange Corporate Governance 100 Index, demonstrating steady progress in corporate governance. Facing severe global volatility and unknown challenges, Fitipower will continue strengthening its governance system, improving information transparency and Board diversity, and ensuring steady progress on the path toward sustainable operations.

We recognize that a transparent corporate governance system and disclosure of organizational composition and operations are crucial. To ensure that the responsibilities and authorities of each governance body and individual are properly aligned, the Company has established relevant internal regulations. Through the oversight and checks and balances of the management team, we reasonably define and allocate responsibilities among all shareholders, the operating team, and stakeholders, thereby implementing corporate governance. Regarding employee and director remuneration, we comply with the Regulations Governing the Appointment and Exercise of Powers by Remuneration Committees of Companies Whose Stock is Listed on the Taiwan Stock Exchange or Traded Over the Counter. The Company's Articles of Incorporation stipulate that: "If the Company generates profit, no less than 5% shall be allocated as employee remuneration and no more than 1% as director remuneration. However, if the Company has accumulated losses, an amount shall first be reserved to offset such losses." This safeguards the interests of all stakeholders and supports sustainable operations. In 2025, the ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all other employees was 12.50, and the annual compensation change ratio was 309.9%. We also amended the Board Performance Evaluation Regulations to require that an external professional independent team conduct a Board performance evaluation at least once every three years; the previous external evaluation was conducted in 2024. In addition, we encourage Board members and employees to actively participate in relevant continuing education courses, ensuring that the highest governance team and employees across units make judgments and decisions consistent with Fitipower's operating purpose and understand international and industry trends and responses.

▶ Corporate Governance-related Training Courses

Participants	Course Name	Total Training Hours
Board Members	• Business secret protection and response strategies; Building resilient enterprises: 2025 sustainability risks and trends • 2025 Cathay Sustainable Finance and Climate Change Summit • Corporate innovation costs and AI; Insider trading and securities regulations	42
Corporate Governance Officer (CGO)	• 2025 Insider Trading Prevention Seminar • Internal audit and internal control practices for corporate employee reward systems • IFRS 18 "Presentation and Disclosure in Financial Statements": Standards and practical analysis • 2025 Legal compliance seminar on insider shareholding transactions	18
Accounting Officer	• Continuing education program for chief accounting officers of issuers, securities firms, and stock exchanges	12
Internal Audit Officer	• Practical seminar on "Understanding Corporate Contracts from the Perspective of Operating Cycles" • Legal liability analysis of greenwashing and false sustainability reports • How to prevent major financial misconduct, including asset stripping, insider trading, tunneling, stock price manipulation, irregular transactions, and financial reporting misstatements • Internal control practices related to "Management of Sustainability Information" for internal auditors	24

Senior Executive Compensation and Clawback

To strengthen corporate governance and implement the concept of sustainable operations, the Company has established a senior executive compensation system applicable to the Chief Executive Officer and the President. Relevant compensation is handled in accordance with the Remuneration Committee Charter approved by the Board and internal rules. It is reviewed by the Remuneration Committee and then submitted to the Board for resolution. The overall system design takes into account market competitiveness, operating performance, risk control, and long-term sustainability goals, balancing short-term operating results with long-term value creation.

Senior executive compensation includes fixed salary and variable rewards. Variable rewards are reasonably allocated based on the Company's overall operating performance, the individual performance of senior executives, and long-term development needs. To strengthen the linkage between ESG and compensation, the Board resolved in May 2026 to approve the Senior Executive Compensation Process and Principles. In addition to financial performance, annual performance bonuses now incorporate non-financial performance indicators covering a comprehensive range of areas, including sustainability information disclosure, green product development, climate risk management, renewable electricity procurement, employee diversity and inclusion, cultivation and training, talent attraction and retention, corporate governance and diversity management, intellectual property deployment, and social investment. Non-financial indicators account for 20% of the weighting. The achievement of Fiti SDGs is further linked to compensation, with an annual target achievement rate of over 85% required, thereby implementing senior executives' responsibility for sustainable operations.

In addition, the Company has established a reward clawback mechanism to strengthen senior executives' risk accountability. If a senior executive violates laws and regulations or engages in improper conduct, causing a major risk event or actual or potential loss of interests or goodwill to the Company, and the executive is found to be accountable after investigation, the Company may, according to the degree of responsibility, suspend payment of deferred bonuses that have not yet matured or vested. The Company may also claw back all or part of the variable rewards that have been approved, paid, or vested within the 12 months preceding the date of the Company's formal determination.

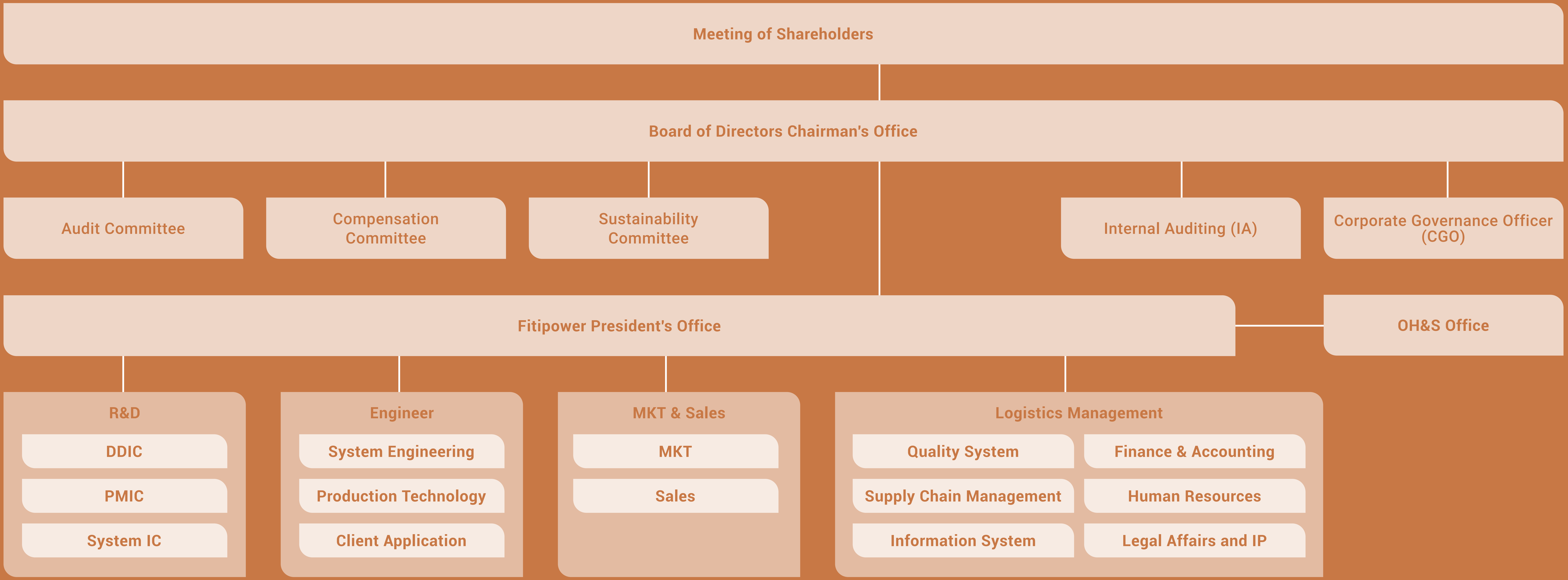
▶ Linking Executive Compensation with ESG Performance

Indicator Weight	Indicator Scope
Financial Performance (80%)	Various financial performance and shareholder equity indicators
Non-financial Performance (20%)	1. Fiti SDGs include a total of 64 targets for the 2026 target year, with a required target achievement rate of over 85%. 2. Target scopes include, but are not limited to, sustainability information disclosure, green product development, climate risk management, green electricity procurement, employee diversity and inclusion, cultivation and training, talent attraction and retention, corporate governance and diversity management, intellectual property portfolio development, and social investment.

Governance Structure

Fitipower's governance organization is shown in the table below. The Company has appointed a corporate governance officer and two corporate governance personnel by Board resolution. Their principal responsibilities include handling matters related to meetings of the Board of Directors, Audit Committee, Remuneration Committee, and shareholders' meetings in accordance with law; preparing minutes for the above meetings; assisting directors with onboarding and continuing education; providing directors with information required to perform their duties; and assisting directors in regulatory compliance. The responsibilities and implementation status of relevant units are described below.

▶ Fitipower Organization Chart



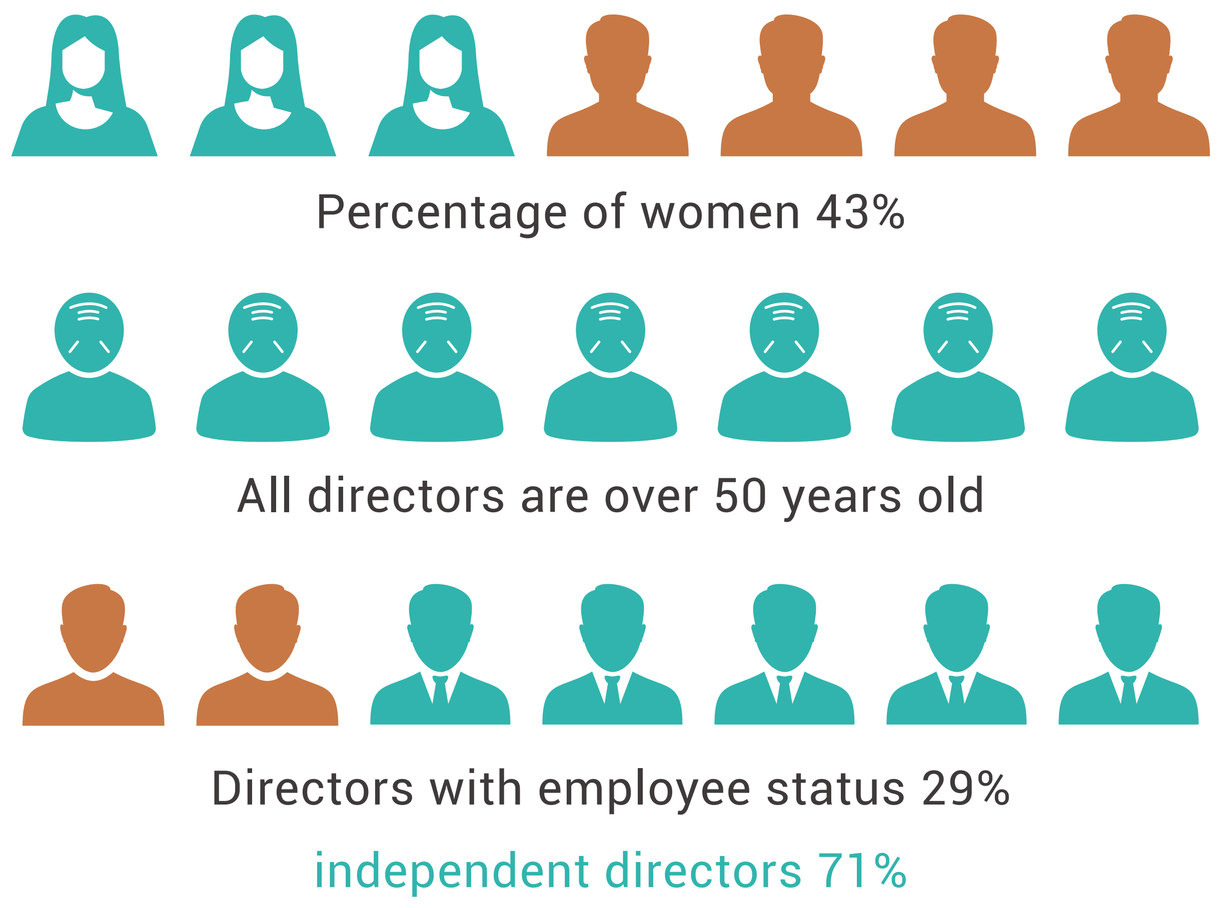
Board of Directors

Duty

- Establish important rules, contracts, and handling procedures, including charters and rules of procedure for governance bodies, procedures for disposal of assets, derivatives trading, lending funds to others, endorsements or guarantees for others, other major financial and business activities, internal control systems, and assessments of effectiveness.
- Resolve major matters, including management decisions and operating plans, capital increases or decreases, investments, and major donations.
- Supervise the Company's operations and implementation status, including financial performance and non-financial initiatives.
- Conduct performance evaluations and appoint or dismiss the Company's finance, accounting, and internal audit officers.

Member

After the Board re-election in 2024, Fitipower's Board of Directors consists of the Chairman and Chief Executive Officer, the President, and five independent directors. The term expires in May 2027. Director selection and succession follow the Articles of Incorporation and the Procedures for Election of Directors and adopt the candidate nomination system. In addition to considering professional and diverse core competencies, the Company values conduct, ethical reputation, and independence determination to achieve proper planning and effective supervision. The Company's seven directors have diverse backgrounds, including experience in different industries, finance, and accounting. In addition, we have established the Regulations Governing Board Performance Evaluation. Through internal and external evaluations and multiple measurement items, these regulations ensure sound Board operations and serve as a reference for director selection. For details on the directors' education, experience, capabilities, and diverse composition, please refer to the Board of Directors section on the Company website.



Meeting frequency	Member meeting attendance rate
At least one meeting must be held each quarter. In 2025, five meetings were held.	100%

Functional Committees under the Board

Audit Committee

Duty

- Supervise the fair presentation of the Company's financial statements.
- Establish or amend internal control systems and supervise their effective implementation.
- Select or dismiss the certifying CPA and assess the CPA's independence.
- Manage existing or potential risks of the Company.
- Ensure the Company's compliance with relevant laws and regulations.
- Review transactions involving major assets, derivatives, lending of funds, and endorsements or guarantees.
- Review matters involving directors' own interests.

Member

Fitipower's Audit Committee is composed of five independent directors elected at the annual shareholders' meeting, with the same term of office as the Board of Directors.

Percentage of women 40%

All committee members are over 50 years old

Independent directors 100%

Meeting frequency

At least one meeting must be held each quarter. In 2025, five meetings were held. For details, please refer to the Audit Committee section on the Company website.

Member meeting attendance rate

96%

Compensation Committee

Duty

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

- Establish and regularly review the annual and long-term performance goals, remuneration policies, systems, standards, and structures for directors and managers.
- Regularly evaluate the achievement of performance goals by directors and managers, and determine the content and amount of their individual remuneration.

Member

Fitipower's Remuneration Committee is composed of three independent directors elected at the annual shareholders' meeting, with the same term of office as the Board of Directors.

Percentage of women 33%

All committee members are over 50 years old

Independent directors 100%

Meeting frequency

At least two meetings are held each year, and additional meetings may be convened whenever necessary. In 2025, three meetings were held. For details, please refer to the Compensation Committee section on the Company website.

Member meeting attendance rate

100%

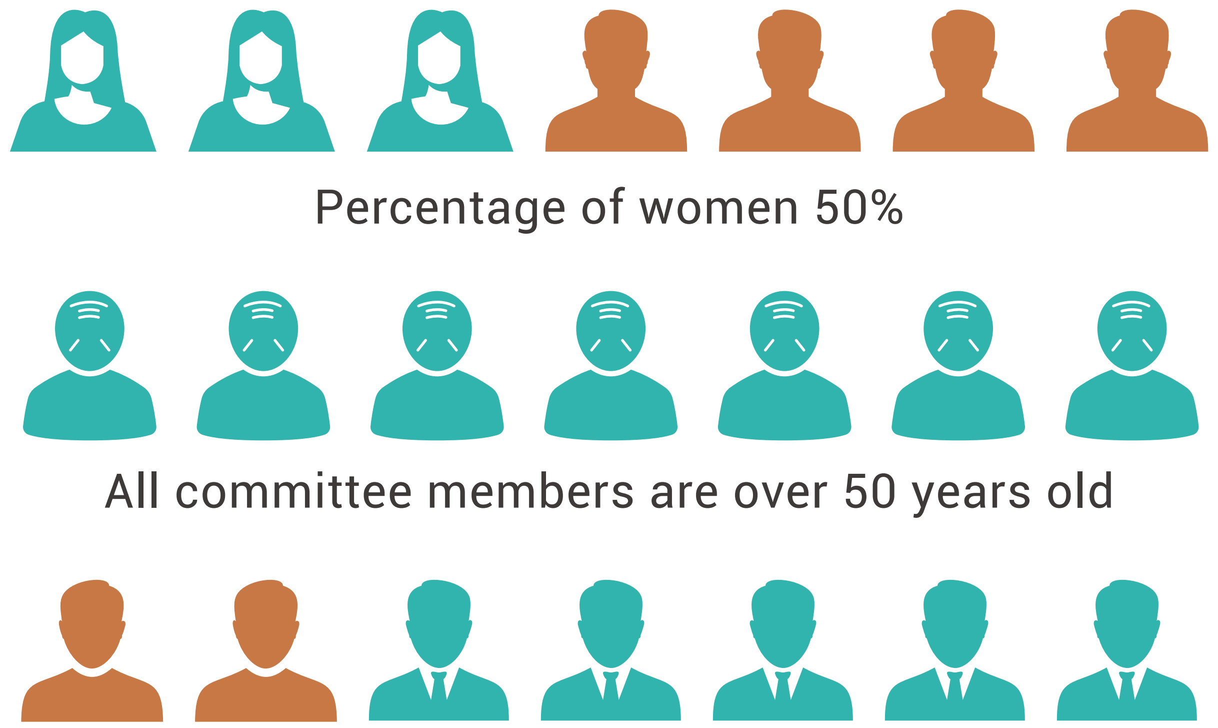
Sustainability Committee

Duty

- 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.

Member

Fitipower's Sustainability Committee is composed of the Chairman, the President, and four independent directors, with the same term of office as the Board of Directors.



Percentage of women 50%

All committee members are over 50 years old

Directors with employee status 33%

independent directors 67%

Meeting frequency

The Committee shall convene at least two meetings each year and may convene additional meetings as needed. In 2025, two meetings* were held. For details, please refer to the Sustainable Committee section on the Company website.

Member meeting attendance rate

100%

Note：The Sustainability Committee meeting originally scheduled for December 2025 was postponed to January 5, 2026 due to a conflict with an important ad hoc meeting. It is still included in the report year's statistics.

Audit Office

Duty

- Evaluate the soundness, reasonableness, and effectiveness of the Company's internal control system and various management systems.
- Evaluate the efficiency with which each internal unit executes plans or policies and designated functions. This includes confirming whether each unit, branch, or department has appropriate staffing, whether each transaction cycle is properly recorded, and whether waste, fraud, or inefficiency involving cash, securities, or other assets can be appropriately prevented. The Audit Office also compares and analyzes operating performance, reviews operating results, and adopts effective measures to improve efficiency.
- Review audit reports and self-assessment reports submitted by units and subsidiaries, and track improvements in internal control deficiencies and abnormalities.

Member

The Company has one internal audit officer, appointed by resolution of the Board of Directors and dedicated to internal audit-related affairs.

Internal Audit Process and Frequency

Auditors conduct regular audits according to the annual audit plan. Auditors conduct regular audits according to the annual audit plan. In addition to regularly reporting audit operations to the Audit Committee, the chief internal auditor shall attend Board meetings and provide reports.

Internal Audit Management Process:

STEP 1 Regulation and system establishment and updates → STEP 2 Annual audit planning → STEP 3 Audit notification and implementation → STEP 4 Audit reports and improvement tracking → STEP 5 Results reporting

Percentage of Deficiencies Improved

No internal deficiencies were identified in 2025.

Regulatory Compliance and Business Ethics

Targets Achieved

Short-term Goals (2025-2026)

- No material violations of laws or regulations. ✓
- Completion rate of annual mandatory courses related to business ethics and regulatory compliance to reach 100%. ✓

Medium to Long-term Goals (2027-2030)

- No material violations of laws or regulations.
- Completion rate of annual mandatory courses related to business ethics and regulatory compliance to reach 100%.

Responsibilities

- Audit Office
- Legal unit
- Human Resources unit

Key Stakeholders

- Employees
- Government agencies
- Suppliers

Evaluation Indicators

- Violations and litigation matters

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 a culture of legal compliance, Fitipower has established relevant internal ethics rules based on Taiwan's Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, the Personal Data Protection Act, the Trade Secrets Act, the Fair Trade Act, the Securities and Exchange Act, and other regulations. These internal rules can be downloaded from the Important Internal Corporate Rules section on Fitipower's website. The administrative management unit is responsible for formulating and supervising the implementation of integrity management policies and prevention programs, and regularly reports implementation results to the Board each year. In addition to requiring directors and employees to comply with relevant rules, the Company also conducts employee training and tests to raise awareness of integrity management and business ethics. In 2025, total employee training hours related to these topics reached 2,187 hours.

Regarding conflict of interest management, Fitipower has recusal requirements in the Rules of Procedure for Board Meetings and in the charters of the Audit Committee and Nomination Committee. If a committee member has an interest in a meeting matter, either personally or through the juristic person represented by the member, the member shall explain the material aspects of the interest at the meeting. If there is a likelihood of harm to the Company's interests, the member may not participate in the discussion or voting, shall recuse themselves during discussion 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 Financial and Business Transactions among Related Parties, which also expressly prescribe recusal requirements for relevant stakeholders.

In addition, Fitipower has established an independent whistleblowing mailbox (wb@fitipower.com) for use by both internal and external parties. If the responsible unit receives a report, it shall handle the matter in accordance with the procedures set forth in the Company's "Procedures for Ethical Management and Guidelines for Conduct." Depending on the party involved in the reported matter, the case shall be submitted to the department head or independent directors for fact-finding. After investigation and handling, the reported matter, handling approach, and subsequent review and improvement measures shall be reported to the Board of Directors.

We encourage internal and external parties to report unethical or improper conduct. Depending on the severity of the case, a reward of up to NT$10,000 may be granted. Fitipower also commits to protecting whistleblowers from improper treatment as a result of reporting. With respect to regulatory compliance, the responsible units for each management procedure and regulation update relevant internal rules in a timely manner in accordance with applicable laws, while the Audit Office reviews regulatory compliance based on the internal audit system. In 2025, Fitipower did not receive any reports related to violations of ethical corporate management, nor did it identify any regulatory violations, including those related to environmental protection, health and safety, labor, marketing and product labeling, and unfair competition.

Risk Management

Targets ☑ Achieved

Short-term Goals（2025-2026）

- Deepen climate risk identification and link it with the TCFD framework. ☑

Medium to Long-term Goals （2027-2030）

- Implement enterprise risk management (ERM) from 2027 onward.
- Deepen nature-related risk identification and link it with the TNFD framework in 2030.
- Introduce business continuity planning (BCP) from 2029 onward.

Responsibilities

- Risk management unit

Key Stakeholders

- Shareholders / investors
- Customers
- Suppliers
- Employees
- Government agencies

Evaluation Indicators

- Annual risk report

Communication Mechanism

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

To implement Fitipower's sustainable operating goals, we are committed to properly assessing, effectively identifying, measuring, monitoring, and managing potential risks in all business activities, and to controlling risks within a tolerable range. To this end, the Company has formulated the Fitipower Integrated Technology Inc. Risk Management Policy and Procedures as the highest guiding principle for all units in promoting risk management work.

Risk management operations shall follow the Company's overall business strategies and objectives. Factors such as business growth, risk tolerance, and return potential are considered comprehensively to establish risk tolerance standards, regularly assess and monitor risk exposure, and establish risk indicators and early warning mechanisms. The Company further simulates possible future scenario changes as a reference for risk response. Fitipower's risk management is based on relevant Company policies and internal control systems. Each operating unit identifies, analyzes, measures, monitors, responds to, and reports risks according to its business characteristics and the degree of risk impact, while continuously reviewing and improving response measures. The risk management process includes the following four core procedures:

STEP 1 Risk Identification → STEP 2 Risk Assessment → STEP 3 Risk Response → STEP 4 Information Disclosure

Risk Management Policy and Procedures

Each management unit must regularly assess and review risk issues. Based on extensive operating experience and senior professional judgment, the President consolidates these issues into major risk matters and regularly reports to the Board on the formulation of preventive, control, and early-warning measures for various risks in the course of business management.

Risk Category	Risk Item	Risk Description	Response Strategy
Environmental Risk	Climate Change	In response to climate change, major countries worldwide have announced net-zero targets, and many international brands and enterprises have followed by setting related goals and actions. As one of the major suppliers of integrated chip solutions, Fitipower may directly face requirements from customers and governments, resulting in increased related costs or, in more serious cases, the risk of terminated cooperation.	Fitipower continues to monitor international trends, customer expectations, and domestic policy requirements, and plans relevant targets and actions accordingly. In the short term, we are further improving internal management systems and databases for climate risks and carbon emissions, including the introduction of TCFD, ISO 14064-1, and ISO 14067, while continuing to promote energy conservation and carbon reduction measures such as green office culture and green procurement. In 2025, the Board approved an accelerated green electricity procurement schedule starting from 2027 and established related procurement targets. We also completed a comprehensive assessment of climate-related risks and opportunities and their financial impacts, published an independent TCFD report, and launched an ISO 14064-1 greenhouse gas inventory across the Group, with subsidiaries newly included in the inventory scope, to serve as the basis for future carbon management.
Human Resources Risk	Long Talent Development Cycle and Turnover	R&D talent for power management ICs requires a longer development period. In addition, Taiwan entered this field relatively late, and the overall environment still focuses mainly on cultivating digital design R&D personnel. Compared with overseas markets, there are fewer engineers in Taiwan with practical mass-production experience in power management IC design and manufacturing.	The Company has established sound welfare and reward systems to attract outstanding talent and strengthen employee engagement, thereby reducing turnover. In addition, the Company actively exchanges information with domestic and overseas academic institutions and research organizations to build a product R&D technology database.
Operational Risk	Semiconductor Process Improvement	Semiconductor processes required for high-end power management ICs, such as high-voltage, BCD (Bipolar-CMOS-DMOS), and BiCMOS processes, remain underdeveloped among domestic foundries and require further development to compete with overseas manufacturers.	The Company maintains close cooperation with leading wafer foundries to obtain first-hand technology and support. In addition to having strong process development personnel, the Company actively assists foundries in collaborating on new process development and process stability optimization. This ultimately enhances product specification competitiveness, stabilizes production yield, vertically integrates front-end wafer and back-end outsourced production, and ensures sufficient and stable capacity to produce power management ICs with price competitiveness.
	Increasing Product Function Complexity	Future smart living trends will emphasize interaction and connectivity, personalization, and convenient access to information. As a result, future displays are expected to be thin, lightweight, durable, portable, easy to read, and multifunctional. At the same time, as green energy conservation becomes a key issue for society, IC product design must also evolve accordingly.	The Company will continue to monitor the latest technological information and market demand trends, and maintain close communication with customers to accurately understand future development trends and actual customer needs.
	Capacity Supply	As Fitipower's continued development across product lines gradually contributes to revenue growth, the current tight supply-demand conditions in the industry may create risks of shipment disruption due to wafer and packaging/testing capacity shortages.	Fitipower will continue to work closely with upstream and downstream partners through strategic cooperation, creating positive support for long-term business expansion.

Risk Category	Risk Item	Risk Description	Response Strategy
Operational Risk	Impact of Interest Rate Changes	Changes in interest rates may cause investment funds to flow toward products that benefit from rising rates and may also increase the Company's borrowing costs.	The Company maintains good relationships with banks to obtain more favorable interest rates. It will adjust fund allocation in a timely manner based on changes in financial interest rates to reduce the impact of interest rate fluctuations on profit and loss. In 2025, interest expenses amounted to NT$8.526 million, accounting for only 0.047% of operating revenue for the year, and did not have a material impact.
	Impact of Exchange Rate Changes	The currencies used for import and export transactions directly affect financial performance. For companies with a high export ratio, the ability to diversify foreign exchange hedging tools and improve forecasting and judgment capabilities is essential.	The Company's purchase and sales activities are mainly denominated in U.S. dollars. Therefore, sales and procurement transactions denominated in currencies other than the functional currency give rise to exchange rate risks. The Company manages foreign exchange risk through netting assets and liabilities denominated in the same currency and by using derivative financial instruments such as forward foreign exchange contracts and currency swaps. Transaction amounts are generally limited to the net foreign currency position generated from operations to ensure that financial hedging objectives are achieved. In 2025, foreign exchange gains and losses amounted to NT$59.221 million.
	Impact of Inflation	Inflation may lead to increases in material costs.	Fitipower continuously monitors fluctuations in raw material market prices and maintains good relationships with suppliers and customers to reduce the impact of inflation. In 2025, the Company did not experience any material impact from inflation.
	Purchase Concentration	Purchase concentration may increase the risk of supply disruption.	The Company actively builds long-term partnerships with foundry partners, closely monitors product production status, maintains frequent communication, and works with more than two suppliers to diversify production risks.
	Sales Concentration	Excessive reliance on a small number of customers or markets may result in greater immediate impact on operations when those customers or markets are affected by market volatility.	The Company will continue to actively expand into diversified markets and develop new customers to reduce excessive dependence on any single customer. In 2025, only two customers accounted for more than 10% of total sales. Overall, the Company did not have material sales concentration risk.
	Fund Utilization and Financial Operation	Risks include engaging in high-risk or highly leveraged investments, lending funds to others, providing endorsements or guarantees, and conducting derivative transactions.	Based on a conservative and prudent operating philosophy, the Company does not engage in high-risk or highly leveraged investment activities. The Company has established the "Procedures for Lending Funds and Making Endorsements/Guarantees" and the "Procedures for Acquisition or Disposal of Assets" as the basis for compliance by the Company and its subsidiaries. During the reporting period, except for endorsements and guarantees provided to subsidiaries for operational needs, the Company did not lend funds to others.
	Information Security	With rapid technological advancement and the widespread use of infrastructure related to mobile devices, IoT, cloud services, remote work, and corporate digital transformation, information security risks continue to increase and have a broader impact. Such risks may not only damage the Company's own rights and interests, but may also affect cooperation with business partners.	Fitipower signs mutual confidentiality clauses with all customers and has established a comprehensive information security risk assessment and management system (ISO 27001) to ensure the achievement of related objectives and continuous improvement. We continue to invest resources in strengthening information security management across three major areas: external defense, internal control, and information security awareness. In 2025, subsidiary JADARD also successfully obtained ISO 27001 certification.

Information Security

Targets ☑ Achieved

Short-term Goals（2025-2026）

- Subsidiary JADARD to obtain ISO 27001 certification. ☑
- Maintain ISO 27001 effectiveness ☑
- 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

Responsibilities

- Information unit

Key Stakeholders

- Employees
- Customers

Evaluation Indicators

- Information security training and drills
- Customer information leakage status

Communication Mechanism

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

With rapid technological change, widespread use of infrastructure related to mobile devices, the Internet of Things, cloud services, and remote work, as well as enterprise digital transformation, information security risks are increasing and their impact scope is becoming broader. In addition to damaging the Company's own rights and interests, such risks may affect cooperative relationships with business partners. Therefore, we sign mutual confidentiality clauses with all customers and protect sensitive information of both parties through rigorous operating procedures. To strengthen information security management and ensure the confidentiality, integrity, and availability of its information assets, Fitipower has formulated an Information Security Policy. The policy provides an environment in which the Company's information operations can continue operating and remain protected from intentional or accidental internal and external threats.

Information Security Policy

Vision	Strengthen personnel awareness, prevent data leakage, implement routine operations and maintenance, and ensure service availability.
Targets	• 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 the effective operation and implementation of Fitipower's information management practices and to address potential risks, we began establishing a comprehensive information security risk assessment and management system (ISO 27001) and a Security Operations Center (SOC) in 2022. We also established an Information Security Committee, which regularly reports operational status and planned actions to the Board of Directors to ensure the achievement of objectives and continuous improvement.

In 2025, we further introduced ISO 27001 to our subsidiary JADARD, which obtained third-party certification for the first time. Fitipower continues to implement information security management across three key areas: "external defense," "internal control," and "information security awareness." During the reporting year, the Company did not receive any complaints related to customer privacy infringement, information theft, leakage, or loss. We also conducted one information security drill, a phishing simulation, and provided retraining and testing for employees with insufficient information security awareness. All employees who completed the post-training assessment passed the required standards, ensuring the effective implementation of the information security policy.

ISO 27001 Certificate

▶ Information Security PDCA Cycle Management

Information Security Governance
- Compliance with regulatory requirements
  Information security operational procedures

Promotion and Implementation
- Information security policy promotion
  Information security education and training
  Information security management system implementation

Risk Improvement
- Improve operational procedures
  Introduce solutions

Risk Assessment
- Information security risk assessment mechanisms

▶ Information Security Committee

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.

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

Executive Secretary
- 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.

Emergency Response Team
- 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.

Information Security Implementation Team
- 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	Internal Control	Information Security Awareness
Defense against hacker attacks and virus threats	Protection of the Company's intellectual property, trade secrets and improvement of internal information security	Employee information security awareness, education and training, security drills and other information security awareness enhancement initiatives

Dimension	Control Item	Related Actions	Audit and Verification
External Defense	Network Security Management	• Established firewalls to segregate internal, external, and DMZ networks • Regularly reviewed and adjusted firewall policies- Managed and controlled internal • external network administration access, including IPS, URL filtering, and sandboxing • Conducted HIP checks and 2FA identity authentication for remote connections • Introduced Trend Micro MDR • Automatically blocked suspicious IPs by matching indicators of compromise (IOCs)	Strengthen the security of internal and external network access
	Computer Virus Protection	• Established end-to-end protection mechanisms from gateways to endpoints • Used MailSpam for email filtering and virus scanning • Conducted regular vulnerability scanning and system updates for servers and computers • Monitored virus protection and malicious program behavior • Introduced an asset management system to check for unauthorized software installation	Strengthen the security of the internal information environment and services
Internal Control	Data Protection and System / Application Access Control	• Controlled internal data access permissions • Controlled internal data export and transmission • Managed and reviewed user account permissions • Reviewed and adjusted account permissions upon personnel changes	Ensure the effectiveness of the Company's internal data protection mechanisms
	Information Record Protection	• Established SOC and DLP systems to implement the following measures • Controlled and recorded access to internal and external systems • Controlled operational behaviors and maintained activity logs • Managed, recorded, and issued alerts for abnormal events • Protected and retained relevant records	Ensure the validity and evidentiary value of records and comply with regulations
	Information Security Incident Management	• Established information security incident handling procedures	Strengthen information security incident handling procedures to reduce the likelihood of occurrence and operational impact
Information Security Awareness	Information Security Policy and Training	• Management regularly reviews, formulates, approves, and announces information security policies • Enhances employee information security awareness through training, e-learning, and information security communications	Confirm the applicability and effectiveness of information security policies and enhance employee information security awareness