Stock Code: 3527

Macroblock, Inc.

2024 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Published on May 10, 2025
Market Observation Post System website: https://mops.twse.com.tw/mops/web/index
Macroblock, Inc. Annual Report is available at: https://www.mblock.com.tw/zh-tw

I. Spokesperson

Name: L.C. Yang
Title: Chairman
Tel: 886-3-579-0068 #8888
E-mail: mbi.ir@mblock.com.tw

Deputy Spokesperson

Name: Jack Lin
Title: General Manager
Tel: 886-3-579-0068 #8888
E-mail: mbi.ir@mblock.com.tw

II. Headquarters and Plants

Headquarters
Address:6F-4, No.18, Puding Rd., Hsinchu, Taiwan R.O.C.
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Plant
Address: No.458, Pingzhen Section, Zhongxing Road, Pingzhen District, Taoyuan City (4th Floor, Building OB), Taiwan R.O.C.
Tel: 886-3-579-0068

III. Stock Transfer Agent

Name: Yuanta Securities Registrar & Transfer Agency Department
Address: B1F.,No.67,Sec.2,Dunhua S. Rd.,Da'an Dist.,Taipei City,Taiwan, R.O.C. 106045.
Tel: 886-2-2586-5859
Website: http://www.yuanta.com.tw

IV. Auditors

Name of Firm: Deloitte & Touche
Auditors: Cheng-Chih Lin (CPA), Yu-Feng Huang (CPA)
Address: 6F, No. 2, Prosperity Rd. I, Hsinchu Science Park, Taiwan, R.O.C.
Tel.: 886-3-578-0899
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V. Overseas Securities Exchange: N/A

I. Corporate Website: https://www.mblock.com.tw/zh-tw

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I. Letter to Shareholders

Dear Shareholders,

The demand for emerging AI applications is rising, continuously driving rapid growth in the semiconductor industry. According to the World Semiconductor Trade Statistics (WSTS) forecast, the global semiconductor market value will reach USD 627 billion in 2024, growing by 17% year-on-year, and it will further increase to USD 697 billion in 2025, with a growth rate of 11.2%. However, the global economy will still face numerous challenges in 2025, with uncertainties in trade and tariff policies, inflationary pressures, and ongoing geopolitical risks disrupting the market. In particular, China's economic domestic demand remains weak, with economic deflation causing sluggish consumer price growth, and the economy continues to stagnate. Our company continues to monitor global economic changes and Sino-U.S. relations while implementing corresponding contingency measures.

Our company has a strong focus on high-end rental and virtual production-specific LED displays. The specifications of LED displays continue to upgrade in response to the growing demand for visual display effects in virtual production, high-end rentals, and more, including smaller pixel pitch, wider color depth, better low gray scale performance, higher frame rates and refresh rates, and lower power consumption. We have launched the DaVinci series to raise high-end display standards, offering four major features: global refresh (to address black screen issues during camera shooting), low gray rate refresh (reduces flicker issues seen through cameras and with the human eye, while supporting wide dynamic range), low transition voltage (enhances energy-saving effects and solves high transition voltage power consumption issues caused by high current output), and integrated PAM+PWM support for 19-bit grayscale. These upgrades comprehensively improve the specifications of LED display driver ICs, providing more product options for high-end rentals, virtual production, outdoor commercial advertising, and advanced display applications.

According to a forecast report by S&P Global Mobility, global electric vehicle (EV) sales will grow by 30% in 2025, reaching 15.1 million units, with the market share increasing from 13.2% in 2024 to 16.7%. Our company has launched a series of automotive LED lighting and in-vehicle display driver ICs, including LED car logos, linear light source ambient lights, and intelligent dimming reading lights, which allow for richer color performance and long-distance data transmission. The central control information display can achieve localized point calibration for optimal dimming uniformity and supports high-brightness mode, optimizing warning message prompts and in-car entertainment usage. It also includes error detection, error reporting, and disconnection detection functions, ensuring the stability and reliability of the overall system, with a built-in Dynamic energy-saving function to effectively prevent mechanical issues due to overheating. Furthermore, it has obtained ISO 26262 certification, demonstrating our company’s commitment to the highest functional safety standards in the automotive industry.

In 2024, our company achieved a revenue of NT$1,792,664 thousand, with a gross margin of 38%, and EPS of NT$0.28. Facing future competition and challenges, the company continues to focus on LED display, lighting, automotive, and backlight-related applications. We are deepening our development in high-spec LED Driver IC display technology, setting product standards, and selecting strategic partners and clients. We are also maintaining flexibility in our supply chain and continuing to explore new business opportunities for Mini/Micro LED in display applications. With a stable and healthy financial structure, we are actively implementing ESG practices and strengthening corporate governance, continuously enhancing the company’s capabilities, and exploring and creating new growth for our business.

Operating Performance in 2024

1. Consolidated financial results

(Expressed in Thousand NT Dollars)

Items \ Year	**2024 Amounts**	**(%)**
Operating revenue	1,792,664	100
Gross profit	683,865	38
Operating expenses	737,186	41
Operating income (loss)	(53,321)	(3)
Other profits and losses	74,203	4
Income before taxes	20,882	1
Net income	12,646	1
EPS(NTD)	0.28	

2. Profitability analysis

Items	**2024**
Debt to asset ratio (%)	12.17
Long-term capital to property, plant and equipment ratio (%)	1,000.57
Current ratio (%)	718.05
Quick ratio (%)	509.27
Times interest earned ratio	19.37
Return on total assets (%)	0.48
Return on shareholders' equity (%)	0.51
Pre-tax income to paid-in capital ratio (%)	4.70
Profit ratio (%)	0.71
Earnings per share (NT$)	0.28

Research and development status

Year	Research and Development Milestones
2024	48-channel, internal clock resonance integrated, common cathode driving, refresh rate enhancement at low gray scale driver IC
	WLCSP FALD backlight driver IC
	16-channel, internal clock resonance integrated, common cathode driving, refresh rate enhancement at low gray scale driver IC
	Automotive interior lighting driver IC, AEC-Q100/006 certificated

Business Plan for 2025

A. Operating Strategy:

1. LED Display Application:

Enhances native grayscale of the LED driver IC to 19-bit, with built-in frequency multiplication and hybrid dimming mode to improve visual refresh rate at low grayscale levels.

2. **LED Automobile Application:**

Automakers are adopting Vehicle-to-Vehicle (V2V) communication, gradually realizing applications of Interactive Signage Displays (ISD). This includes transforming front position lamps into ISDs, evolving rear lights from Rear Combination Lighting (RCL) to Full-width Tail Lights, and further to ISDs. Macroblock continues to focus on developing pixelated matrix driving solutions for automotive applications.

3. **LED Backlight Application:**

Macroblock focuses on Full Array Local Dimming (FALD) backlighting solutions, with current key applications in high-end drone controllers, gaming laptops, and in-vehicle Central Information Displays (CID). The 7” drone controller equipped with FALD offers excellent outdoor visibility and is expected to continue mass production with new models in 2025. For gaming laptops, FALD is primarily used in 16.3” and 18” panels, with 18” becoming the mainstream size in 2025. In the automotive sector, CID panel sizes have evolved from 12.3” to 15.6”, 17.3”, and even 39.1” pillar-to-pillar displays, with a trend toward larger dimensions. A new application in 2025 involves replacing the image display unit of head-up displays (HUD), known as the Picture Generator Unit (PGU), with FALD panels. These are being adopted in Panoramic HUDs (P-HUD), Windshield HUDs (W-HUD), and Augmented Reality HUDs (AR-HUD), replacing traditional Combiner HUDs (C-HUD), thereby enabling the display of richer information and more detailed imagery.

4. **Transparent Micro-LED Display:**

With higher luminous efficiency and transmittance compared to OLED displays, Micro-LED is seen by Macroblock as a promising technology for next-generation transparent displays. The company is actively collaborating with multiple panel manufacturers to explore its application potential.

B. Important production and marketing policies

1. The Company remains committed to expanding its customer base and market share by partnering with major international manufacturers and developing new product lines.
2. To ensure consistent and reliable supply capacities, the Company has established strong and long-term relationships with foundry houses and third-party manufacturers. By forging strategic alliances with suppliers, the Company continuously strives to improve product quality and cost competitiveness. These efforts, coupled with the Company’s close tacit understanding with foundries, ensure timely production and delivery of products, thereby meeting the needs of customers.

Future Development Strategy

The Company's commitment to research and development in LED-related products is unmatched in the industry. With a deep understanding of market needs, design experience, and technological integration capabilities, the Company is continuously expanding the breadth and depth of its product lines to provide customers with a complete product range. Through the development of high-end products with additional features, the Company adds value to its customers and further differentiates itself from its competitors.

To maintain its leading position in the market, the Company will continue to optimize its product functions and cost structures, ensuring the delivery of diversified products that meet the needs of its customers. In addition, the Company is dedicated to expanding its international market share through joint investments and strategic alliances with major international manufacturers. With these efforts, the Company aims to solidify its position as a leader in the LED-related products industry and continue to drive innovation in the market.

The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

The Company's products are essential components for both indoor and outdoor display applications, which are mainly sold through tenders in international markets. As the trend shifts towards indoor displays and ultra-fine pitch displays, and the popularity of simulations and virtual movie and advertisement productions grows, it has become increasingly important for companies to offer total product solutions. In response, the Company will focus on developing high-end products and expanding product features to create more value for its customers. Additionally, the Company will introduce one-stop customer service plans to enhance the cost-effectiveness of the solutions offered. By aligning its strategies with market trends, the Company aims to stay competitive and cater to the needs of its customers.

As part of its commitment to good corporate governance, the Company actively implements and strengthens corporate governance policies throughout the organization. The Company's efforts have been recognized in the 11th Corporate Governance Evaluation of Taiwan Stock Exchange, where it was ranked as one of the top 20% compliant companies. Going forward, the Company plans to prepare an ESG report to specifically disclose how it responds to the concerns of various stakeholders, including matters relating to the economy, environment, society and corporate governance. By doing so, the Company aims to improve information transparency and build trust with its stakeholders.

In the highly price-competitive market, the Company's profit margin has been eroded substantially. To address this issue, the Company plans to adopt more advanced manufacturing processes and develop high-end products to enhance product competitiveness. Additionally, the Company's foreign sales account for more than 85% of its total revenue, mainly quoted in Chinese Yuan (RMB) and United States Dollars (USD). The Company monitors exchange rate changes daily to adjust foreign currency positions and implements hedging measures in a timely manner. The Company is committed to maintaining its financial stability and achieving sustainable growth.

As we move forward, we are confident that we will continue to achieve positive growth in both revenue and profitability, and create higher return on investments for our shareholders. We remain committed to upholding our core values of innovation, quality, and customer satisfaction, which have served as the foundation for our success. Despite the challenges we faced over the past year, we have emerged even stronger and more resilient than before. We want to take this opportunity to express our sincere gratitude to all of our shareholders for your unwavering support, which has been instrumental in our success. We look forward to your continued partnership as we work towards a brighter future for Macroblock.

Sincerely yours,

Chairman	G.M.
L.C. Yang	Jack Lin

II. Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors

As of 04/20/2025; Unit: thousand shares

Title	Nation-ality	Name	Gender/Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected: Shares	Shareholding when Elected: %	Current Shareholding: Shares	Current Shareholding: %	Spouse & Minor Shareholding: Shares	Spouse & Minor Shareholding: %	Shareholding by Nominee Arrangement: Shares	Shareholding by Nominee Arrangement: %	Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship: Title	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship: Name	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship: Relation	Remark(s) (Note)
Chairman	R.O.C	LC Yang	Male 61~70	2024. 06.20	3	1999. 06.16	1,853	4.17	1,981 (Note 4)	4.46	1,593	3.59	0	0	- Ph.D., Materials Science and Engineering, University of Illinois, USA	-CEO of MBI Inc. -Chairman of MBI Group, Inc. -Director of Juxin Photoelectricity (Shenzhen) Ltd. -Director of Juxin Electronics (Shenzhen) Ltd. -Chairman of Macrostar, Inc. -Director of Macroblock (Singapore) Pte. Ltd	Director	Guo, Sha Ling	spouse	(Note 1)
Director	R.O.C	ELAN Microelectronics Corp	N/A	2024. 06.20	3	2021. 07.29	3,500	7.87	3,500	7.87	0	0	0	0	None	None	-	-	-	
		Representative: Joe Yeh	Male 31~40				0	0	0	0	0	0	0	0	-Department of Electrical Engineering, & Department of Economics, University of California, San Diego	-Director of ELAN Microelectronics Corp -Director of Eminent Electronic Technology,Co,Ltd.	-	-	-	
Director	R.O.C	Guo, Sha Lin	Female 61~70	2024. 06.20	3	2012. 06.06	1,551	3.49	1,593 (Note 4)	3.59	1,981	4.46	0	0	-Ph.D., Statistics, University of Illinois, USA -Director of Finance Department, Ta Hwa University of Science and Technology -Director of Department of Business and Tourism Planning, Ta Hwa University of Science and Technology	None	Chairman	LC Yang	spouse	
Director	R.O.C	Tiao, Kuo Tung (Note 2)	Male 61~70	2024. 06.20	3	2003. 09.20	0	0	0	0	0	0	0	0	- Master of EE, NTHU - Master of Science, University of Illinois, U.S. - Deputy General Director of Electronic and Photonics department of ITRI - Vice president of Hermes-Epitek	None	-	-	-	

Independent Director	R.O.C	Joe Wu	Male 51~60	2024. 06.20	3	2021. 07.29	0	0	0	0	0	0	0	0	-EMBA of National Taiwan University -Entrepreneur Management Research Class, NCCU	-Chairman and CEO of Asia Neo Tech. -Director representative of TSS Holdings Limited. -Chairman of Asia Neo Tech Industrial Co. -Chairman of Quick Prosper Inc. -Chairman of Aoptic International Co., Ltd -Chairman of subsidiaries of Asia Neo Tech Industrial Co., Ltd. (SuZhou & ShenZhen & Heyuan) -Chairman of Heyang Investment Co., Ltd	-	-	-	
Independent Director	R.O.C	Chen, Wei-Kuo	Male 61~70	2024. 06.20	3	2021. 07.29	0	0	0	0	0	0	0	0	-PhD in Electrical Engineering, State University of New York -Director of Department of Electrophysics, NYCU -Independent Director of EPISTAR Corporation.	-Appointed researcher of Department of Electrophysics, NYCU.	-	-	-	
Independent Director	R.O.C	David Wang	Male 51~60	2024. 06.20	3	2024. 06.20	0	0	0	0	0	0	0	0	-PhD from Graduate School of Macromolecular Materials, National Taiwan University of Science and Technology -R&D Director of Prodisc Technology Inc. -General Manager of Entire Technology Co., Ltd. -Full time Assistant Professor at Department of Chemical -Engineering, Kuang Wu Institute of Technology	-Director and General Manager of EnFlex Corp. -Chairman of Entire Technology Co., Ltd. -Independent director of Integrated Service Technology Inc.	-	-	-	
Independent Director	R.O.C	Brandon Hsu (Note 3)	Male 51~60	2024. 06.20	3	2009.06 .03	0	0	0	0	0	0	0	0	-MBA in Finance, National Taiwan University -Bachelor of Science, National Chiao Tung University -VP of Business Development Department, CDIB Capital Group -VP of Strategic Planning Department, CDIB Capital Group -VP of CDIB Private Equity (Fujian) Co. Ltd. -Manager of Principal Investment Department, China Development Induatrial Bank -Representative director of Gallant Precision Machining Co., Ltd. -Representative director of Macroblock, Inc.	-Director of Interstellar Inc. -Supervisor of Yifinity Capital Corp. -Supervisor of Yi Chuang Private Equity Management Corp. -CFO of Cruise10 CO., LTD.	-	-	-	

Note 1: The Company's Chairman and CEO are the same person, primarily to improve operational performance, enhance shareholder interests, and achieve sustainable operations. In order to strengthen the Board of Directors' function and increase director supervision, the Company plans to appoint more independent directors in the future. At present, the Company has the following measures: 1. over half of the Board of Directors' members do not hold any managerial or staff positions within the Company; 2. all directors are required to participate in director courses annually to enhance the effectiveness of the Board of Directors.

Note 2: Mr. Tiao Kuo-tung served as the director from 2003.09.20 to 2009.06.03, as independent director from 2012.06.06 to 2017.04.14, as director on 2018.06.13, and as director after all directors were re-elected on 2021.07.29.

Note 3: Brandon Hsu, 2009.6.3-2012.6.6 served as the legal representative of the board of directors of China Development Industrial Bank (Co., Ltd.); 2024.6.20 as an independent director.

Note 4: Including the number of shares with the right to exercise discretion.

Major shareholders of the institutional shareholders

As of 03/31/2025

Name of Institutional Shareholders	Major Shareholders
ELAN Microelectronics Corp	Hua Nan Commercial Bank is entrusted with the custody of Yuanta Taiwan Value High Yield ETF (4.64%) Elan Investment Corporation (4.09%) New Labor Pension Fund (3.70%) Yulong Investment Co., Ltd. (2.33%) YEH, I-Hau (2.06%) Shanghai Commercial and Savings Bank Co., Ltd. (1.71%) Citibank (Taiwan) manages the Norwegian Central Bank's investment account. (1.51%) Chase Custody Advanced Starlight Advanced Total International Stock Index. (1.17%) Chang Gung Medical Foundation. (1.12%) Chase Managed Vanguard Emerging Markets Equity Index Fund Special Account. (1.07%)

Major shareholders of the Company’s major institutional shareholders

As of 03/31/2025

Name of Institutional Shareholders	Major Shareholders
Elan Investment Corporation	ELAN Microelectronics Corp (100%)
Yulong Investment Co., Ltd.	YEH, I-HAU (100%)
Shanghai Commercial and Savings Bank Co., Ltd.	Taishin Bank Corporation holds custody of Cathay Taiwan Umbrella Securities (6.2%) Yuanta Taiwan High Dividend Fund Special Account (5.17%)

Professional qualifications and independence analysis of directors

Criteria / Name	Professional Qualification Requirements and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
LC Yang	For the director's professional qualifications and experience, please refer to the directors' information on pages 7-8 of this annual report. None of the directors falls under any of the circumstances specified in Article 30 of the Company Law	NA	0
ELAN Microelectronics Corp Representative: Joe Yeh			0
Guo, Sha Lin			0
Tiao, Kuo Tung			0
Joe Wu		The independent directors of the company have confirmed their compliance with the regulatory provisions governing the establishment of independent directors of public offering companies, as outlined in Article 3, paragraph 1, subparagraphs 1 to 9. They have also declared that they have no direct or indirect interest in the company or its related entities. Prior to their election, each independent director provided a written statement confirming their independence and that of their immediate family from the company. None of the independent directors hold any shares in the company. All four of the independent directors do not provide any business, legal, financial, accounting, or other services to the company or any related entities.	0
Chen, Wei Kuo			0
David Wang			1
Brandon Hsu			0

Board Diversity and Independence

Board Diversity：

According to the Company's "Code of Practice on Corporate Governance", the composition of the board of directors should consider diversity, with the number of directors who also serve as managers of the company not exceeding one-third of the total number of directors. The policy on diversification should include, but not be limited to, the following two standards:

1. Basic conditions and values: gender and age。

2. Professional knowledge and skills: professional background, professional skills and industry experience, etc.

The members of the board of directors shall generally possess the necessary knowledge, skills and qualities to perform their duties, and their overall abilities shall be as follows:

(1) Operating (2) Financial (3) Business Development (4) Crisis Management

(5) Industry Experience (6) Global Market Perspective (7) Leadership Skill (8) Strategic Decision-making

The 10th Board of Directors of the Company consists of 8 directors, including 4 directors and 4 independent directors. The members have diverse backgrounds, including rich experience and expertise in different industries, academia and management. The Company has 1 female director, and female directors account for 12.5%, which is less than one-third of the board seats. The main reason is that in the past, professional ability and experience were the main considerations when selecting directors, and no specific gender ratio requirements were set. In the future, we will give priority to female candidates in the director nomination process and actively seek female professionals with industry experience to join. We expect to achieve a ratio of at least one-third of female directors by 2030.

Diversity has been considered in the composition of the board of directors of the company. The relevant implementation is as follows:

Title	Chairman	Director			Independent Director			
Name	LC Yang	ELAN Microelectronics Corp Representative: Joe Yeh	Guo, Sha Lin	Tiao, Kuo Tung	Joe Wu	Chen, Wei Kuo	David Wang	Brandon Hsu
Gender	Male	Male	Female	Male	Male	Male	Male	Male
Nationality	R.O.C	R.O.C.	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C
Age	61-70	31-40	61-70	61-70	51-60	61-70	51-60	51-60
Professional Knowledge and Expertise								
Research and Development	V			V	V	V	V	
business/ marketing	V	V			V		V	V
Finance/Accounting		V	V		V			V
Education			V			V	V	
Skill and Experience								
Operating	V	V	V	V	V	V	V	V
Financial	V	V	V	V	V		V	V
Business Development	V	V		V	V		V	V
Crisis Management	V	V	V	V	V	V	V	V

Industry Experience	V	V	V	V	V	V	V	V
Global Market Perspective	V	V	V	V	V	V	V	V
Leadership Skill	V		V	V	V	V	V	V
Strategic Decision-making	V	V	V	V	V	V	V	V

Independence of Board:

The 10th board of directors of the Company is composed of eight directors, including four directors and four independent directors, with independent directors accounting for 50%.

The board of directors of the Company is independent. Only chairman LC Yang and director Guo Sha ling are spouses, and the other directors are not spouses or relatives within the second degree of kinship. The Company has no supervisor, so there is no provision of Article 26-3 of the Securities Exchange Act.

2.1.2 Management Team

As of 04/20/2025; Unit: thousand shares

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman & CEO	R.O.C	LC Yang	Male	2020.01.07	1,981	4.46	1,593	3.59	0	0	- Ph.D., Materials Science and Engineering, University of Illinois, USA	-Chairman of MBI Group Inc -Director of Macroblock (Singapore) Pte Ltd. -Director of Juxin Photoelectricity (Shenzhen) Ltd. -Director of Juxin Electronics (Shenzhen) Ltd. -Chairman of Macrostar Inc.	-	-	-	Note 1
GM & Vice President of Product Development Division	R.O.C	Jack Lin	Male	2024.01.01	62	0.14	0	0	0	0	-Master of Electrical Engineering Institute of USC - Vice President of RD of Macroblock		-	-	-	-
Vice President of Sales Division	R.O.C	Larry Lee	Male	2011.11.01	52	0.12	0	0	0	0	- Master, Information Engineering, University of Missouri - Business manager of IBM - Associate of Silicon Integrated Systems Corporation.	- President of Juxin Photoelectricity (Shenzhen) Ltd.	-	-	-	-
Director of Engineering and Production Plan Division	R.O.C	YC Jeng	Male	2023.01.10	20	0.04	0	0	0	0	- Master of Electrical Engineering, NTU - Special Assistant of GM, Macroblock - Deputy director of Product Development Division, Macroblock - Manager of Product Development Division, Macroblock	-	-	-	-	-

Director of Administration Management Division & CFO	R.O.C	Amy Lo	Female	2015. 01.01	18	0.04	0	0	0	0	- Bachelor, Department of Financial Management, National Sun Yat-sen University. - Master, Department of Business administration, National Chung Cheng University - Assistant Manager of the Financial Advisory Group of the Underwriting Department, Yuanta Securities. - Professional Manager of Fundraising Team, Yuanta Securities.	- Supervisor of Juxin Photoelectricity (Shenzhen) Ltd. - Supervisor of Juxin Electronics (Shenzhen) Ltd. -Supervisor of Hung-Jui Investment, Inc.	-	-	-	-
Accounting Manager	R.O.C	Lynn Chen	Female	2017. 08.02	1	0	0	0	0	0	-Master, Accounting, National Taiwan University -Manager of Deloitte Taiwan	-	-	-	-	-

Note1: The Company's Chairman and CEO are the same person, primarily to improve operational performance, enhance shareholder interests, and achieve sustainable operations. At present, the Company has the following measures: 1. over half of the Board of Directors' members do not hold any managerial or staff positions within the Company;2. All directors are required to participate in director courses annually to enhance the effectiveness of the Board of Directors; 3. Increase the number of independent directors, in order to strengthen the Board of Directors' function and increase director supervision

2.2 Remuneration of Directors, Independent Directors, Supervisors, President, and Vice Presidents

2.2.1 Remuneration of Directors and Independent Directors

As of 12/31/2024; Unit: NT$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E) (Note 2)		Severance Pay (F)		Employee Compensation (G)				
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	
																Cash	Cash			
Director	LC Yang ELAN Microelectronics Corp Representative: Joe Yeh Guo, Sha Lin Tiao, Kuo Tung	-	-	-	-	395	395	152	152	547 4.32%	547 4.32%	9,343	9,343	-	-	50	50	9,940 78.61%	9,940 78.61%	None
Independe	Joe Wu																			

nt Director	Chen, Wei-Kuo Cathy Han David Wang Brandon Hsu	2,540	2,540	-	-	172	172	144	144	2,856 22.58%	2,856 22.58%	-	-	-	-	-	-	2,856 22.58%	2,856 22.58%	None

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: On a relative term, the functional committee members bear higher responsibilities, assume higher risks and spend more professional time to perform their duties. According to the Company's "Directors, Functional Committee and Manager Compensation Management Measures", each member will be given an additional 0.5 basis points when the person assume one additional functional role. In addition, when the directors assist with the Company's business development or operational strategies planning, regardless of the operational profitability, such directors and supervisors will be remunerated and their remuneration will be determined via a thorough assessment of their level of involvement and contributions and have to be approved by the Board of Directors.
2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors: None

Note 1: The remuneration of directors of the Company for year 2024 was NT$566,190, which has been approved by the Board of Directors on 2025.3.6. The directors' remuneration is expressed in terms of the estimated amount of the proposed distribution ratio.

Note 2: The above refers to the remuneration including salary, bonus, severance payment, variable bonuses, incentives, transportation allowances, special reimbursement, various allowances, and accommodation reimbursement, car incentive and other physical provisions, etc. received by the directors who are concurrently employees (including GM, Vice President, other managers and employees) in the most recent year.

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Less than NT$ 1,000,000	LC Yang、ELAN Microelectronics Corp、Guo, Sha Lin、Tiao, Kuo Tung、Joe Wu、Chen, Wei-Kuo、Cathy Han、David Wang、Brandon Hsu	LC Yang、ELAN Microelectronics Corp、Guo, Sha Lin、Tiao, Kuo Tung、Joe Wu、Chen, Wei-Kuo、Cathy Han、David Wang、Brandon Hsu	ELAN Microelectronics Corp、Guo, Sha Lin、Tiao, Kuo Tung、Joe Wu、Chen, Wei-Kuo、Cathy Han、David Wang、 Brandon Hsu	ELAN Microelectronics Corp、Guo, Sha Lin、Tiao, Kuo Tung、Joe Wu、Chen, Wei-Kuo、Cathy Han、David Wang、 Brandon Hsu
NT$1,000,000 ~ NT$2,000,000				
NT$2,000,000 ~ NT$3,500,00				
NT$3,500,000 ~ NT$5,000,000				
NT$5,000,000 ~ NT$10,000,000			LC Yang	LC Yang
NT$10,000,000 ~ NT$15,000,000				

NT$15,000,000 ~ NT$30,000,000				
NT$30,000,000 ~ NT$50,000,000				
NT$50,000,000 ~ NT$100,000,000				
Greater than or equal to NT$100,000,000				
Total	9	9	9	9

2.2.2 Remuneration of Supervisors: The company has set up an Audit committee, so it is not applicable.

2.2.3 Remuneration of the President and Vice Presidents

As of 12/31/2024; Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B) (Note 1)		Bonuses and Allowances (C) (Note 2)		Employee Compensation (D) (Note 3)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman & CEO	LC Yang	16,888	16,888	216	216	2,517	2,517	103	-	103	-	19,724 155.98%	19,724 155.98%	None
GM	Jack Lin													
Vice President	Larry Lee													

Note: 1. The above relates to the provision of retirement pension expensed off.

2. The above relates to remuneration in the form of various bonuses, incentives, transportation allowances, special reimbursement, various allowances, accommodation reimbursement, car incentive and other remunerations received by for Vice President and above in the most recent year.

3. The Company’s employee remuneration for the year 2024 is NT$1,132(thousands), which has been approved on 2025.3.6 by the Board of Directors and is expressed in terms of the estimated amount of the proposed distribution ratio.

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements
Less than NT$ 1,000,000		
NT$1,000,000 ~ NT$2,000,000		
NT$2,000,000 ~ NT$3,500,00		
NT$3,500,000 ~ NT$5,000,000	Larry Lee	Larry Lee
NT$5,000,000 ~ NT$10,000,000	LC Yang、Jack Lin	LC Yang、Jack Lin

NT$10,000,000 ~ NT$15,000,000		
NT$15,000,000 ~ NT$30,000,000		
NT$30,000,000 ~ NT$50,000,000		
NT$50,000,000 ~ NT$100,000,000		
Greater than or equal to NT$100,000,000		
Total	3	3

2.2.4 Name(s) of the manager(s) and the employee compensation distributed:

12/31/2024 Unit: NT$ thousands

	Title	Name	Employee Compensation- in Stock (Fair Market Value)	Employee Compensation- in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	Chairman & CEO	LC Yang	0	136	136	1.07
	GM	Jack Lin				
	Vice President	Larry Lee				
	Director	YC Jeng				
	Director & CFO	Amy Lo				
	Accounting Manager	Lynn Chen				

Note: The Company’s employee remuneration for the year 2024 is NT$1,132(thousands), which has been approved on 2025.3.6 by the Board of Directors and is expressed in terms of the estimated amount of the proposed distribution ratio.

2.2.5 Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

Unit: NT$ thousands

Item / Year	2024	2023
Net income after taxes on the Company's Individual Financial Reports	12,646	(12,346)
Ratio of compensation paid to Directors by the Company (%)	26.90	(20.15)
Ratio of compensation for Directors paid by all companies listed in the Consolidated Financial Reports (%)	26.90	(20.15)
Ratio of compensation for Managers such as Vice President or above paid by the Company (%)	155.98	(244.78)
Ratio of compensation for Managers such as Vice President or above paid by all companies listed in the Consolidated Financial Reports (%)	155.98	(244.78)

A. Policies, Standards, and Structure of Remuneration:

According to Article 28 of the Company's Articles of Incorporation, prior to the deduction of employee and director compensation from the Company's annual pre-tax profit, no less than 5% shall be allocated to employee compensation and no more than 3% shall be allocated to director compensation. However, if the Company has accumulated losses (including adjustments to retained earnings), such losses must first be offset before any distribution.

The remuneration standards for the CEO, GM, and Vice Presidents are as follows:

The CEO's performance evaluation is based on the achievement of the Company's annual operational indicators related to business operations, corporate governance, and financial results;

The GM's performance is evaluated based on performance targets, including revenue and profitability goals;

The Vice President's performance evaluation items are categorized as follows:

a. Financial indicators: These must be linked to the Company's profitability for the year and are granted with reference to the achievement rate of individual managerial targets.;

b. Non-financial indicators: These include the Company's operational management capability, progress in research and product development, and sustainable governance. The achievement of each target is assessed and reviewed in line with actual business conditions and relevant regulations, with the remuneration system adjusted accordingly when necessary.

In accordance with the Remuneration Committee Charter, the Company's remuneration package includes cash compensation, stock options, profit-sharing equity, retirement benefits or severance payments, various allowances, and other substantial incentive measures. The scope is aligned with the standards set out in the "Regulations Governing Information to be Published in Annual Reports of Public Companies" regarding director and managerial remuneration.

B. The procedures for determining remuneration:

The compensation to directors and other key management personnel should be determined by the Remuneration Committee of the Company in accordance with the Company's "Remuneration Management Measures for Directors, Functional Members and Managers" and "Board performance evaluation", individual performance and their participation in the operation of the Company.

The actual remuneration amounts paid to directors and managerial officers for the year 2024 were reviewed by the Compensation Committee and subsequently submitted to the Board of Directors for discussion and approval.

C. The correlation with risks and business performance:

It has a positive correlation with the business performance of the Company as the Company's remuneration is allocated based on the Company's overall revenue, profit, future risks and the responsibilities assumed by each personnel.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

A. Operations of the Board of Directors

A total of 6 Board of Directors' meetings were held in the year 2024. The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	LC Yang	6	0	100	-
Director	ELAN Microelectronics Corp Representative: Joe Yeh	5	1	83	-
	Guo, Sha Lin	6	0	100	-
	Tiao, Kuo Tung	6	0	100	-
Independent director	Joe Wu	6	0	100	
	Chen, Wei-Kuo	6	0	100	
	Cathy Han	2	0	100	Dismissed after the re-election on June 20, 2024.
	David Wang	4	0	100	Appointed following the re-election on June 20, 2024.
	Brandon Hsu	4	0	100	

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
   (1) Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee, which does not apply to the provisions of Article 14-3 of the Securities and Exchange Act. For relevant information, please refer to "2.3.2 Audit Committee or Attendance of Supervisors at Board Meetings" in this annual report.
   (2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: Directors recused themselves from discussions and voting on matters related to their own remuneration.
3. TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations.", please refer to Note1.
4. Measures taken to strengthen the functionality of the board:
   (1) In order to implement corporate governance and improve the functions of the Board of Directors, we perform an evaluation of the performance of the Board of Directors and the functional committees every year. In 2024, the performance evaluation was conducted by the board members themselves.
   (2) More information transparency: The Company is committed to transparent operations and pays attention to the rights and interests of its shareholders. On the Company's website, related information is provided in Chinese and English under "Investor Relations", "CSR" and "Corporate Governance". Important decisions of the Board of Directors are published regularly, and investor conferences are held on a period basis.
   (3) Director liability insurance: To protect the directors and managers from the risks they bear when conducting business, the Company purchases directors and managers' liability insurance for the directors and managers annually, and regularly reviews the insurance policies to ensure certain

insurance limits and coverage requirements. In this regard, the Company regularly reports to the Board of Directors.
(4) The Audit Committee and Remuneration Committee are formed by all the independent directors of the Company to assist the Board of Directors in performing its supervisory duties. The chairpersons of the committees report regularly to the Board of Directors regarding their operations.
(5) Continuing education of directors: The Company encourages continuing education of the directors and regularly recommends courses for the directors to keep gaining new knowledge. The total training hours for all executives in 2024 amounted to 54 hours.

Note 1: Implementation Status of Board Evaluations

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Annual	2024.1.1 - 2024.12.31	Board of Directors	Internal self-evaluation by the Board of Directors	Level of participation in Company operations, the quality of Board decisions, Board composition and structure, appointment of directors and their continued development, and internal controls.
Annual	2024.1.1 - 2024.12.31	Individual Directors	Self-assessment by directors	Level of attainment of company targets and missions, understanding of the director's role and responsibilities, level of participation in Company operations, internal relationship with management and communication effectiveness, director's continued development, and internal controls.
Annual	2024.1.1 - 2024.12.31	Compensation Committee/ Audit Committee	Self-assessment by directors	Participation in Company operations, understanding of the responsibilities of functional committees, improvement of the decision-making processes of functional committees and the qualities of decisions made, composition of functional committees and member selection, internal control.

The Company completed its 2024 Board performance self-evaluation, and the results were reported to the Board of Directors on March 6, 2025, serving as a basis for review and improvement. The overall average score for the Board’s self-evaluation was 90 out of 100, indicating strong performance. The average score for individual Board members' self-evaluations was 98.63 out of 100, reflecting effective individual contributions. For the Audit Committee, the average score per member was 99.5, and for the Remuneration Committee, the average score per member was 100, demonstrating excellent committee performance.

2.3.2 Audit Committee or Attendance of Supervisors at Board Meetings

A. Audit Committee

A total of 5 Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Independent	Joe Wu	5	0	100	

director	Chen, Wei-Kuo	5	0	100	
	Cathy Han	2	0	100	Dismissed after the re-election on June 20, 2024.
	David Wang	3	0	100	Appointed following the re-election on June 20, 2024.
	Brandon Hsu	3	0	100	

Key points reviewed by the Audit Committee in 2024 as of the publication date of the annual report:

1. Review financial reports
2. Evaluate the effectiveness of the internal control system
3. Appoint a visa accountant

   On March 6, 2025, the 4th Audit Committee of the third session and the 5th Board of Directors of the 10th session reviewed and approved that Accountant Lin Cheng Chih and Accountant Hsin Tung Lin of Deloitte & Touche met the independence assessment standards and were worthy of Serve as the company's financial and tax visa accountant starting from 2025.

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:
   (1) Matters referred to in Article 14-5 of the Securities and Exchange Act:
   Please refer to Note 1.
   (2) Other matters which were not approved by the Audit Committee but were approved by two- thirds or more of all directors: None.
2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None
3. Communications between the independent directors, the Company's chief internal auditor and CPAs
   (1) The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically. Should there be any urgent matters that require immediate attention, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular meetings. The communication channel between the Audit Committee and the internal auditor has been functioning well.
   (2) The Audit committee and accountants meet at least once a year, and accountants communicate and discuss financial statement audits and related legal compliance matters. For the main communication matters between independent directors, chief internal auditor and accountants, please refer to the company's website (https://www.mblock.com.tw/zh-tw/investordetail/3/6).

Note 1: Matters referred to in Article 14-5 of the Securities and Exchange Act

Audit Committee Meeting Date	Resolutions
The 14th meeting of the 2th Session 2024.03.06	1. Approved year 2023's business report, consolidated financial statements and standalone financial statements. 2. Approved 2023 Earnings Distribution Proposal. 3. Approved the 2023 internal control system effectiveness assessment and internal control system declaration form. 4. Approved the appointment of certified accountants for the 2024 annual financial report and assessment of their independence and suitability, the public expense review of accountants for 2024 and the pre-approval of non-confidential services list. 5. Approved the issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement.

The 15th meeting of the 2th Session 2024.05.08	1. Approved the 2024 Q1 Consolidated Financial Statement proposal. 2. Set “Rules Governing Financial and Business Matters Between this Corporation and its Related Parties” and Abolition of "Procedures for Group Company Transactions with Specific Companies and Related Persons".
The 1th meeting of the 3th Session 2024.08.07	1. Approved the 2024 Q2 Consolidated Financial Statement proposal. 2. Approval was granted for the revision of the internal control system for the "Payroll Cycle."
The 2th meeting of the 3th Session 2024.11.07	1. Approved the 2024 Q3 Consolidated Financial Statement proposal. 2. Approved the amendments of “Rules of Procedure for Board of Directors Meetings,” the “Audit Committee Organizational Rules” and the “Corporate Governance Best Practice Principles.” 3. Approved the establishment of the "Sustainable Information Management Operations" and the " Operational procedures for preparing and confirming sustainability reports." 4. Passed the 2024 audit plan. 5. Approved to issue the employee stock options.
The 3th meeting of the 3th Session 2024.12.31	1. Approved the 2025 business plan. 2. Approved to revise the internal control system "Property Management Measures".
The 4th meeting of the 3th Session 2025.03.06	1. Approved the Company's 2024 business report, consolidated financial statements and individual financial statements. 2. Approved the Company's 2024 earnings distribution proposal. 3. Passed the 2024 internal control system effectiveness assessment and internal control system declaration form. 4. Approved the appointment of certified accountants for the 2025 financial report and assessment of their independence and suitability, 2025 public accountant review and pre-approval of non-confidential services list. 5. Amendments to the Company's " Procedures for Acquisition or Disposal of Assets". 6. Approved issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement. 7. Approved 2025 employee restricted stock awards.
The 5th meeting of the 3th Session 2025.05.08	1. Approved the 2025 Q1 Consolidated Financial Statement proposal. 2. Approved the Company’s accounts receivable outstanding for more than three months as of April 30, 2025, are not of a lending nature.
Objections, reservations or major recommendations of independent directors: None Resolution result of Audit Committee: Approved by all members. Handling of the audit committee's opinions: All attending directors agreed to pass the proposal.	

B. Attendance of Supervisors at Board Meetings: NA

2.3.3 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company adopts and practices the code of corporate governance and has announced it on the Company's website and Market Observation Post System (MOPS). In relation to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the Company will adopt a step-by-step approach to implement the relevant principles and regulations based on the Company's current situation and legal requirements. 1. The "Codes of Ethical Conduct" has been approved by the Board of Directors and put up for discussion in the Shareholders' meeting. It has also been announced on the Company's website and the Corporate Governance Section of the MOPS; 2. The "Procedures for Handling Material Inside Information" has been approved by the Board of Directors and has been announced on the Company's website. 3. The above are consistent with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the Company abides to the principles and promote the implementation of the best practices of corporate governance.	None
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The Company has a dedicated personnel as the point of contact to handle shareholder suggestions, enquiries, disputes and litigation matters and has set up a designated portal on the Company's website for stakeholders. The shareholders may communicate	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	✓ ✓ ✓		their opinions through telephone or email, and the Company will handle them in accordance with relevant operating procedures. (2) The Company reports changes in number of shares held by the major shareholders and the ultimate controlling parties of the major shareholders. (3) The Company has established "Management process for the subsidiary" and " Rules Governing Financial and Business Matters Between this Corporation and its Related Parties " to manage dealings with its related parties. (4) The Company has established "Management Procedure for Insider Trading Prevention" to regulate information disclosure by the Company's internal personnel, and also holds meetings on a semi-annual basis to discuss on the material inside information and the required handling procedures to prevent leak of inside information which will affect the trading of securities.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) Based on Chapter 2 "Strengthening the Functions of the Board of Directors" of the Company's "Code of Corporate Governance", the composition of the Board of Directors should take into consideration the policy of diversity. In terms of skills and experience diversity, the members of the Board held positions as professors in schools and have relevant experience in business, legal, finance and technical fields. In terms of gender diversity, the Company has appointed 1 female directors, and in terms of independence, the Company has appointed 4 independent directors.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			For the background of individual directors and the implementation of diversity, please refer to the company website and P7-8 of the annual report.	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	(2) The company doesn't establish other functional committees in addition to the Remuneration Committee and the Audit Committee.	(2) The company will set up various other functional committees in the future depending on laws and regulations and the company's operating conditions to assist the board of directors in managing and operating the company.
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	✓		(3) The Board of Directors of the Company has adopted the "Board of Directors Performance Evaluation System", and conducts performance evaluations on a regular basis every year. Please refer to P18-19 of this annual report for details of the evaluation process and results.	None
(4) Does the company regularly evaluate the independence of CPAs?	✓		(4) The audit committee of the Company evaluates the independence of CPA every year and reports the results of the evaluation to the Board of Directors. The latest evaluation was approved by the Audit committee and Board of Directors on March 6, 2025. The evaluation mechanism is as follows: 1. Statement of Independence of CPA 2. Audit or non-audit services provided by CPA 3. The same CPA has not continuously rendered the same services for more than seven years 4. With reference to the Audit Quality Indicators (AQI), the evaluation will focus on various aspects	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			related to the certified public accountant's audit experience, engagement quality control review (EQCR) re-review status, external inspection deficiencies, and sanctions. Evaluation results: Approved the appointment of CPAs Lin Cheng Chih and Hsin Tung Lin of Deloitte & Touche.	
4. Does the company appoint a suitable number of competent personnel and a head of Corporate Governance responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		The company's corporate governance affairs are managed by the Administration Management Division, with the Director of the Administration Management Division concurrently serving as the Corporate Governance Officer. This officer has more than ten years of experience in managing financial affairs, shareholder services, or meeting procedures in a publicly listed company. The main responsibilities include handling matters related to Board of Directors and Shareholders' Meetings in accordance with legal requirements, providing directors with the information necessary to perform their duties, assisting directors in legal compliance, and supporting directors in onboarding and ongoing professional training. In addition, the Finance Department also shares responsibility for corporate governance affairs, including providing directors with necessary business-related information, organizing Board of Directors and Shareholders' Meetings in accordance with the law, and preparing meeting minutes, assisting in the implementation and enhancement of corporate governance, handling company registration and amendments to registration.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company has a spokesperson and a deputy spokesperson as the Company's communication channels with external stakeholders. For the relevant contact windows, please refer to P30-32.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company appointed a professional stock affairs agent: the stock affairs agency department of Yuanta Securities to handle the affairs of the Company's shareholders meeting.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company's financial information and related disclosures are disclosed on the MOPS and the Company's website in accordance with relevant regulations.	None
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(2) The company has set up a website in both Chinese and English languages, and appointed designated personnel to be responsible for the collection and disclosure of Company information, and to implement the spokesperson system. The details of the investor presentations will be announced on the MOPS in accordance with the relevant regulations, the corresponding presentation materials will be uploaded on the MOPS and Company's website and the recordings of the investor presentation will be uploaded on the Company's website concurrently.	None
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		✓	(3) Due to the amount of information to be disclosed was substantial and the preparation period of the annual financial report coincided with the Chinese New Year holidays, the Company's annual financial report was not announced and filed within two months after the	We will evaluate and advance the annual financial report to be announced and filed within two months after the end of the fiscal year.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			end of the fiscal year. However, the financial reports for the first, second and third quarters and the monthly operational results were all declared within the prescribed time limit.	

8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?

(1) Status of employee rights and employee wellness: Please refer to the "4.5 Labor Relations" section on P63-66 of this annual report.

(2) Status of risk management policies and risk evaluation: Please refer to the "5.6 Analysis of Risk Management" section on P73-81 of this annual report.

(3) The Company purchases liability insurance for directors and key employees every year, and so declares in accordance with the law. The insurance limit in 2025 was USD 5 million and has been submitted to the Board of Directors on 08 May, 2025.

(4) Succession planning of board members and key management personnel:

a. Director succession plan: In line with the Company's diversification policy, the Company draws out the succession plan and selects the succession candidates of directors according to the Company's future strategic development and transformation plans.

b. Key management succession plan: In line with the policy for sustainable operations and talent cultivation, the Company has carried out successor development plan. In addition to their management capabilities, successors under training must also possess the values of integrity, strong ambition, innovative thinking and problem-solving mindset. The succession training model is divided into innovation management capabilities, sales and production professional capabilities, job rotation and project management, and its content includes creative thinking, sales and production, risk management, and problem-solving methods and capabilities. Through such trainings, candidates can be groomed into business leaders with decision-making, judgment and execution abilities.

c. The Company has set up a human evaluation meeting, and regularly holds meetings to discuss succession planning matters and cultivation of the Company's important management, as well as the promotion of important management personnel.

(5) Directors' training records:

Title /Name	Date	Sponsoring Organization	Course	Training hours
LC Yang Chairman	2024.05.22	TWIOD	2024 SAP NOW Taiwan: Business AI, Achieve the Extraordinary	3H
	2024.08.07	TCGA	A Board-Level Perspective on Mergers and Acquisitions	3H

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

ELAN Microelectronics Corp Representative: Joe Yeh	2024.09.20	SFI	2024 Insider Trading Prevention Seminar	3H
	2024.11.22		2024 Insider Trading Legal Compliance and Shareholding Transactions Seminar	3H
Guo, Sha Lin Director	2024.08.07	TCGA	A Board-Level Perspective on Mergers and Acquisitions	3H
	2024.11.07		Strengthening Digital Resilience: Building Strengthened Cybersecurity Governance Strategies for Listed Companies	3H
Tiao, Kuo Tung Director	2024.08.07	TCGA	A Board-Level Perspective on Mergers and Acquisitions	3H
	2024.10.29	TPMA	Digital Transformation and the Latest Information Technology	3H
Joe Wu Independent Director	2024.12.27	TCGA	Trends and Risk Management of Digital Technology and Artificial Intelligence	3H
			The Risks and Opportunities of Climate Change and Net-Zero Emissions Policies on Business Operations	3H
Chen, Wei-Kuo Independent Director	2024.08.07	TCGA	A Board-Level Perspective on Mergers and Acquisitions	3H
	2024.11.07		Strengthening Digital Resilience: Building Strengthened Cybersecurity Governance Strategies for Listed Companies	3H
David Wang Independent Director	2024.04.26	TCGA	Insider Trading Prevention and Response Strategies	3H
	2024.11.07		Strengthening Digital Resilience: Building Strengthened Cybersecurity Governance Strategies for Listed Companies	3H
Brandon Hsu Independent Director	2024.07.03	TWSE	2024 Cathay Sustainable Finance & Climate Change Summit	6H
	2024.08.07	TCGA	A Board-Level Perspective on Mergers and Acquisitions	3H
	2024.11.07		Strengthening Digital Resilience: Building Strengthened Cybersecurity Governance Strategies for Listed Companies	3H

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

(6) The education and training, as well as further development for senior executives, are detailed in the table below:

Title /Name	Date	Sponsoring Organization	Course	Training hours
Erin Wu Audit Manager	2024.03.14	The Institute of Internal Auditors	How to Adjust Internal Control Systems to Comply with New ESG Regulations	6H
	2024.12.11		A Case Study on Breach of Trust and Irregular Business Transactions: Discussing the Professional Ethics of Corporate Auditors and Strategies for Fraud Prevention	6H
	2024.12.26	ARDF	How to Apply Robotic Process Automation to Enhance Internal Control Effectiveness	6H
Director of Administration Management Division & CFO	2024.05.22	TWIOD	2024 SAP NOW Taiwan: Business AI, Achieve the Extraordinary	3H
	2024.07.03	TWSE	2024 Cathay Sustainable Finance & Climate Change Summit	6H
	2024.08.07	TCGA	A Board-Level Perspective on Mergers and Acquisitions	3H
	2024.11.07		Strengthening Digital Resilience: Building Strengthened Cybersecurity Governance Strategies for Listed Companies	3H
Accounting Manager	2024.08.28	ARDF	Regulatory Analysis and Internal Control Practices for Annual Report Preparation, Sustainability Information, and Financial Reporting	6H
	2024.11.16		ESG Sustainability Policies and Regulations Related to Annual Report Preparation	3H
	2024.12.14		Standards for Corporate Financial Information Preparation and Internal Controls	3H

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

(7) Certification obtained by the Company and its personnel related to financial information transparency from competent authorities:

A. Basic Professional Ability Test: 4 persons from the Finance Department.

B. Certified Internal Auditor: 1 person.

C. Passed the advance accounting examination: 1 person in the accounting department.

D. Certified Public Accountant (Singapore): 1 person.

(8) The Company places significant attention on the interactions between the Company and the employees, shareholders and stakeholders to ensure corporate social responsibilities.

The Company submits the results of discussions with all stakeholders to the Board of Directors every year.

The communication report with various types of stakeholders in the most recent years are as follows:

Stakeholder	Important Issues of Concern	Communication channels and response methods	Communication performance in 2024
Shareholders and Investors	Market image Economic performance Compliance with environmental regulations Investment The health and safety of customers Product and service labeling Compliance with laws and regulations Customer privacy Product liability compliance	Contact window: Charles Tsai, Manager Email: mbi.ir@mblock.com.tw Holding annual general shareholders' meeting Holding tele-conference with institutional investors Publishing quarterly financial statements and operational information Publishing real-time material information on the MOPS and the Company's website Dedicating an e-mail and contact number for investors to contact the Company Seeking consultation from investment relationship advisors to manage investor relations effectively Holding regular face-to-face meetings and tele-conferences with local and foreign institutional investors	Published 26 material announcements on MOPS in 2024 Held 4 local institutional investor conferences. Held 37 regular face-to-face meetings and online meetings with local and foreign institutional investors. Held 1 shareholders' meeting. Kept communication channel open and frequently communicate with investors via phone. The company's official website uploads institutional investor conferences briefings/ audio and video files for investors' reference.

Evaluation Item			Implementation Status: Yes	Implementation Status: No	Implementation Status: Abstract Illustration	Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Customer	No discrimination No forced labor Anti-corruption Compliance with environmental regulations Labor-employment relationship Occupational health and safety Compliance with social laws and regulations The health and safety of customers Product quality and application services Customer privacy Product liability compliance	Contact window: Vivian Chang, Deputy Sales Division Email: info@mblock.com.tw Customer satisfaction survey Participation in technical forums and seminars from time to time Cooperation with customers to meet their product, environment, responsibility and other requirements and inspections, and work for continuous improvement	1) A total of 107 customers surveys were conducted, with an average customer satisfaction score of over 80 points. 2) Completed 25 NDAs, 1 development contract, and 1 service contract. 3) Purchase product liability insurance based on customer project requirements. 4) Become a partner of Geely Auto Group, marking a milestone for our company's entry into the automotive market. 5) Hold 5 annual new product seminars in 2024: a. 01/09 – 01/12: CES 2024 in Las Vegas/USA (Automotive/Display) b. 1/30 – 2/2: 2024 ISE Show in Barcelona/Europe (Display) c. 6/11-6/12: DVN Detroit Lighting Workshop in USA (Automotive) d. 7/25: Macroblock & Juxin 2024 LED Display Symposium in Shenzhen/China (LED Display) e. 9/10-9/11: SID Vehicle Display and Interfaces in USA (Automotive)		
	Supplier	Market image Economic performance Compliance with environmental regulations Labor-employment relationship Supplier labor assessment No discrimination No forced labor Anti-corruption Social impact assessment of suppliers Compliance with product liability	Contact window: Julia Chu, Manager/ Cyndi.Lo Manager Email: mbi.supplier@mblock.com.tw Sign an Integrity commitment letter. Qualified suppliers regularly audit. Regular audit of suppliers and contractors.	All cooperative suppliers sign a letter of integrity commitment. Conduct monthly evaluations on suppliers with purchase or processing amounts of B-level or above. Regular visits and audits to suppliers and outsourced processing manufacturers.		

Evaluation Item			Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			Yes	No	Abstract Illustration	

	regulations Supplier management and selection		
Employee	Labor-employment relationship No discrimination No forced labor Anti-corruption Occupational health and safety Diversity and equal opportunities Social compliance	Contact window: Julia Chu, Manager Email: hr@mblock.com.tw Providing employees with free health check-ups and consultations from time to time Semi-annual company-wide staff meeting to share business results with employees	1)Two all-staff meetings were held in January and July. 2)A fire safety and first aid hands-on training course was conducted in June. 3)An on-site disaster evacuation drill was held in December. 4)Two Employee Performance Review Committee meetings were convened. 5)The Employee Welfare Committee held three meetings. 6)Four Labor-Management Meetings were held quarterly. 7)Four Occupational Safety and Health Committee Meetings were held quarterly.

(9) The Company has published the "Procedures for Handling Material Inside Information" and promoted it as follows:

The directors and managers shall attend refreshment courses at least once a year so as to be kept updated on the operating procedures and related laws and regulations. Newly appointed managers shall declare their understanding of the "Procedures for Handling Material Inside Information". The " Procedures for Handling Material Inside Information " has been uploaded on the Company's website, please refer to https://www.mblock.com.tw/zh-tw/investordetail/3/1 for more information.

9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.

Unscored items will formulate medium and long-term countermeasures as follows:

1. The company has improved its corporate governance: The company has disclosed the governance status, strategies, risk management, indicators and goals of climate-related risks and opportunities in accordance with the Climate-related Financial Disclosure Proposal (TCFD) structure. Please refer to P75-81 for relevant explanations.
2. The company prioritizes strengthening matters and measures for projects that have not yet reached corporate governance standards: in the future, the company will prepare and upload sustainability reports to the public information observatory and the company website in accordance with the GRI guidelines issued by the Global Sustainability Reporting Institute (GRI).

2.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

The Remuneration Committee assists the Board in discharging its responsibilities relating to the Company's compensation and benefits policies, plans and programs, and the evaluation of the directors' and executives' compensation.

The Remuneration Committee Charter is available on the Company's corporate website.

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

As of 04/20/2025

Criteria / Name	Professional Qualification Requirements and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chen, Wei Kuo	The Company's Remuneration Committee is composed of all 4 independent directors. For the working experience, professional qualifications and experience of the members, please refer to P7-8 of this annual report.	The independent directors of the company have confirmed their compliance with the regulatory provisions governing the establishment of independent directors of public offering companies, as outlined in Article 3, paragraph 1, subparagraphs 1 to 9. They have also declared that they have no direct or indirect interest in the company or its related entities. Prior to their election, each independent director provided a written statement confirming their independence and that of their immediate family from the company. None of the independent directors hold any shares in the company. All four of the independent directors do not provide any business, legal, financial, accounting, or other services to the company or any related entities.	0
Joe Wu			0
David Wang			1
Brandon Hsu			0

B. Attendance of Members at Remuneration Committee Meetings

There are 4 members in the Remuneration Committee. A total of 2 Remuneration Committee meetings were held in the previous period. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Chen, Wei Kuo	2	0	100	-
Committee Member	Joe Wu	2	0	100	
Committee Member	David Wang	2	0	100	Appointed following the re-election on June 20, 2024.
Committee Member	Brandon Hsu	2	0	100	
Other mentionable items:					

1. The Compensation Committee held two meetings in 2024, on August 7 and December 31. The discussion topics included:
   - Report on the achievement of annual goals
   - Annual compensation for managerial officers, the General Manager, and the Chairman

   All of the above matters were reviewed and approved by the Committee.
2. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
3. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

2.3.5 Fulfillment of CSR and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	✓		The vision and mission of the Company's ESG policy designate the Board of Directors as the highest decision-making body on sustainability-related issues. In 2024, the Company established the Sustainability Development Committee, composed of directors and senior executives. The Chairperson/General Manager serves as the Chairperson/Convener of the Committee, working alongside senior management to review the Company's core operational capabilities and formulate medium- to long-term sustainability plans. Details on the Committee's organizational structure and implementation status can be found on the Company's website. The Sustainability Development Committee reports to the Board of Directors at least once a year on the execution results of sustainability initiatives and future work plans. In 2024, committee meetings were held on September 18 and November 20.	None
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		The scope of risk assessment is primarily centered on the Company, including its existing sites in Taiwan. In terms of financial performance, and based on the relevance to core business operations and the level of impact on material topics, the subsidiaries Juxin Photoelectricity (Shenzhen) Ltd. and Juxin Electronics (Shenzhen) Ltd. are also included within the assessment boundary. The Sustainability Development Committee conducts analysis in accordance with the materiality principles set forth in the Sustainability Report. It engages in communication with both internal and external stakeholders and evaluates material ESG issues through a review of domestic and international research reports, academic literature, and integrated assessments from various departments. Based on these insights, the Committee establishes risk management policies aimed at the effective identification, measurement, evaluation, monitoring, and control of sustainability-related risks.	None
3. Environmental issues (1) Does the company establish proper environmental management	✓		Currently, the Company has not established the environmental management system ISO 14001 or occupational safety and health management system ISO 45001 and ISO 50001 energy management system, but in the promotion of environmental protection, safety and health, it	An environmental management system will be established

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
systems based on the characteristics of their industries?			follows the relevant laws and regulations. The Company complies with laws and regulations, promote safety and health, manage and control environmental, safety and health risks, and establish a culture of environmental, safety and health, with the goal of "safety zero accident" and "environmental sustainable development".	when ESG is introduced in the future
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		All products manufactured by the Company comply with environmental protection standards, and furthermore, all products meet the European Union's RoHS (Restriction of Hazardous Substances) directive and are lead-free. The Company actively promotes various energy reduction initiatives by selecting equipment with high energy efficiency and energy-saving designs to reduce energy consumption in both operations and products. In addition, the Company continues to expand the use of renewable energy to optimize overall energy efficiency. Please refer to "4.4 Environmental Protection Expenditure" P63 of the annual report for relevant explanations.	None
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		The Company has evaluated the potential risks and opportunities of climate change posed to the Company both currently and in the future, and has formulated countermeasures. For more detailed explanations, please refer to P75-81 of the annual report.	None
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction,	✓		The Company tracked and calculated the amount of greenhouse gas emissions and water consumption during the past two years. Please refer to P75-81 of the annual report for more details.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
greenhouse gas reduction, water reduction, or waste management?				
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		In order to fulfill corporate social responsibility and protect the basic human rights of colleagues, customers and stakeholders, the Company follows the various guiding principles of the United Nations and standards set by the International Labor Organization and other international human rights conventions, including freedom of socializations, showing care for disadvantaged groups, prohibiting child labor, eliminating various forms of forced labor, eliminating workplace discrimination, etc., and remaining compliant with the competent labor laws and regulations. For more detailed explanation please refer to P65-66 of the annual report.	None
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		The Company has a complete performance evaluation system that integrates strategic goals of the Company with the employee's personal performance through which the employees are offered with training and career development opportunities and performance bonuses. In addition, the Board of Directors will set employee performance incentives based on the yearly budget and business operation goals to encourage all employees to work together to achieve the goals.	None
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		Please refer to P65 of the annual report for measures for employee safety and healthy working environment. Please refer to P64 of the annual report for education policies for employees and their implementation. The company had no employee occupational accidents in 2024. The company has not had a fire in 2024, and this year it has implemented company-wide fire drills to strengthen employee emergency escape mechanisms.	None
(4) Does the company provide its employees with career	✓		The Company has established an Education and Training Management Procedure, requiring each employee to complete more than 3 hours of training per quarter. Department heads plan	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
development and training sessions?			comprehensive competency training for all levels of staff and management based on business operations, strategic direction, and future development goals. The training programs cover various areas, including onboarding training, advanced professional training, and leadership training. These initiatives aim to support employees in continuous learning and development through diverse learning methods. In 2024, a total of 203 employees completed career development training, with a cumulative total of 6,988 training hours. Please refer to P64 of the annual report for employees and their implementation.	
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		The company has insured USD 2 million in product liability insurance for specific customers. The Company’s product packaging labels indicate: RoHS & MSL3 RoHS: Restriction of Hazardous Substances Directive, MSL3: JEDEC defines a set of standards "Humidity Sensitivity Levels", MSL3 is the third level of humidity sensitivity. In addition, procedures for protecting consumer rights and handling customer complaints are specified in various internal control protocols and related management measures. The Company places great emphasis on customer satisfaction and corporate image, brand value and service quality, and is committed to providing complete product solutions and various innovative products to customers. The Company has in place various responsible units to provide services to customers within the shortest timeframe at all stages of the sales cycle. The Company regularly holds meetings with customers, and conducts customer satisfaction surveys every year to monitor the customers’ satisfaction, should the satisfaction data analysis fail to meet the standards, the responsible unit must implement the improvement strategy and review it with the senior executive management.	None
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection,	✓		The company's procurement policy includes conforming to laws and regulations, implementing green procurement practices, and establishing a harmonious partnership with suppliers based on the principles of good faith and mutual benefit. The company is committed to clean operations and requires suppliers to sign a letter of commitment to integrity. The policy prohibits any form of improper benefits, corruption, extortion, embezzlement of public funds,	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
occupational health and safety, or labor and human rights? If so, describe the results.			etc. Additionally, the company has established a confidentiality mechanism for reporting and being reported. Suppliers play a vital role in the green supply chain management system. The company aims to build a consensus on green products with suppliers and work together towards a win-win situation. The company also pays attention to the risks faced by suppliers in the supply chain and provides necessary assistance. Suppliers are required to present the HSF Hazardous Substance Free Commitment and the "Conflict Metal Free Guarantee" to demonstrate that none of the metals used in their products come from areas controlled by illegal warlords. The Company establishes supplier management procedures and adopts regular evaluations. Issues such as occupational safety and health, human rights and environmental protection policies are promoted throughout the supply chain. All new suppliers must meet the Company's environmental protection requirements before they can be classified as qualified suppliers. Suppliers of the Company's products are required to meet the specifications of "Green Product" in the future when their contracts with the Company are due for renewal. The company and its cooperative suppliers have signed a letter of integrity commitment, and will evaluate suppliers with purchase or processing amounts of B-level or above, and conduct regular visits and audits with suppliers and outsourced processing manufacturers.	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	✓		The Company's Sustainability Report is prepared in accordance with the GRI Standards and the 2024 edition is scheduled to be published in August 2025. At present, the report has not yet obtained assurance or verification from a third-party assurance provider.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: The Company has established the "Code of Practice for Sustainable Development". Regarding the "Code of Practice for Sustainable Development of Listed Companies", the Code of Practice for Sustainable Development of Enterprises has been implemented in a step-by-step manner after considering the Company's current situation and legal requirements, and there is no major difference. For the Company's sustainable development practice strategy and implementation situation, please refer to the explanation in point 7 below.				
7. Other useful information for explaining the status of corporate social responsibility practices: **<u>Environmental Protection</u>** An LED display is a display device that uses LEDs as light-emitting elements. It is widely used in various occasions such as advertising, transportation, sports, culture, etc. The energy-saving of LED displays is an important issue that not only affects the operating cost of the display but also its environmental impact. In order to achieve energy-saving, Macroblock adopts two methods: reducing the use of driver ICs and adopting the energy-saving method of common cathode driving. 1) To reduce the use of driver ICs, Macroblock optimizes circuit design to decrease the number of driver ICs required on each unit board. This reduces the power consumption of the entire display screen. This method effectively reduces the wiring complexity of the circuit board, improves the stability and reliability of the circuit board, and reduces the cost of the circuit board. Factors that need to be considered to reduce the use of driver ICs include increasing the number of output current channels of driver ICs or increasing the scanning number of passive matrixs driving. Doing so can effectively reduce the number of driver ICs by 3 to 9 times. 2) The energy-saving method of common cathode driving involves directly realizing separate power supply for LED. This method addresses the fact that the forward voltage, Vf, of red LED is usually about 1V smaller than that of blue and green LEDs. In a conventional common anode single power supply, the extra 1V voltage of red becomes unnecessary power consumption and is wasted. Common cathode technology can save this energy without increasing row scan components. Essentially, it is an extension of low-voltage energy-saving technology that reduces red LED's supply voltage. This saves 10%~15% of power consumption compared to common anode driving. In response to the global energy-saving and carbon-reduction movement, Macroblock continues to devote itself to improving LED display efficiency and reducing its carbon footprint as a responsible Earth citizen. **<u>Social Contributions & Helping Disadvantaged Minorities</u>** With the goal of sustainable corporate development, Macroblock upholds the spirit of "taking from society, giving back to society." While striving to master cutting-edge technologies, the company is also gradually putting its commitment and vision for the future into practice. **<u>Actively cooperate with schools to groom future talents</u>** The Company has carried-out industry-university cooperation plans with "National Yang Ming Chiao Tung University", hoping to pass on practical experience to				

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	

students through cooperation with colleges and universities.
In addition, the Company provides internship opportunities for students to get a better understanding of real-life business operations.
The important implementation status in 2024 is as follows

Category	Cooperate Items	Results	Number of people
Industry-Academia Collaboration	National Yang Ming Chiao Tung University-Established Micro-LED Display IR-Drop and Color-Shift models and designed and verified the compensation algorithm.	Establish Micro LED panel IR-drop algorithm and color cast algorithm to improve panel uniformity and enhance display quality.	2
Summer Internship	National Yang Ming Chiao Tung University- Provide summer interns with virtual studio filming (Virtual Production), help Macroblock build a practical model of VP-LED Display and provide feedback to Macroblock	Assisted interns to shoot two short films from screenwriter to script, shared their shooting experience and used it to adjust the shooting system data, and analyzed the pros and cons of practical shooting, improving the VP environment to enhance application quality	2

2.3.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its	✓		(1) The Company has passed the "Code of Integrity Management" by the Board of Directors and published	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?			it on the Company's website.	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(2) The Company will formulate the " Procedures for Ethical Management and Guidelines for Conduct", and set out the following preventive measures against dishonest behaviors: • A Offering or accepting bribes • Providing illegal political donations • Making improper charitable donation or sponsorship • Giving or receiving unreasonable gifts, entertainments or other improper benefits • Violating antitrust compliance • Infringing intellectual property rights	None
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	✓		(3) The Company has established the "Code of Integrity Management", "Code of Ethical Conduct" and "Whistle-blowing System", which clearly define operating procedures, behavior guidelines, disciplinary measures and complaint channels, etc., and report case statuses to the Board of Directors at least once a year.	None
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) The Company treats customers, competitors and employees of the Company's purchases (sales) fairly, and does not manipulate, conceal, or abuse the information it has obtained based on its duties, or makes misrepresentations, or adopts other unfair	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			trading methods to gain improper advantages.	
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		(2) The Company has established a dedicated unit for corporate integrity management: The Whistleblower Committee. The Committee is chaired by the Associate Vice President of the Administration Division and includes members such as the heads of the Administration Division, Human Resources, and Internal Audit. The Committee is responsible for handling matters related to business integrity and whistleblower reports. The Committee Chair regularly reports on its activities to the Board of Directors. In November 2024, a report on corporate integrity and other corporate governance topics was presented to the Board. No whistleblower cases were reported in 2024.	None
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) The Company has an internal anonymous mailbox. If any violations of laws and regulations are found, they can be reported through the mailbox and handled by independent auditors.	None
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	✓		(4) The Company has established an effective accounting system and internal control system. The internal auditors formulate an audit plan based on the risk assessment results and report it to the Board of Directors.	None
(5) Does the company regularly hold internal and external educational trainings on operational integrity?		✓	(5) The Company's human resources department delivers integrity training for all colleagues from time to time in the form of e-learning.	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures? (3) Does the company provide proper whistleblower protection?	✓ ✓ ✓		(1) The Company has a "Whistleblowing System Policy", which specifies whistleblowing procedures and establishes a convenient reporting channel, and the responsible personnel. (2) The Company accepts the investigation of the reported matter in accordance with the "Report System" and keeps it confidential during the investigation after the investigation is completed. (3) In the event of threats, intimidation, or other illegal acts against the informant, the Company shall take necessary protective measures to maintain the safety of the informant. The Company shall protect the informant from being mistreated, and prohibit the disclosure of the identity of the informant and the relevant information about his/her identity, and shall not cause financial loss or discrimination against the informant. However, should there be malicious and false reports, the aforementioned are not applicable.	None None None
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company's Ethical Corporate Management Best-Practice Principles and the results of our implementation have been posted on the Company's Chinese / English website and MOPS.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. There were no gaps.				

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). The revised version of the Code of Integrity Management was approved in the Company's shareholders meeting on 2020.6.30.				

2.3.7 Other Important Information Regarding Corporate Governance

1. The Company won the second Jin-Gui Award from the TWSE.
2. The Company has ranked in the top 20% of OTC-listed companies in each of the first eleven Corporate Governance Evaluations. In the future, we will strive to follow the corporate governance evaluation indicators of each session, and continue to improve and perfect them.

2.3.8 Internal Control Systems

Statement of Internal Control: Please refer to page 85 of this annual report.

2.3.9 Major Resolutions of Shareholders' Meeting and Board Meetings

Major Resolutions of Board Meetings

Date	Major resolutions
The 15th meeting of the 9th Session 2024.03.06	1. Approved the Company's 2023 business report, consolidated financial statements and individual financial statements. 2. Approved the Company's 2023 earnings distribution proposal. 3. Passed the 2023 internal control system effectiveness assessment and internal control system declaration form. 4. Approved the appointment of certified accountants for the 2024 financial report and assessment of their independence and suitability, 2024 public accountant review and pre-approval of non-confidential services list. 5. Application for credit and financial transaction quota with Banks. 6. Approved issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement. 7. Election of the Tenth Board of Directors. 8. To remove restrictions against competing business involvements for the newly elected Board members. 9. Proposal of the date, time, place and reason for convening the 2024 regular shareholders meeting. 10. Discussed the shareholders' nomination of director candidates and related matters. 11. Matters related to the acceptance of shareholders' proposals for regular shareholders' meeting.
The 16th meeting of the 9th Session 2024.05.08	1. Agreed to cancel the private placement proposal that was passed at the 2023 shareholders' meeting as the validity period was about to expire and there were no plans to extend it. 2. Approved the 2024 Q1 Consolidated Financial Statement proposal. 3. Nominations and candidate list for the 10th term of directors (including independent directors). 4. Set "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties" and Abolition of "Procedures for Group Company Transactions with Specific Companies and Related Persons".
The first meeting of the 10th Session 2024.06.20	1. Elect the Chairman of the Board. 2. Approval of the Appointment of the 6th Compensation Committee Members.
The second meeting of the 10th Session 2024.08.07	1. Approved the 2024 Q2 Consolidated Financial Statement proposal. 2. Application for credit and financial transaction quota with Banks. 3. Passed the revision of the internal control system "Salary Work Cycle". 4. Establish a "Sustainable Development Committee".

The third meeting of the 10th Session 2024.11.07	1. Approved the 2024 Q3 Consolidated Financial Statement proposal. 2. Approved the amendments of "Rules of Procedure for Board of Directors Meetings " 、"Audit Committee Organizational Rules " and "Corporate Governance Best Practice Principles" . 3. Approved the formulation of "Sustainable information management operations" and "Operational procedures for preparing and confirming sustainability reports". 4. Passed the 2024 audit plan. 5. Approved to issue the employee stock options. 6. Approved a new bank guarantee line with First Commercial Bank.
The 4th meeting of the 10th Session 2024.12.31	1. Approved the 2025 business plan. 2. Revise the internal control system "Property Management Measures". 3. Modification of employee stock options measures. 4. Increase credit and financial transaction lines with KGI Bank. 5. Passed the 2024 salary payment for managers and internal audit supervisors. 6. Passed the 2025 manager and internal audit supervisor reward plan. 7. Passed the Company's 2024 GM salary remuneration distribution. 8. Passed the GM's salary remuneration in 2025. 9. Approved the 2024 Chairman & CEO's salary remuneration. 10.Approved the remuneration of the chairman & CEO in 2025.
The 5th meeting of the 10th Session 2025.03.06	1. Approved the Company's 2024 business report, consolidated financial statements and individual financial statements. 2. Approved the remuneration of directors and supervisors and the distribution of employee remuneration for 2024. 3. Approved the Company's 2024 earnings distribution proposal. 4. Passed the 2024 internal control system effectiveness assessment and internal control system declaration form. 5. Approved the appointment of certified accountants for the 2025 financial report and assessment of their independence and suitability, 2025 public accountant review and pre-approval of non-confidential services list. 6. Amendments to the Company's " Articles of Incorporation " and established the "Employee Remuneration Distribution Management Measures". 7. Amendments to the Company's " Procedures for Acquisition or Disposal of Assets". 8. Application for credit and financial transaction quota with Banks. 9. Agreed to cancel the private placement proposal that was passed at the 2024 shareholders' meeting as the validity period was about to expire and there were no plans to extend it. 10. Approved issuance of new common shares for cash in public offering and /or issuance of new common shares for cash in private placement. 11. Approved 2025 employee restricted stock awards. 12.To remove restrictions against competing business for the legal representative of institutional director. 13. Proposal of the date, time, place and reason for convening the 2025 regular shareholders meeting. 14. Matters related to the acceptance of shareholders' proposals for regular

	shareholders' meeting.
The 6th meeting of the 10th Session 2025.05.08	1. Approved the 2025 Q1 Consolidated Financial Statement proposal. 2. Approved the Company's accounts receivable outstanding for more than three months as of April 30, 2025, are not of a lending nature.

Major Resolutions of Shareholders' Meeting

Date	Major resolutions
2024. 06.20	1.Approved the Company's 2023 business report, consolidated financial statements and earnings distribution proposal. 2.Approved the issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement. 3. Election of the Tenth Board of Directors. 4. To remove restrictions against competing business involvements for the newly elected Board members.

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

2.4 Information Regarding the Company's Audit Fee and Independence

2.4.1 Audit Fee

Unit: NT$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total audit fee	Remarks
Deloitte & Touche	Cheng-Chih Lin Yu-Feng Huang	2024.01.01~ 2024.12.31	2,860	997.5	3,857.5	1.Tax compliance audit fee:450 thousand 2.Transfer pricing report fee:237.5 thousand 3.Review of annual report:20 thousand 4.Controlled foreign company annual report fee:150 thousand 5. Review of transactions with related parties: 20 thousand 6. Issuance of employee stock option audit fee:120 thousand

2.4.1.1 Change of accounting firms with audit fee paid in the year of change being less than the previous year, the amount of audit fees before and after the change and the reason shall be disclosed: None.

2.4.1.2 Over 10% decrease in audit fee on a year-to-year basis: None.

2.5 Replacement of CPA:

A. Regarding the former CPA

Replacement Date	March 6, 2025		
Replacement reasons and explanations	The original CPAs of the Company were Cheng Chih Lin and Yu-Feng Huang from Deloitte & Touche. Due to internal restructuring at Deloitte & Touche, the CPAs of the Company were changed to Cheng Chih Lin and Hsin Tung Lin beginning from March 6, 2025		
Describe whether the Company terminated or the	Parties Status	CPA	The Company

<table>
<tr><td rowspan="2">CPA did not accept the appointment</td><td colspan="2">Termination of appointment</td><td rowspan="2">None</td></tr>
<tr><td colspan="2">No longer accepted (continued) appointment</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="3">None</td></tr>
<tr><td rowspan="6">Differences with the company</td><td rowspan="4">Yes</td><td>-</td><td>Accounting principles or practices</td></tr>
<tr><td>-</td><td>Disclosure of Financial Statements</td></tr>
<tr><td>-</td><td>Audit scope or steps</td></tr>
<tr><td>-</td><td>Others</td></tr>
<tr><td>None</td><td colspan="2">✓</td></tr>
<tr><td colspan="3">Remarks/specify details:</td></tr>
<tr><td>Other Revealed Matters</td><td colspan="3">None</td></tr>
</table>

B. Regarding the successor CPA

Name of accounting firm	**Deloitte & Touche**
Name of CPA	Cheng Chih Lin and Hsin Tung Lin
Date of appointment	March 6, 2025
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

In accordance with Article 68 of Auditing Standards Bulletin No. 46 "Quality Control of Accounting Firms", Deloitte & Touche evaluates the requirement that the chief accountant should be rotated after a certain period (usually no more than 7 years). Accountant Yu-Feng Huang has performed visa services for the company for more than 7 years, and the internal adjustment of the firm, so since March 6, 2025, the visa accountants have been adjusted from Cheng Chih Lin and Yu-Feng Huang to Cheng Chih Lin and Hsin Tung Lin.

C. Response from Former Auditors on Article 10, Paragraph 6, Subparagraphs 1 and 2, Item 3 of the Standards: None.

2.6 Audit Independence

The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2024.

2.7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Please refer to the Directors, Managers and Major Shareholders Information section in Basic Information on the Market
Observation Post System (MOPS) website.
The counterparty of equity transfer is a related party: None.
The counterparty of the equity pledge is a related person: None

2.8 Relationship among the Top 10 Shareholders

As of 04/20/2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Re-marks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
ELAN Microelectronics Corp	3,500,000	7.87	0	0	0	0	-	-	-
Representative: Yeh, I Hau	0	0	0	0	0	0	-	-	
Fu, Di Chen	1,845,000	4.15	0	0	0	0	-	-	
LC Yang	1,405,613	3.16	1,018,391	2.29	0	0	Guo, Sha Lin	spouse	-
Guo, Sha Lin	1,018,391	2.29	1,402,235	3.16	0	0	LC Yang	spouse	-
Fu, Xuan Ting	670,000	1.51	0	0	0	0	-	-	-
Fu, Xuan Lin	650,000	1.46	0	0	0	0	-	-	-
Chen, Hong Lin	640,000	1.44	0	0	0	0	-	-	-
The First Commercial Bank is subject to Guo Sha Ling's trust account	575,000	1.29	0	0	0	0	-	-	-
The First Commercial Bank is subject to LC Yang 's trust account	575,000	1.29	0	0	0	0	-	-	-
Fu, Di Yun	504,000	1.13	0	0	0	0	-	-	-

2.9 Ownership of Shares in Affiliated Enterprises

As of 12/31/2024 Unit: thousands shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
MBI Group Inc.	0	100	0	0	0	100
Macroblock (Singapore) Pte. Ltd	250	100	0	0	250	100
Macrostar. Inc.	1,180	100	0	0	1,180	100

III. Capital Overview
3.1 Capital and Shares
3.1.1 Source of Capital
A. Issued Shares

Unit: thousand shares

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital (NT$ thousands)	Capital Increased by Assets Other than Cash	Other
2020.08	76.8	60,000	600,000	44,445	444,451	Private placement 35,000	-	2020.08.20 MoEA No. 10933462990

B. Type of Stock

As of 04/20/2025

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common shares	44,445,125	15,554,875	60,000,000	Stock listed on Taipei Exchange

C. Information for Shelf Registration: None.

3.1.2 List of Major Shareholders

As of 04/20/2025

Shareholder's Name	Shareholding	
	Shares	Percentage
ELAN Microelectronics Corp	3,500,000	7.87%
Fu, Di Chen	1,845,000	4.15%
LC Yang	1,405,613	3.16%
Guo, Sha Lin	1,018,391	2.29%
Fu, Xuan Ting	670,000	1.51%
Fu, Xuan Lin	650,000	1.46%
Chen, Hong Lin	640,000	1.44%
The First Commercial Bank is subject to Guo Sha Ling's trust account	575,000	1.29%
The First Commercial Bank is subject to LC Yang 's trust account	575,000	1.29%
Fu, Di Yun	504,000	1.13%

3.1.3 Dividend Policy and Implementation Status
A. Dividend Policy
The Company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply, then allocating or reversing Special Reserve according to Regulations or rules of authorities. The balance (if any) together with beginning retained earnings, shall be drafted to distribute profits by the Board of Directors and proposed to the resolution of shareholders' meeting to distribute shareholders' bonus.
Where the Company distributes preceding surplus earning, legal reserve and capital reserve in the form of cash, such distribution is authorized to be made after a resolution has been passed by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of

directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting; if such distribution is in the form of new shares to be issued, it shall be approved by the shareholders during the shareholders' meeting according to the regulations.

The Company's strategy of dividends complies to current and future development plan, consideration of investment environment, fund demand and the domestic and abroad competence, meanwhile taking shareholders' revenue into account. The categories and rate of earnings distribution may allocate proposals and propose the shareholders' meeting to resolve and adjust; The shareholders' bonus shall be distributed with stock or cash. The cash dividends shall not less than 50% of total dividends.

Although the Company's Articles of Incorporation do not specify the distribution ratio of shareholders' dividends, but considering the financial structure and the needs of future expansion of operations, the dividend policy for the next three years will be based on the above dividend policy, i.e. the dividends will be mainly distributed in shares or cash with cash dividends no less than 50% of total distribution.

B. Proposed Distribution of Dividend

The Company's Articles of Incorporation authorize the board of directors to decide to distribute annual cash dividends after the end of each year. The amount of cash dividends distributed in 2024 is NT$88,890,250, a cash dividend of NT$2 per share.

For this cash dividend, the chairman will be authorized to set another base date for allotment. Afterwards, if the withdrawal and cancellation of new shares restricting employee rights or the repurchase of company shares or the transfer of treasury shares will affect the total number of outstanding shares, the dividend rate per share will be accordingly if there is any change, the shareholders meeting is proposed to authorize the chairman to adjust the dividend rate per share.

3.1.4 Effect upon Business Performance and Earnings per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting: None.

3.1.5 Compensation of Employees, Directors and Supervisors

A. Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation

The retained earnings before taxed of The Company (before deducted by the remuneration of employees and directors) shall allocate not less than 5% and not more than 3% to employees' and directors' remuneration. However, in case of the accumulated losses (including unadjusted earnings), certain profits shall first be reserved to cover them.

The preceding revenue of employees (including employees of the subsidiaries in compliance with the conditions established by the Board of Directors) can be pay in stock or cash, while the preceding remuneration of directors shall only pay in cash.

The preceding two paragraphs shall be resolved by the Board of Directors and propose to the shareholders' meeting.

In addition to paying fixed remuneration (such as: director's carriage fee/independent director's remuneration), the Company also provides reasonable remuneration to the Board of Directors according to the Company's operating results and the Board's contribution to the Company's performance; the procedure for setting remuneration is based on the Company's "Performance Evaluation Method of Board of Directors" as the basis for evaluation, with reference to the overall operational performance of the Company, future business risks and development trends of the industry, and the contribution of the Board of Directors to the Company's performance, and give reasonable remuneration. The committee and the Board of Directors review the remuneration system at any time according to the actual operational conditions and relevant laws and regulations, so as to balance the sustainable operation of the Company and risk control.

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

The Company estimates employee remuneration, directors and supervisors' remuneration in accordance with the Company's Articles of Association on a monthly basis, and surplus distribution of directors and supervisors' remunerations and carriage fees are paid in accordance with the general standards of the industry. If there is a difference between the estimated number and the actual amount paid, it will be regarded as a change in accounting estimates, and the adjustment will be included in the profit and loss of the following year.

C. Distribution of Compensation of Employees, Directors and Supervisors for 2024 Approved in the Board of Directors Meeting

(1) Recommended Distribution of Compensation of Employees, Directors and Supervisors:

Unit: NT$

Employee Compensation – in Cash	1,132,377
Employee Compensation – in Stock	0
Directors' Compensation	566,190

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: None

D. Information of 2023 Distribution of Compensation of Employees, Directors and Supervisors (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

Unit: NT$

Item	Amount
Employee’s Compensation in Cash	0
Directors' and Supervisors' Compensation	0

There is no difference between the actual distribution amount and the recognized amount in 2023.

3.1.6 Buy-back of Treasury Stock: None.

3.2 Corporate Bonds: None.

3.3 Preferred Stock: None.

3.4 Global Depository Receipts: None.

3.5 Employee Stock Options: In order to attract and retain the professional talent required by the Company, to motivate employees, and to enhance employee cohesion, the Company obtained approval from the competent authority in December 2024 to issue the 2024 First Employee Stock Option Warrants, totaling 2,000 units. Each unit entitles the holder to subscribe to 1,000 shares of the Company’s common stock, with the exercise price set at the closing price of the common stock on the issuance date. As of the date of this annual report, the warrants have not yet been officially issued.

3.6 New Restricted Employee Stocks: None.

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

3.8 Financing Plans and Implementation: None.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

A. Main areas of business operations

The Company is mainly engaged in integrated circuit testing and research and development, electronic material wholesale and retail, international trade, product design, and electronic component manufacturing.

B. Revenue distribution

Unit: NT$ thousands

Major Divisions	Total Sales in Year 2024	(%) of Total Sales
LED drive IC	1,780,232	99.31
Others	12,432	0.69
Total	1,792,664	100.00

C. Main products

Main product items	Product specifications
LED display driver IC	Various LED driver IC which is suitable for outdoor, indoor, fine-pitch display, with wide coverage of LED categories including mini/micro LEDs.
Mixed mode IC with analog and digital function blocks	Power conversion IC
Full Array Local Dimming, FALD	LCD display FALD backlight driver IC
Automotive lighting driver IC	Head beam, tail light, daylight driving light, and interactive lighting etc.

D. New products under development

(1) LED display driver IC: Multi-channel (>16) integrated circuits for driving LED with built-in power switching for constant current sourcing or sinking

(2) Full Array Local Dimming, FALD: Integrated circuits for driving LCD displays, ranging from small sizes (smartphones/tablets) to large sizes (TVs) or automotive pillar-to-pillar displays, with over a thousand zones for local dimming control.

(3) Automotive lighting driver IC: interior lighting, such as reading light, dashboard indicator lighting; exterior lighting, such as head beam, tail light, and turning signal; new type automotive lighting, such as interactive lighting and grille lighting; automotive display, FALD driver IC for LCD backlight.

4.1.2 Industry Overview

A. Current Status and Future Development

1) LED display driver IC

The global LED display market exhibited steady growth throughout the year. Despite facing certain challenges, the overall performance remained strong. In 2024, the global LED video display market is expected to reach a shipment volume of approximately 2 million square meters, representing an annual growth rate of 14.6%. Market revenue is also projected to rise, with total revenue estimated at around USD 6.3 billion for the year, reflecting a year-on-year increase of 10.3%. This growth is primarily driven by the rising demand for various types of display screens across applications such as commercial, entertainment, and public spaces. Although the market faces competition and cost pressures, demand is expected to continue growing thanks to technological innovation and the expanding scope of applications. As the market environment evolves, manufacturers will need to strengthen their innovation capabilities and improve product quality to maintain a competitive edge in this highly competitive landscape.

2)Full Array Local Dimming (FALD) backlight driver IC

OLED displays offer pixel-level brightness adjustment, resulting in higher contrast, deeper black performance, and a wider color gamut. Additionally, OLED displays do not require a backlight source, allowing for thinner, lighter, more flexible, and energy-efficient designs. However, they do have a drawback known as burn-in, where displaying the same content for extended periods can leave a residual contour or image on the display. This issue can be addressed with Full Array Local Dimming (FALD) backlight technology, which finds applications in gaming monitors and automotive displays.

Demand for automotive displays is rapidly increasing as the trend toward digitalized smart cockpits grows. Automotive displays have become a crucial interface for interaction between vehicles and drivers. Display applications include instrument clusters, center consoles, rearview mirrors, head-up displays, and rear-seat entertainment systems. According to analysis by Trend Force, automotive display panel shipments are projected to reach 257 million units by 2028, with Mini-LED displays accounting for a 5.9% penetration rate, surpassing OLED at 4.1%. This highlights Mini-LED's growth potential and increasing demand in the automotive market.

In 2024, the Mini-LED backlight market is facing both intense competition and significant opportunities. While Mini-LED technology has achieved notable growth in certain areas such as TVs and automotive applications, it encounters strong challenges from OLED in the high-end IT market. Cost-reduction strategies and advancements in technology maturity will be key to the future development of Mini-LED.

3) Automotive lighting driver IC

The automotive lighting IC industry is a key segment within the automotive electronics and is currently experiencing rapid growth. As the trends of vehicle intelligence and electrification acceleration, the demand for automotive lighting ICs continues to rise. The adoption of smart lighting, LED technologies, and matrix LED lamps is creating new business opportunities for the industry, while also posing greater technical challenges.

In the future, automotive lighting ICs will place increasing emphasis on integration, intelligence, and high performance, while also needing to meet higher standards for safety and reliability.

B. Relationship with Up-, Middle- and Downstream Companies

In the supply chain of IC industry, fabless IC company is positioned at the top, the fabless IC company makes the chip design, and then authorize the wafer manufacturing to foundry, go for front-end test then transfers to packaging house to split the wafers into dice and make package, at last, the packaged chips will be final tested by testing houses, finally the tested chips will be ship to end-product company to be assembled as end products.

The quality of raw materials and key components provided by upstream suppliers directly affects the performance of LED driver ICs. The midstream sector focuses on design and manufacturing, transforming raw materials into finished products and making adjustments or upgrades based on downstream demand. The downstream segment represents the end-user market, where consumer needs influence the design and production direction of midstream ICs. Effective collaboration among these three segments is crucial for the development of the LED driver IC industry. As market demands evolve and technology advances, the interdependencies among these sectors will continue to develop.

C. Product Trends and Competition

1) Product Trends

Micro LED, recognized as the ultimate display solution, has continued to rely largely on proof of concept (POC) developments to date. In comparison to micro LED, mini LED backlight has advantages such as high technological feasibility, high yield rates, and low costs, leading to its increasing penetration in various LCD applications. Compared to OLED, mini LED backlight offers advantages such as high reliability and long lifespan, particularly prominent in automotive display applications, including instrument clusters, central infotainment displays (CID), and head-up displays.

In Macroblock, we not only focus on the driver IC of the LED field but also join in the design of the ultra-fine pixel pitch display aggressively in the recent years, to make the contribution for the green power.

2) Product Competition

In the analogy IC industry, most companies specialize in specific fields, with no single enterprise holding a majority share across the entire industry.

LED display driver IC: Macroblock's products are positioned for high-end rental LED display used in virtual productions and concerts, where we have achieved an absolute leading market share. Low-price driver ICs in the market mostly come from Chinese manufacturers, competing against each other.

FALD product driver IC: In 2023, the company benefited from the increase in the number of automotive panels and introduced FALD mini LED backlight to shape product differentiation. The main competition comes from traditional automotive IDM manufacturers such as TI and ADI.

The original equipment (OE) market for automotive lighting driver ICs continues to be dominated by European and American IDM companies like TI and Infineon. However, as the development of electric vehicles becomes more mature, new automotive applications and demands are emerging, fostering the development of new types of automotive lighting driver ICs. For example, interactive lighting is gradually challenging the monopoly of IDM companies.

Please refer to the following table for descriptions of domestic and competitors under different product categories:

competitor / Item	Main Competitor	
	Foreign	Domestic
LED Driver IC	TI、Chipone	Novatek
Mixed mode IC with analog and digital function blocks	TI、Silergy	Richtek
Full Array Local Dimming, FALD	TI、ADI	NA
Automotive lighting driver IC	TI	NA

4.1.3 Technology and R&D Status

A. Research and Development Expenses in the Past Two Years

Unit: NT$ thousands

Year	2023	2024
Total Expenses	550,212	507,978

B. Successful R&D and Technologies Development

Year	Successful development of technologies or products
2024	48-channel, internal clock resonance integrated, common cathode driving, refresh rate enhancement at low gray scale driver IC
	WLCSP FALD backlight driver IC
	16-channel, internal clock resonance integrated, common cathode driving, refresh rate enhancement at low gray scale driver IC
	Automotive interior lighting driver IC, AEC-Q100/006 certificated

C. Future R&D plans and estimated R&D expenses:

The Company sets different projects according to product categories, and sets goals, schedules and schedules in line with market needs. A total of 7 R&D projects in 2025 were expected to be introduced into the mass production stage within one to two years. The R&D expenditure is estimated to be NT$ 135 million.

Unit；NT$ thousands

Recent annual plan	Current progress	Reinvest R&D expenses	Estimated mass production time	Key Success Factors
Passive matrix, 16-channel constant current driver IC designed for rental, current sink type	MP	5,000	2025.03	Design-win
Extreme high grayscale, 16-channel passive matrix constant current driver IC for virtual production, current sink type	Revision	20,000	2025.06	Bug fixed
Mini scale FALD backlight driver IC	Revision	15,000	2025.06	Bug fixed
FALD backlight driver, 24-channel passive matrix constant current driver IC for automotive	Revision	15,000	2025.11	Bug fixed
Timing controller for passive matrix LED display	Developing	50,000	2025.12	Market requirement Strategic partner
Generic 48CH passive matrix constant current driver IC, current source type	Engineering Evaluation	15,000	2025.12	Outstanding performance
Full-width tail light driver IC	Circuit Design	15,000	2026.03	Outstanding performance

4.1.4 Long-term and Short-term Development

A. Long-term Development

(1) Research and development strategies

1)The Company provides customers with a complete array of product lines that will meet the market demand. In addition, the Company makes use of its accumulated integrated circuit design experience and integrated technical capabilities, to expand the breadth and depth of the product lines, and develop other high-end products to create diversity to meet the customer's market demand.

2)The Company continuously improves the R&D process and efficiency, strengthens the core technology driving behind its R&D capability, and establish the breadth and depth of R&D technology.

3)The Company continuously works towards cost optimization. In addition, as the high integration and high pixel density application trend is now in demand, the Company invests resources in substrate research to use different substrate materials to meet different application needs. The Company especially focuses on micro LED assembly and driving designs.

(2) Marketing strategies

1)The Company strengthens the corporate management system, actively enhances organizational effectiveness, improves the sales management system, and establishes a global technical cooperation and service network.

2)The Company focuses on long-term grooming of professional marketing talents, builds healthy and long-term customer relationships so as to stay on the fast changing LED application market and product development trends.

3)The Company gradually expands its international market and increases market share by participating in joint investment or strategic alliances with major international manufacturers.

(3) Production strategies

1)Using a variety of new semiconductor manufacturing processes and packaging technologies, the Company is able to reduce costs, improve yield rate and improve market competitiveness.

2)The Company seeks to maintain long-term cooperative relationships with upstream foundry, packaging, and testing manufacturers, and forms strategic partnerships with these manufacturing houses to jointly develop special-function manufacturing processes to reduce production costs and develop high-quality, multi-functional and competitive products.

(4) Operation and financial strategies

1)The Company constantly transitions itself to become an international enterprise through promoting the concept of internationalization, strengthening the management capabilities and actively cultivating international talents.

2)The Company is flexible in using various domestic capital market and foreign financial market tools to diversify financial risks.

3)The Company implements strong risk control policies and upholds the business philosophy of maintaining financial and management stability, efficiency and flexibility.

B. Short-term Development

(1) Research and development strategies

1)The research and development strategies for the various LED driver integrated circuit products are based on the future development trend of the LED related products. The Company's goal is to achievement total cost reduction for system products, increase the stability and reliability of them, and at the same time, obtain a better understanding of market trends and customer needs, in order to further expand the market share of these products.

2)Tapping on the its strong technical knowledge accumulated over the years, the Company not only maintains existing products, it also researches extensively to reduce costs and increase R&D efficiency to develop other product lines to increase new products, expand sales, improve product quality and strengthen product competitiveness.

(2) Marketing strategies

1)The Company constantly strengthens business management capabilities, train marketing personnel, cultivate overseas markets, expand sales bases and improve after-sales services and support. These efforts allow the Company to establish a complete marketing management system and achieve business goals under the established guidelines.

2)The Company's design service capabilities together with its customer-oriented mindset, allow the Company to provide comprehensive technical support and wide marketing channel agent to increase the market share of the Company's highly profitable proprietary products.

(3) Production strategies

1)Tapping on Taiwan's unique semiconductor industry specialization capabilities, the Company strives to keep its operation flexible and allows customization when required in order to meet the special needs of customers and maximize customer satisfaction.

2)Maintaining good relationship with fabrication, packaging and testing plants to achieve OEM synergies to ensure production capacities do not fall short so as to ensure the delivery time of products and services meet customers' expectations.

(4) Operation and financial strategies

1)The Company focuses on improving management performance, encouraging employee education and training to stimulate work potential, and strengthening internal organization.

2)The Company emphasizes on implementing competitive employee welfare policies such as providing share-based and performance bonus systems to improve overall employee morale and loyalty.

3)The Company actively expands business and increase revenue income to strengthen working capital. By listing on the Taiwan stock exchange OTC, the Company is able to get access to more capital raising channels to further strengthen working capital and expand the scale of operations.

4.2 Market and Sales Overview

4.2.1 Market Analysis

A. Sales Region of Major Product Categories in the Last Two Years

Unit: NT$ thousands

Area \ Year		2023		2024	
		Amount	%	Amount	%
Domestic (Taiwan)		104,268	5.62	147,917	8.25
Oversea	Asia	1,439,828	77.56	1,293,511	72.16
	Europe	124,830	6.72	142,709	7.96
	America	186,178	10.03	206,627	11.52
	Others	1,220	0.07	1,900	0.11
Total		1,856,324	100.00	1,792,664	100.00

B. Market Share

Our company’s main product currently is the LED Display Driver IC (LED DDI), which accounts for approximately 90% of our total revenue. These ICs are primarily used for driving LED display panels and LED virtual production studios. According to Trend Force estimates, the total market value of LED display driver ICs is projected to reach USD 750 million in 2024. Based on our company’s projected revenue of NT$1.793 billion for 2024, this would represent approximately 7.5% of the total market value.

The Full Array Local Dimming (FALD) backlight accounts for about 10% of the revenue, divided into information technology and automotive. In terms of information use, it focuses on the high-end market of 384 zones and above, including gaming monitors, gaming laptops, and high-end TVs. In terms of automotive, it is mainly used for the cockpit, infotainment, co-driver display, and rear-seat entertainment system (RSE). This application market is emerging, with no segmented market information available for estimating market share, but roughly following TI and ADI.

C. Market Analysis of Major Product Categories

1) LED Display IC Market

Indoor Displays: Driven by demand for high resolution and high dynamic range (HDR), markets such as corporate and educational spaces, virtual production, home theaters, and cinemas are experiencing steady growth. All-in-One LED Displays are trending toward 135” – 146” 2K resolution with a 16:9 aspect ratio. Additionally, 21:9 displays are gaining traction for video conferencing, while 32:9 formats are increasingly popular in auditoriums, particularly in the European and American markets. Virtual production is thriving in Southeast Asia, further fueled by the trend of cinematic concert productions (e.g., the Taylor Swift concert film), which is boosting demand in the high-end virtual production segment. Following the launch of Micro LED TVs, the technology is being adopted in home theaters, exhibition displays, and corporate or educational environments. Transparent Micro LED displays are especially suited for retail spaces, cultural venues (such as galleries, museums, and aquariums), and the hospitality industry, serving as product showcases or informational displays—both expected to shine in 2025.

Outdoor Displays: The outdoor LED display market continues to grow steadily, driven by live events and applications in sports and education. Creative formats such as spherical and glasses-free 3D displays are enhancing urban landscapes and drawing public attention with visually stunning effects. Outdoor fine-pitch LED displays are primarily used for street furniture displays and bus shelter advertising. Market demand has expanded to regions such as the United States and Europe (including the UK, the Netherlands, and Germany). Notably, NBC has adopted outdoor fine-pitch LED displays for broadcasting the 2024 Paris Olympic Games.

2)Mini/ Micro LED IC Market

In 2025, with the steady growth in shipments of Micro LED TVs from Samsung and LG, and plans by BOE, Chipone, Tianma, and Hisense to enter the Micro LED TV market, the market value of Micro LED TVs is expected to reach USD 185 million. From 2023 to 2028, the compound annual growth rate (CAGR) is projected to reach 119%.

Benefiting from strong market demand and brand promotion, the Mini LED display market is projected to reach USD 676 million in 2024. P1.2 has become the mainstream product, accounting for over 55% of the market share. Products at or below P0.625 are led by Samsung’s 110” 'The Wall'. With continued maturation of Mini LED technology and capacity expansion, P1.2 Mini LED displays are extending to both larger pitches (≥P1.5 – P1.6) and finer pitches (≤P0.625).

3)Automotive lighting LED driver IC Market

Ambient lighting in vehicles has evolved from being an exclusive feature in luxury cars to becoming a standard element in mid-range and even economy models, now serving as an integral part of in-car technology and personalized design.

Interaction with autonomous driving modes: With the advancement of Level 3 and above autonomous driving technologies, ambient lighting may become synchronized with driving modes. For example, when the vehicle enters autonomous mode, the lighting could shift to blue or a soft glow to signal the driver that they can relax.

From 2024 to 2027, the market is expected to grow at a compound annual growth rate (CAGR) of approximately 7–10%, driven primarily by the expansion of the electric vehicle (EV) and smart vehicle sectors.

Luxury and high-end electric vehicles will continue to lead the development of ambient lighting technologies. At the same time, mid-range and economy models are expected to increasingly adopt RGB lighting systems as a standard feature. The future of ambient lighting will focus on enhanced intelligence, personalization, and safety functionalities.

4) Full Array Local Dimming (FALD) backlight driver IC Market

In Q2, 2024, Apple replaced the Mini LED display technology in its iPad Pro lineup with OLED, which had a notable impact on the Mini LED market. While this shift may present challenges for Mini LED adoption in the tablet segment, its penetration in other application areas continues to grow—particularly in the television and automotive application.

Sony and several Chinese TV brands have been very proactive in adopting Mini LED technology, with most new models utilizing POB (Package-on-Board) Mini LED designs, because of the balance of high performance and reasonable cost.

In the automotive, Mini LED offers irreplaceable advantages over other display technologies, such as high brightness, excellent contrast, and durability—making it a perfect fit for automotive display requirements. Compared to consumer electronics, the automotive industry is less sensitive to pricing, which, combined with Mini LED’s unique performance, contributes to its higher penetration rate in automotive applications than in others.

D. Competitive niche

1)Excellent R&D technical ability.

2)Master the long-term cooperation between foundry sources and third-party manufacturers.

3)Maintain a good cooperative relationship with customers.

4)Excellent driver IC and production technology capabilities.

E. Favorable and Unfavorable Factors in the Long Term

1)Favorable Factors

a. The structure of the semiconductor industry is complete

b. The luminous efficiency of the lighting market continues to improve

c. Rigid demand in the backlight market

d. LED and its application industries have grown substantially

e. In response to Mini/Micro LED applications, the driver IC has relevant technologies

2)Unfavorable Factors and Countermeasures

a. Shortage of domestic R&D personnel

Countermeasures：

The campus recruits talents and implements education and training, improves employee welfare to strengthen the centripetal force of employees and reduce the turnover rate, and strengthen the development strength of R&D talents.

b. Competition between domestic and foreign manufacturers

Countermeasures：

1.Strengthen its own product planning and research and development capabilities, and shorten the timeline for new product launches.

2.Strengthen the cooperation with major domestic and foreign manufacturers to develop new products.

3.Committed to improving production yield to reduce production and sales costs.

4.Stable supply quality, control production capacity, and strengthen customer confidence.

5.Strengthen marketing management, establish a global marketing network and after-sales service system to build customer loyalty.

c. Potential Tariff Barriers and Non-China/Non-Taiwan Policies

Countermeasures：

1.Establish foundry and OSAT (Outsourced Semiconductor Assembly and Test) capacities outside of China and Taiwan.

4.2.2 Production Procedures of Main Products

A. Major Products and Their Main Uses

Products	Important Purpose
LED drive IC	Mainly used in various light-emitting diode applications: monochrome, multi-color, full-color display boards
Hybrid digital and analog IC	Mainly used in various electronic products, such as: liquid crystal display (LCD), light-emitting diode lighting, etc. The application of such products will effectively improve the power conversion efficiency, and can effectively reduce the number of parts and improve product reliability, and ultimately reduce the circuit cost
Full matrix area dimming backlight driving IC	Full-size high-end LCD display area dimming control, which can effectively improve contrast
Automotive lighting driver IC	Interior lighting is becoming increasingly intelligent and interactive, integrating with vehicle safety functions.

B. Major Products and Their Production Processes

After the IC design of the company's integrated circuit, the mask is made. The wafer manufacturing process is commissioned by the foundry. The chips produced by the foundry are sent to the packaging and testing plant to complete the packaging and inspection work, that is, the warehouse is sold.

The following is the flow chart of the product manufacturing process:

IC Design	Mask	Foundry	Package & Test
Analog circuit design Digital circuit design	Sputtering Photoresist Coating Electron Beam Lithography Development Etching photoresist removal	Oxidation Photoresist Coating Photolithograp hy Etching photoresist removal Ion Implementatio n Metal sputtering	Wafer saw Die bonding Wire bonding Encapsulation Trimming Marking Function test Reliability test Cosmetic inspection

4.2.3. Supply Status of Main Materials

Major Raw Materials	Source of Supply	Supply Situation
Wafer	TSMC、VIS…etc	Good and stable quality

4.2.4 Major Suppliers and Clients

A. Major Suppliers in the Last Two Calendar Years

Unit: NT$ thousands

Item	2023				2024				2025(As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	A	144,620	57.27	None	A	260,082	35.22	None	A	3,375	4.65	None
2	B	42,166	16.70	None	B	250,785	33.96	None	B	39,284	54.12	None
3	C	62,281	24.67	None	C	225,893	30.59	None	C	13,498	18.59	None
4	D	-	-	None	D	1,743	0.23	None	D	16,433	22.64	None
5	Others	3,438	1.36	None	Others	20	-	None	Others	-	-	None
	Net Total Supplies	252,505	100.00		Net Total Supplies	738,523	100.00		Net Total Supplies	72,590	100.00	

Note: 1. Major suppliers refer to those commanding 10%-plus share of annual order volume.

B. Major Clients in the Last Two Calendar Years

Unit: NT$ thousands

Item	2023				2024				2025(As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	A	304,343	16.39	None	A	349,888	19.52	None	A	88,727	22.97	None
2	B	277,000	14.92	None	B	248,586	13.87	None	B	48,813	12.64	None
2	C	292,231	15.74	None	C	209,851	11.71	None	C	40,422	10.46	None
4	Others	982,750	52.95	None	Others	984,339	54.90	None	Others	208,364	53.93	None
	Net Sales	1,856,324	100.00		Net Sales	1,792,664	100.00		Net Sales	386,326	100.00	

Note 1. Major clients refer to those commanding 10%-plus share of annual order volume.

2. As China is actively supporting the development of the LED industry and the company continues to expand the China market. JUXIN was a subsidiary for selling to direct customers in China. Customers A, B and C are major clients in China.

4.3 Human Resources

Year		2023	2024	As of 03/31/2025
Number of Employees	Manager	8	7	7
	General Staff	262	241	232
	Total	270	248	239
Average Age		40.03	41.06	41.24
Average Years of Service		7.14	7.71	7.97
Education	Ph.D.	1.1%	0.8%	0.8%
	Masters	44.4%	44.0%	44.8%
	Bachelor's Degree	33.0%	39.1%	38.1%
	Senior High School	20.0%	14.1%	14.2%
	Below Senior High School	1.5%	2.0%	2.1%
Gender Ratio	Male Ratio of Manager	1.5%	1.6%	1.7%
	Male Ratio of General Staff	65.2%	63.7%	64.4%
	Female Ratio of Manager	0.7%	0.8%	0.8%
	Female Ratio of General Staff	32.6%	33.9%	33.1%
Nationality	R.O.C.	231	210	202
	China	38	37	36
	America	1	1	1
Age Group	Age Group :<30 years old	52	44	36
	Age Group :30 to 50 years old	192	170	164
	Age Group :>50 years old	26	34	39

4.4 Environmental Protection Expenditure

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): None.

4.5 Labor Relations

4.5.1 Employee Welfare

A. Employee Welfare

Employee Benefit Programs

In addition to the Labor Standards Law and related laws and regulations, it is not only planned to update the employee group insurance and insured the employer compensation insurance to make the employee protection more comprehensive.

Employee Stock Ownership Trust achieves 91% of allocation rate in average this year.

Employee Recognition: MBI sponsors various internal award programs to recognize employees for outstanding achievements, both individual and at a team level.

The 2024 award programs include:

・MBI Excellent Employee Award: recognizes Employees whose outstanding performances have made significant contributions.

・Excellent Audit Award: recognizes employees' efforts in internal Auditing of ISO.

・Convenient services: coffee and snacks, Insurance agent counseling services, Juice and coffee bar, ATM service are available to employees in the building.

・Health device services: AED, Health Measuring Station to raise personal health awareness.

・Diverse employee welfare programs: Including hobby clubs organized by employee, and quarterly birthday celebration party. In addition, marriage bonuses, condolence allowances, emergency subsidies and holiday bonuses are also available to address employees' needs.

・The Company implemented Employee Assistance Program (EAP) to provide comprehensive support measures that integrate internal and external resources. Through fostering a caring work environment and promoting an organizational culture in which the employees interact positively, the Company aims to increase its organizational competitiveness.

・The Company introduced new employee benefits, including flexible working hours and birthday leave. The flexible working hours program allows employees to adjust their work hours based on their transportation schedules. This helps to reduce stress and ensures timely arrival at work. This fosters a sense of responsibility among employees and strengthens team cohesion.

B. Training

Macroblock provides employees with a diverse network of learning resources, including on-the-job training, classroom training, e-learning, coaching, mentoring and job rotation; it also creates and educational atmosphere through learning activities in response to organization development requirements and employee capability enhancement goals.

Training programs as below:

・New employee –basic training and job orientation.

・General – as required by government regulations and/or the Company policies, as well as on general subjects for all employees Topics include workplace health and safety, quality, emergency response and personal effectiveness management.

・Professional/functional – technical and professional training required by different functions within the Company

C. Retirement Policy

Macroblock's retirement policy is set according to the labor standard laws and labor pension practices of various respective regions.

D. Communication Structure

Macroblock has many internal communication channels, a major reason why the relationship between management and employees has been quite harmonious.

communication channels, including:

・Communication meetings for various levels of managers and employees, and communication meetings in individual functions/divisions.

・Quarterly labor-management meetings to provide business updates and invite employees to discuss labor conditions and welfare activities.

・Employee portal, an internal website, corporate messages,

・Two reporting channels for complaints regarding managerial, financial, auditing, ethics and business conduct issues:

・The Employee Opinion Box, which provides an opportunity to submit suggestions or opinions regarding work and the overall work environment.

・Whistleblower Procedures

E. Gender Equality and Diversity:

Key elements of Macroblock's success and growth depend on the Company's employees, who share a common vision and values and also follow the same rules.

Macroblock is committed to providing our employees with a respectful and safe work environment, and to ensuring diversity in hiring and fairness in compensation and promotion opportunities. We guarantee that our employees will not be subject to discrimination, harassment, or unequal treatment based on their race, gender, religion, age, political stance, or any other privileged conditions protected under applicable laws. We have analyzed our employee diversity in accordance with industry best practices, and the results of this analysis can be found on page 63

of this annual report.
New employees are required to sign a non-disclosure agreement within a service contract and comply with government laws and regulations, including internal transaction customs laws and regulations, and set up integrity clauses, update and promote laws and regulations.
Law abiding is the importance value of Macroblock, in order to strengthen this value, the Employee's code of Conduct has been distributed to all the employees and provided training courses as well.

F. Employee Health Care and Safety

Macroblock takes worksite safety very seriously and pursues every possible precaution to prevent accidents from occurring at its production sites and diligently prepares to handle emergency situations.
Macroblock receives regular consulting from professional agencies specializing in safety, fire prevention, environmental protection, energy, and production equipment to assess the safety and environment of office building, production sites and R&D facilities.

• Offering educational training programs to improve employees' awareness of safety, health and environmental protection issues and related concept
• Mapping out various health improvement plans to ensure employees' physical and psychological wellness.
• Laying out environmental inspection procedures and regulations, such as: safety standards for contracting operations, operating procedures for electrical equipment, operating standards for warehouses.

The company is dedicated to enhancing employee well-being by offering a diverse range of services to strengthen and refine its health management programs. Health management is regarded as a shared goal between the company and its employees, covering the following aspects:
a. Employee Health Management:
The company has established a cyclical health management system, conducting comprehensive health check-ups for all employees every two years—more frequently than legally required. This allows for early identification of potential health risks. Based on the examination results, health risks are classified into levels, and professional medical staff provide health information and personalized care. As a result, the proportion of employees at moderate to high risk for cardiovascular diseases has dropped from 13% to 7%.
b. Musculoskeletal Health Prevention:
To prevent musculoskeletal issues, the company offers various stress-relief massage sessions and yoga/stretching classes, encouraging employee participation.
c. Enhancing Parent-Child Relationships:
During the summer vacation, children are invited to spend the day at work with their parents, allowing them to understand the workplace environment and create cherished memories together.
The company continues to organize health promotion activities to effectively prevent obesity and metabolic syndrome among employees. In 2024, a weight loss competition was held, along with a gym experience program, to foster regular exercise habits and strengthen health awareness. Members of the winning team were awarded an extra day of health leave to encourage participation. In this round of the weight loss competition, 137 employees with above-standard BMI participated, achieving a combined weight loss of 199 kilograms.
Additionally, the company invited a professional medical team to the workplace to conduct various health screenings, including a 5-in-1 body composition test, bone density testing, and intraocular pressure eye exams, aiming to reduce the risk of disease.
In 2025, the company received the Healthy Workplace Certification. We firmly believe that employee health is the cornerstone of sustainable corporate growth. Only when employees are physically and mentally healthy can they fully realize their potential, gain motivation at work, and enjoy greater life satisfaction. The company will continue its efforts to build a healthier, happier

work environment, striving for shared growth and success.

G. People Development

Macroblock operates a transparent evaluation and bonus system that takes individual and team achievement into consideration. We conduct separate performance, capability and leadership assessments on a regular basis and establish an expert system to accelerate individual growth and organizational development.

H. Human Rights and protection

Macroblock abides to local laws and regulations in all countries and regions where we operate, and upholds the human rights of employees, including regular, contract and temporary employees, and interns. We recognize the right of all employees to work with dignity and to have their value as human beings respected. Accordingly, Macroblock complies with the standards and the Labor Policy including a regulation that prohibits forced labor that restrains mental and physical freedom, employing minors below the age of 15, and assignment of dangerous tasks to youths under the age of 18. The Labor Policy further prohibits discrimination based on gender and race, promotes compliance with the maximum working hours set forth by the law, payment for overtime.

Also, Macroblock established and declared a labor policy against discrimination, facilitating an environment in which individuals with diverse values and beliefs can work together as a team. We’re making every effort to create a working environment where social minorities (to include females, foreigners and the disabled) are respected and not subjected to discrimination or any inconvenience.

The Labor Policy has been distributed to all the worksites throughout the worksite and has been complied with as the Macroblock labor standards.

4.5.2 Labor Disputes

A. Total Losses

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): None

4.6 Information Security Management

A. Information and Communication Security Risk Management Framework, Information and Communication Security Policies, Specific Management Plans, and Resources Dedicated to Information and Communication Security Management:

4.6.1 Information and Communication Security Risk Management Framework

With the continuous evolution of the digital age, businesses increasingly rely on electronic operations (E-operations) to boost efficiency. However, the associated risks are also constantly growing. To strengthen information security management, the Company has implemented and obtained ISO 27001 Information Security Management System (ISMS) certification. This framework ensures the confidentiality, integrity, and availability (CIA) of its information assets, providing the necessary secure environment for the Company's information operations. The Company is committed to continuously refining its information security measures and strengthening its defense capabilities. All information operations comply with domestic and international information security laws and regulations, safeguarding them against intentional or accidental threats, both internal and external.

The Information Technology Department is responsible for overseeing information security governance, planning, supervision, and implementation. This aims to build comprehensive security defense capabilities and foster strong information security awareness among all employees.

The Company established an Information Security Committee in September 2024. The committee

is chaired by the General Manager, with members including the Head of the Administration Division, Head of the Management Department, Head of Audit, and the Information Security Head. Meetings are held semi-annually to discuss relevant information security issues. Information security checks are also included as audit items in the annual audit plan. The Information Security Head reports regularly to the Board of Directors on the status of information security governance. A report was presented to the Board of Directors in Aug. 2025.During 2025, the Company's Information Security Committee held one meeting with 100% member attendance, focusing on discussions of information security-related topics.
To continuously enhance corporate information security management, the Company has joined the Taiwan CISO Alliance. Furthermore, on March 20, 2025, the Company successfully obtained the ISO/IEC 27001:2022 Information Security Management System (ISMS) international certification from the international certification body AFNOR Asia Ltd. (Certification validity: March 20, 2025 - March 19, 2028). This certification affirms that a secure and robust information management system is in place to protect the Company's critical internal information assets.

4.6.2 Information Security Policy

1. **Confidential Data Related to Product Development:**
   Access and operations are restricted to company hosts. Storage on personal devices is strictly prohibited; any such data found will be immediately deleted.
2. **Confidential Document Management to Protect Company Trade Secrets:**
   1)Internally requested confidential documents must be deleted by the user after use and must not be retained.
   2)The Company provides an independent and encrypted storage environment for protection. Transmission via any communication channel or transfer using privately connected storage devices outside the company is prohibited.
   3)The use of devices with photographic or storage capabilities for collecting, processing, or utilizing confidential data is prohibited.
   4) To prevent data leakage: lock computers when leaving your seat; leaving confidential documents unattended on desks is strictly forbidden; taking confidential documents out of the office is strictly prohibited.
   5)Remote connection access requires an application based on demonstrated need and must comply with relevant company regulations.
3. **General Compliance:**
   To maintain operations and protect company assets, employees must agree to cooperate with all relevant management measures.
4. **Information in Temporary Exchange Areas:**
   The system automatically clears these areas monthly. Do not store confidential company files here. For long-term storage needs, contact the Information Technology Department for assistance.
5. **Password Management:**
   Employees are required to change passwords regularly according to the timeframe specified in the regulations.
6. **Email Management:**
   1)Emails are treated as official correspondence. Forwarding internal emails externally without authorization is prohibited. Using company email accounts to register on external social or shopping platforms is forbidden, except when required for official duties, which necessitates an application to the Information Technology Department.
   2)For managing Business Email Compromise (BEC) and suspicious emails, warning prompts are provided for external and unfamiliar sender emails. Emails categorized as advertising or social networking are flagged with instructions not to open and to delete them, thereby

preventing potential hacker intrusions.

7. **Hardware/Software:**
   Unauthorized removal or installation of information-related software, hardware, or equipment is prohibited. The installation and use of illegal software are also forbidden.
8. **Personal Devices:**
   Bringing personal information technology devices into the company is prohibited.
9. **Personal Data Protection:**
   In compliance with the Personal Data Protection Act, resumes must be stored according to company regulations and deleted within the stipulated timeframe.
10. **Generative AI:**
   Use is restricted to the company environment utilizing company-provided information devices. Usage rights require explicit company approval. Using confidential documents for data training or exchange with generative AI tools is strictly prohibited.

4.6.3 Management Plan

Given that cyber insurance is an emerging insurance category, and after considering the complexities surrounding coverage scope, claim scope, claims forensics, and the qualifications of forensic institutions, the Company has evaluated and decided against purchasing cyber insurance at this time.

However, to address the evolving challenges in information security-such as the prevalent Advanced Persistent Threats (APTs), Distributed Denial of Service (DDoS) attacks, ransomware, social engineering attacks, and information theft-the following strategies have been adopted: The Company's information security policy continuously monitors trends in the information environment to formulate appropriate protective mechanisms and plans. Annual activities include security testing, social engineering drills, and information security awareness training courses. These initiatives aim to enhance employees' awareness of security risks and bolster the incident response capabilities of security personnel, enabling proactive prevention, effective first-response detection, and threat containment, thereby protecting against both internal and external intentional or accidental threats.

Furthermore, the Company's specific management plans for information security protection measures are described as follows:

1)**Information Security Measures:** Network access control, use and updating of antivirus software, firewall implementation, Email Advanced Persistent Threat (APT) defense, Intrusion Prevention System (IPS), Web Application Firewall (WAF), behavior detection and response (e.g., EDR/XDR), and establishment of an independent R&D environment.

2)Security Defense and Response: Continuous system monitoring and supervision, regular checks (daily), implementation of virtualization systems, robust backup systems, and security assessments/forensics capabilities.

3)**Information Security Methods:** Strict access rights control, file/data control policies, computer peripheral management, comprehensive educational training, regular social engineering drills, security awareness campaigns, and collaboration with professional external information security vendors.

4) **Information Security Personnel Allocation:** The Company has appointed two dedicated information security personnel: an Information Security Head and an Information Security Engineer. They are responsible for the formulation of information security strategies, overall management, and technical execution. Security awareness announcements are issued semi-annually, communicating important security regulations and precautions. Quarterly security review meetings are held, and an annual report on information security is presented to the Board of Directors.

5)Annual Information Security Awareness Training for All Employees:

* 2024 Course: Social Engineering Training (Online)

B. Losses, Potential Impacts, and Response Measures Concerning Significant Information Security Incidents:
In the most recent fiscal year and up to the publication date of this annual report, the Company has not suffered any losses due to significant information security incidents. Should any such incident occur where losses cannot be reasonably estimated, the facts precluding estimation would be explained accordingly. In 2024, the Company experienced no incidents involving personal data leakage or successful hacking intrusions.

C. Explanation of the Company's Personal Data Protection Policy and Implementation:
Our company places great importance on customer privacy protection and adheres to the Personal Data Protection Act. We have established the Personal Data Protection Management Regulations and implemented stringent data privacy and security management and protection measures. Additionally, we have obtained ISO 27001 Information Security Management System certification, set up data classification and confidentiality levels, enforced access control and data ownership review mechanisms, to ensure proper governance and protection of data access and sharing, as well as ensuring data availability, integrity, and confidentiality. These policies apply to all subsidiaries, clients, and suppliers.
Our company's personal data privacy policy is outlined as follows:
During the collection, processing, use, and protection of personal data involved in business operations, we strictly follow all relevant governmental laws and regulations. Personal data is used only within the scope permitted by law and will not be disclosed, rented, or provided to any third party in any form. We execute this in accordance with our company's Personal Data Protection Management Regulations, and are committed to safeguarding customers' data security and privacy rights.
In addition, to more effectively manage privacy-related risks, the company has established a Personal Data Protection Committee, responsible for the execution and supervision of the personal data protection management framework. This committee holds annual meetings to facilitate cross-department communication on data protection compliance and provides necessary support for privacy protection initiatives.
To prevent the leakage of personal data of customers, suppliers, and business partners, the company continuously updates and implements strict information security measures across hardware/software infrastructure and personnel operations. These include the use of encryption technologies to strengthen data protection, enhanced phishing email detection with regular employee awareness testing, ransomware attack simulations, and continuous education on privacy and data protection. Confidential information and assets of the company and its stakeholders are thereby safeguarded. Any violations of confidentiality obligations are subject to disciplinary actions in accordance with relevant laws and internal regulations, including but not limited to termination of cooperation.
Quantitative data and management indicators related to our personal data protection efforts in 2024 are as follows:
a. Employee Training on Personal Data Protection: A total of 240 employees completed the training, with a cumulative total of 160 training hours. The training covered 100% of all employees.
b. Internal Management and Technical Safeguards: The company has established Trade Secret Management Guidelines and related standards. Each department is responsible for inventorying and controlling confidential documents to strengthen internal information security.
c. Incident Response and Risk Management: As of the publication date of this annual report, there have been no violations of the Personal Data Protection Act. Any employees involved in

misconduct were disciplined according to the severity of their actions, including reassignment or dismissal.

4.7 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Outsourcing Equipment Agreement	A	2022.01.20-2027.01.19	Outsourcing Equipment Agreement	Confidential
IC packaging and testing protocol	B	2023.01.01-2028.12.31	IC packaging and testing protocol	Confidential
Technology License Agreement	C	2022.08.01-2032.07.31	Technology License Agreement	Confidential

V. Review of Financial Conditions, Financial Performance, and Risk Management

5.1 Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	2,298,456	2,277,935	20,521	0.90
Property, Plant and Equipment	243,997	324,270	(80,273)	(24.75)
Intangible assets	58,258	61,758	(3,500)	(5.67)
Other Assets	160,750	165,070	(4,320)	(2.62)
Total Assets	2,761,461	2,829,033	(67,572)	(2.39)
Current Liabilities	320,098	331,856	(11,758)	(3.54)
Other Liabilities	15,897	11,436	4,461	39.01
Total Liabilities	335,995	343,292	(7,297)	(2.13)
Capital stock	444,451	444,451	-	-
Capital surplus	1,298,953	1,298,953	-	-
Retained Earnings	702,602	776,923	(74,321)	(9.57)
Other Adjustments	(20,540)	(34,586)	14,046	40.61
Non-controlling interest	-	-	-	
Total Stockholders' Equity	2,425,466	2,485,741	(60,275)	(2.42)

Analysis of items that have major changes:
1.Property, Plant and Equipment: The decrease was mainly due to decrease in additions of property, plant and equipment.
2.Other Liabilities: The increase was mainly due to increase in lease liabilities - non-current.
3.Other Adjustments: The increase was mainly due to increase in exchange differences on translating foreign operations gain.

5.2 Analysis of Financial Performance

Unit: NT$ thousands

Item \ **Year**	2024	2023	**Difference**	
			Amount	%
Net Sales	1,792,664	1,856,324	(63,660)	(3.43)
Cost of Sales	1,108,799	1,100,978	7,821	0.71
Gross Profit	683,865	755,346	(71,481)	(9.46)
Operating Expenses	737,186	794,756	(57,570)	(7.24)
Operating Income (Loss)	(53,321)	(39,410)	(13,911)	(35.30)
Non-operating Income and Expenses	74,203	34,665	39,538	114.06
Net Income (Loss) Before Income Tax	20,882	(4,745)	25,627	540.08
Income Tax Expense	8,236	7,601	635	8.35
Net Income (Loss)	12,646	(12,346)	24,992	202.43
Comprehensive income attributable to				
Shareholders of the parent	12,646	(12,346)	24,992	202.43
Non-controlling interest	-	-	-	-

Analysis of items that have major changes:
1. Decrease in operating income: The decrease was mainly due to decrease in net sales and gross profit.
2. Increase in non-operating income and expenses: The increase was mainly due to government grants and increase in net foreign exchange gain.
3. Increase in net income before income tax, net income and net income attributable to shareholders of the parent: The increase was mainly due to increase in non-operating income and expenses.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Liquidity Analysis for the last two years

Item \ Year	2024	2023	Variance (%)
Cash Flow Ratio (%)	30.45%	131.13%	(77)
Cash Flow Adequacy Ratio (%)	108.71%	129.67%	(16)
Cash Reinvestment Ratio (%)	3.52%	16.04%	(78)

Analysis of financial ratio change:
1.Cash flow ratio: The decrease was mainly due to decrease in net cash provided by operating activities.
2.Cash reinvestment ratio: The decrease was mainly due to decrease in net cash provided by operating activities.

5.3.2 Remedy for Cash Deficit and Liquidity Analysis: As a result of positive operating cash flows and cash on-hand, remedial actions are not required.

5.3.3 Cash Flow Analysis for the Coming Year

Estimated Cash and Cash Equivalents, Beginning of Year(1)	Estimated Net Cash Flow from Operating Activities(2)	Estimated Cash Outflow (Inflow)(3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
1,131,962	158,000	(207,000)	1,082,962	-	-

Analysis of cash flow:
1. Operating activities: cash inflow from net income.
2. Investing activities: primary for payments for equipment and software.
3. Financing activities: primary for cash dividend payment.

5.4 Major Capital Expenditure Items: None.

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

5.5.1 Investment Policy:

The Company's management team makes reinvestment based on factors such as operational needs or considerations of the company's future growth. Regarding the organizational type, investment purpose, location, market conditions, business development, possible joint venture partners, shareholding ratio, and reference price of the reinvested business carry out detailed assessments of items such as financial conditions and make investment proposal assessment recommendations for the decision-making authority as the basis for investment decisions. In addition, the Company also keeps abreast of the operating conditions of the invested business for the invested business, analyzes the investment effect, and facilitates the decision-making authority as the follow-up evaluation of the management after investment.

5.5.2 Investment situation:

Unit: NT$ thousands As of 12/31/2024

Investor	Location	Main Businesses and Products	Balance as of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
			Shares (Thousands)	Percentage of Ownership	Carrying Amount			
MBI Group Inc.	Samoa	Investment	-	100	$403,816	$11,064	$11,064	Subsidiary
Macrostar Inc	TW	Investment	1,180	100	3,913	(32)	(32)	Subsidiary
Macroblock (Singapore) Pte. Ltd.	Singapore	R&D and sales of IOT integrated service solutions and related lighting equipment	250	100	3,600	(322)	(322)	Subsidiary

Juxin Photoelectricity (Shenzhen) Ltd.	China	Integrated circuit (IC) design and provision of related services, sale of IC products, wholesale and retail of electronic component, development and sale of software	-	100	378,570	11,292	11,292	Associate
Juxin Electronics (Shenzhen) Ltd.	China	Integrated circuit (IC) provision of related services, sale of IC products, wholesale and retail of electronic component, sale of software	-	100	29,091	148	148	Associate

5.5.3 The main reason for profit or loss and its improvement plan:

The Company's reinvestment actively cooperates with the Company's long-term strategic planning. The main reason for the profit of investment in mainland China is that the operation of the reinvestment business reaches economic scale and the management system is implemented. The company will continue to guide and support the affairs required by the subsidiary.

5.5.4 Investment plan for the coming year：

In response to product line and global layout needs, the company actively seeks upstream and downstream integration or cooperation plans to strengthen the Company's competitiveness.

5.6 Analysis of Risk Management

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

(1) Interest rate

The Company maintains a healthy capital structure. The fluctuations of interest rates potentially have an impact on the interest rates of the Company’s fixed deposits. The amount of interest income from fixed deposits for the year 2024 was NT$17,970 thousand (the consolidated interest income from fixed deposits for the year 2024 was NT$19,514 thousand). Currently, the Company maintains good relationships with banks. The Company places its funds in bank fixed deposits and short-term bonds that are highly liquid to protect the investment principal and manage risks.

(2) Foreign exchange rates

The Company structures its operations to match currencies as much as possible between sales and procurement transactions which are both quoted in the U.S. dollars and Renminbi mainly, so that part of the foreign exchange risks can be hedged against naturally. In addition, the Company regularly reviews its foreign exchange net position to monitor the income/loss from foreign exchange transactions. The Company also uses spot rates, forward contracts and other foreign exchange hedging tools to manage the foreign exchange risks. The foreign exchange gain recorded in 2024 was about NT$25,792 thousand (the consolidated foreign exchange gain for 2024 was NT$25,787 thousand). The Company does not foresee any significant foreign exchange risks that may negatively affect the Company’s operations.

(3) Inflation

The Company’s sales transactions are mainly carried out in China, Europe and America. Inflation and deflation risks do not currently have a significant impact on the Company’s profits and business operations.

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company takes a prudent and conservative approach in its financial management policies. The Company does not invest in any high-risk and high-leveraged financial instruments. During 2021 and as of the date of publication of this annual report, there are no monies loaned to other parties nor are there any endorsement guarantee made for other parties by the Company.

The derivative instruments purchased relate to the forward contracts used for foreign exchange hedging. In addition, in accordance with the Company's "Procedures for acquiring or disposing of assets", the Company is not allowed to purchase any derivative instruments that are non-hedging related, and the Company is required to only transact with banks of good creditability so as to minimize the credit risk.

5.6.3 Future Research & Development Projects and Corresponding Budget

Display applications are the most widely used photoelectric devices. As flat-panel displays become more widely used, integrated circuit solutions for display applications have also become more important. Display components, such as the LCD, LED, OLED, PDP, etc., all differ in their characteristics that cause their performances to vary in different type of display applications. In recent years, the extended reality (XR) technology has been used in a variety of displays to meet the growing demand for online learning, online meetings, online events, and online performances. The demand for LED displays combined with the XR technology has bloomed in recent years for the immersive experience the LED displays are capable of bringing to the audience. This also means that the LED display quality has become more important than before.

Going forward, the Company will continue to innovate and improve on its LED Driver IC display technology and develop Mini/Micro LEDs for display-related applications. It is estimated that the R&D expenses invested will account for approximately 20%-25% of the annual turnover.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company consistently pays a close attention to the changes in local and foreign policies and makes appropriate amendments to our internal procedures where necessary. Employees stationed in foreign countries also reports regularly to the head office and provides updates on the relevant foreign laws and regulations. During 2024 and as of the date of publication of this annual report, changes in related laws have not had a significant impact on our operations.

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

The Company is committed to mixed-signal integrated circuit design and provides professional solutions for optoelectronic applications. In a wide range of optoelectronic components, the Company selects the appropriate components as the core of technological development. The scope of technological development includes product performance, functions, practicability, reliability, price and design flexibility and the objectives center around achieving maximum customer satisfaction, product performance excellence and continuous product improvement. The Company explores the characteristics of the market, understands the key technology aspects to be developed in order to fully utilize the advantages of the product, and uses advanced semiconductor manufacturing processes to cost advantages and maintain competitiveness. In addition, selecting the mainstream semiconductor process can ensure sufficient supply capacity, and the fast manufacturing cycle can directly meet the delivery time of customers' products. Therefore, the Company's technological development plan is sufficient to cope with the impact of technological changes and industrial changes. Please refer to page 66 for information security risk.

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

Since its establishment, the Company actively strengthens its internal controls to improve management quality and efficiency. The Company's corporate image did not change significantly in 2024, and there were no negative reports made against the Company in the market.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

The Company has no ongoing merger and acquisition activities. For future M&A activities, the Company will perform feasibility evaluation and execution in accordance with its internal control policies.

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

In order to meet the Company's operational growth, after assessing the current and future business and manpower needs, the Company planned and leased an appropriate plant space in Xinpu, Hsinchu in 2018. In 2019, in response to the production needs of new business units, the Company rented a clean room factory in Pingzhen, Taoyuan, to carry out packaging processes of the Mini/Micro LEDs. The internal configuration of the plant and other requirements have been carefully evaluated and analyzed by the Company, so that the office space can be used efficiently and meet the operational needs of the employees. Personnel offices and laboratories are also in place to support customer service and product development. The current benefit assessment is in line with the Company's expectations.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

The Company did not notice any obvious excess customer concentration situation. In terms of procurement, given the nature of an LED driver IC design company, the manufacturing process mainly involves CMOS fabrication process. The raw materials required for this process are mainly six to eight-inch epitaxial silicon wafers. The Company’ s suppliers are the Taiwan Semiconductor Manufacturing Company and Vanguard International Semiconductor Corporation. As the Company’ s product lines grow, the Company will progressively identify alternative procurement sources to reduce the risk of excessive concentration of purchasing sources and ensure the future supply of production capacity.

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

The shareholdings of the Company’ s directors and supervisors have been stable during the years, and there has been no major transfers or swaps of shares.

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights

The Company's operation and shareholding structure are stable. Hence, the Company does not foresee any risks of management rights changes.

5.6.12 Litigation or Non-litigation Matters

(1) Major ongoing lawsuits, non-lawsuits or administrative lawsuit: None.

(2) Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors, supervisors or shareholders with over 10% shareholdings: None.

5.6.13 Other Major Risks

5.6.13.1 Potential risks and opportunities of climate change for companies now and in the future

On November 13, 2021, the 26th United Nations Climate Change Conference adopted the "Glasgow Climate Pact," reaffirming the Paris Agreement's objective of limiting global temperature rise to 1.5 degrees Celsius and phasing out coal usage gradually. Then, on December 13, 2023, the 28th United Nations Climate Change Conference passed a draft agreement to transition away from fossil fuels and accelerate the adoption of renewable energy. With 2030 as the interim target for carbon emission reduction, the imperative for the next 30 years lies in establishing business operations centered on decarbonization to achieve global net zero emissions between 2050 and 2060.

As the global climate changes, nations are taking proactive measures to address the looming climate crisis by investing in and developing alternative energy sources. They are also promoting assessments of companies' carbon footprints and their environmental conservation efforts. Energy conservation and

carbon reduction issues are intricately linked to the products and services offered by enterprises, directly or indirectly influencing their operations and consumer behavior.
The Restriction of Hazardous Substances (RoHS) directive, enacted on July 1, 2006, mandates that products sold in the EU must not contain certain hazardous substances, including lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls, and polybrominated diphenyl ethers. As an IC design company committed to green production and procurement, Macroblock continuously develops green energy products. All our products have transitioned to lead-free variants in compliance with RoHS requirements. We persist in innovating to create energy-efficient products, thereby reducing carbon emissions and advancing environmental conservation. We trust that these green energy products will unlock new opportunities while contributing significantly to environmental sustainability.

Table 2-2-3 Climate-Related Information of TWSE/TPEx Listed Company

Implementation of Climate-Related Information

Core element	TCFD recommended disclosure items	Execution details
Governance	1.Describe the board of directors' and management's supervision and governance of climate-related risks and opportunities	The board of directors serves as the highest governing body overseeing climate-related risk management within our company. In June 2022, we established the Advisory Committee for Greenhouse Gas Protocol, equipping its members with comprehensive training on greenhouse gas accounting procedures. Notably, we revised the baseline year to 2022. The Sustainability Committee is scheduled to be established in August 2024. Chaired by the General Manager's Office, this task force will annually assess and validate various risk factors, both internal and external, including the discernment and evaluation of climate change risks and strategies to mitigate climate impacts. Regular meetings will be held throughout the year to facilitate discussions relating to corporate sustainability and climate change-related matters. Through diligent actions, we remain committed to fulfilling our corporate social responsibilities, regularly reporting our progress to the board of directors.
Strategy	2.Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The significant climate risks faced by the company mainly stem from the demands of key stakeholders such as customers and investors for greenhouse gas reduction and compliance with energy efficiency standards. Opportunities arising from climate change primarily manifest in our product and service offerings. With a diverse product portfolio aligned with sustainability practices, our company stands to benefit from supportive policy incentives. Additionally, responding to market demands with energy-saving and waste-reducing products and services allows us to tap into new markets. In accordance with the company's internal management timeline, we define climate-related risks and opportunities based on short-term (1–3 years), medium-term (3–9 years), and long-term (10 years or more) horizons. We evaluate the potential impacts of climate risk factors on our strategic, operational, and financial planning. In 2023 (Year 112 of the ROC calendar), the company completed its ISO 14064-1 greenhouse gas inventory verification and will continue to conduct annual verifications. We actively promote carbon reduction

		initiatives with the ultimate goal of achieving net-zero carbon emissions by 2050. a. Short-term strategy: Comply with policy and regulatory requirements, including enhancing emissions reporting obligations and preparing sustainability reports; establish carbon reduction strategies; and develop and expand low-carbon products and service opportunities. b. Medium-term strategy: Monitor the development of national policies such as carbon pricing mechanisms, carbon fees, and low-carbon energy. Formulate responsive measures, adopt relevant certifications in response to customer requirements, and gather market trends to integrate key technologies. c. Long-term strategy: Assess the impacts of increased frequency of extreme weather events and rising average temperatures on the company. Explore more efficient operational models, manufacturing, and logistics processes to reduce operating costs and mitigate corporate risks.
	3.Describe the financial impact of extreme weather events and transformative actions.	**Financial Impacts of Extreme Weather Events:** a. Disruptions in operations and production at company sites and among suppliers may affect product quality and delivery, resulting in delayed customer orders and decreased revenue. b. Employee commuting difficulties and forced suspension of business travel. c. Increased operational costs due to the need for commercial fire and natural disaster insurance coverage. **Financial Impacts of Transition Actions:** a. Technology Perspective – Promotion of Low-Carbon Alternatives: 1) Increased costs for transitioning to low-carbon technologies and reduced demand for products and services may lead to lower revenue; the company will continue to monitor customer needs for low-power consumption. 2) Products and Services: Develop low-energy-consumption key components and engage in co-design efforts with system integrators or customers. b. Market Perspective – Changes in Customer Behavior: Customers are increasingly requesting the establishment of dedicated project teams, completion of product carbon footprint questionnaires, acquisition of GHG inventory certifications, declarations of net-zero targets, and use of renewable energy sources. 1) Rising costs for system implementation and consulting services. 2) Potential customer migration, leading to reduced revenue. c. Policy and Regulatory Perspective – Mandatory Use of Renewable Energy: While the company is currently not classified as a major electricity consumer and is not subject to mandatory requirements, future regulatory changes could increase operational costs.
	4. Describe how the processes of identifying, assessing, and managing climate	The Sustainability Committee is responsible for coordinating and evaluating company-wide climate-related risks and opportunities, including setting targets and promoting action plans. Following the

Risk Management	risks are integrated into the overall risk management system.	company's risk management procedures and under the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the committee identifies and assesses relevant risks, holds meetings to discuss and determine material issues, and incorporates climate change into the company's overall risk management. Based on this, appropriate control strategies and action plans are developed. Key indicators used by the company to assess climate-related risks include electricity consumption, greenhouse gas emissions, and the number of days of operational disruption.
	5. If scenario analysis is utilized to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts should be described.	In reference to the 1.5°C scenario published by the International Energy Agency (IEA), an analysis is conducted to simulate and evaluate the anticipated impact of future climate change. Following this assessment, scientifically grounded greenhouse gas reduction targets (SBT) are formulated, and future carbon reductions are estimated. These findings serve as a pivotal reference point for informing operational strategy adjustments. The company has designated 2022 (Year 111 of the ROC calendar) as the base year for estimating the carbon reduction ratio of Juji Technology. In order to achieve the NDC (Nationally Determined Contributions) greenhouse gas reduction targets by 2050 (Year 139), the company is focusing on energy-saving management in Scope 2 emissions, which constitute a significant portion of total greenhouse gas emissions.
	6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transitional risks	The company identifies physical and transition risks and opportunities based on its business type and operational conditions. a. Physical Risks and Implementation Plans: In the event that extreme weather disrupts company operations—causing employee absences, damage to facilities, or interruption of energy supply—the following response plans will be activated: (1) Activate the emergency response mechanism: provide advance notifications and contingency plans for routine business operations. (2) Initiate the secondary supplier backup plan. (3) Conduct customer visits and meetings via online conferencing. b. Transition Risks and Implementation Plans: Transition risks primarily stem from growing demands by key stakeholders—such as clients and investors—for corporate greenhouse gas reductions and compliance with energy efficiency standards. These demands include responding to product carbon footprint questionnaires, obtaining GHG inventory certifications, and adopting energy management systems.In response, the company actively promotes green energy and environmental policies by establishing energy-saving and carbon-reduction measures, encouraging energy-saving practices in offices and public areas, reducing waste, and implementing green procurement practices. Additionally, we are committed to building a green supply chain by sourcing low-pollution raw materials to minimize the risk of incidents and reduce operational losses caused by potential disasters.

Metrics and Goals	7.If internal carbon pricing is utilized as a planning tool, the basis for setting the price should be stated.	Based on the estimated carbon emissions of 862.49 metric tons of CO_2-e in 2024 (Year 113 of the ROC calendar), the projected carbon fee is approximately NT$258,747, calculated at a rate of NT$300 per metric ton of CO_2-equivalent. Current, the Company does not use internal carbon pricing as a planning tool.
	8. If climate-related targets have been established, it is imperative to specify the covered activities, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved annually..	The company is dedicated to reducing greenhouse gas emissions and promoting sustainable corporate development across all operational and production areas. It implements five key policies and activities aimed at fostering low carbon initiatives: (1) SUSTAINABLE PACKAGING: Adoption of eco-friendly packaging materials to mitigate emissions associated with production, transportation, and disposal (2) ENERGY-EFFICIENT PRODUCTS: Development of energy-efficient products to assist customers in reducing energy consumption and carbon emissions. (3) CIRCULAR ECONOMY INITIATIVES: Implementation of recycling programs, such as recycling used solder, parts, and LED modules, to minimize manufacturing-related pollution. (4) SUPPLY CHAIN SUSTAINABILITY: Collaboration with suppliers to reduce emissions throughout the entire supply chain. (5) CARBON REPORTING AND TRANSPARENCY: Public disclosure of carbon emissions data to ensure transparency regarding environmental impact and progress. The company primarily consumes electricity and emits greenhouse gases through the use of air-conditioners, office lighting, and production machines. To mitigate energy consumption, qualified energy administrators are employed to identify major energy consumption sources through energy usage analysis. They manage energy consumption by planning and implementing related energy management and conservation efforts. Continuous monitoring of energy consumption levels is conducted to effectively reduce energy consumption. In terms of the greenhouse gas planning schedule, the short-term goal is to decrease electricity consumption by 5% within five years. The mid-term goal is to obtain carbon inventory certification such as ISO14064-1. The long-term goal is to achieve net-zero carbon emissions by 2050, thereby contributing to climate change mitigation efforts.
	9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan	In accordance with ISO14064-1 standards, the company has been conducting regular internal greenhouse gas emissions inventory inspections since 2023, specifically during the first quarter of each year, although external verification has not been pursued. The GHG inventory boundary for 2024 covers Macroblock Inc. According to the inventory results, Scope 1 (direct emissions) totaled 48.79 metric tons of CO_2-e, while Scope 2 (indirect emissions) amounted to 813.70 metric tons of CO_2-e. The primary source of energy consumption is electricity. Moving forward, the company will

		continue to enhance information disclosure and progressively incorporate key data from its subsidiaries, demonstrating Macroblock's sustainable impact across the value chain. The company continues to promote energy-saving and carbon-reduction measures. The main initiatives include: a. Electricity: Adoption of energy-efficient and environmentally friendly lighting products, along with practices such as turning off air conditioning and lighting in meeting rooms when not in use, and minimizing lighting in offices and public areas during non-working hours. b. Water resources: Advocacy for water conservation practices, including controlling water flow from public restroom sinks and prioritizing the use of water-saving faucets and toilets during equipment replacements. Regular inspections of water-related equipment are conducted to detect and address leaks. c. Waste management: Promotion of waste reduction policies, such as encouraging double-sided printing and digitization of approval forms to minimize paper usage. Additionally, the use of eco-friendly packaging is encouraged to reduce carbon emissions throughout the production, transportation, and disposal processes.

The Company has set the following quantitative management measures in order to meet its energy saving as well as carbon, greenhouse gas, water and other waste reduction goals:

Energy saving, carbon and greenhouse gas reduction:

(1) Energy saving guidelines for operating production machines

A. Production capacity priorities are first given to those with higher production efficiency to save power consumption.

B. Adoption of best production practices to reduce greenhouse gas emissions.

(2) Office energy saving policies

A. Switching off power by zones after working hours. Switching off all lights and air- conditioners at night.

B. Digitalizing operation processes to reduce paper usage.

C. Replacing traditional lighting with energy-saving lights in factories to save 60% to 70% of the annual lighting electricity costs.

D. The car park of the Company's office building is installed with the Company's intelligent dimming lighting solution, which saves 60 to 70% of the annual electricity costs.

(3) Greenhouse gas emission reduction plan:

A. To maintain production capacity, the Pingzhen Plant has continued to improve its energy-saving measures. In 2023, by conducting on-site inspections and adjusting air conditioning system settings, the plant saved approximately 200,000 kWh of electricity compared to 2022. In 2024, through strict capacity control and consolidation of cleanroom equipment, it saved an additional 100,000 kWh compared to 2023, representing a 9.5% reduction from the previous year.

B. The air-conditioning system of the Company's office in Hsinchu is equipped with a monitoring system and an energy management system, which can save 2~3% of the electricity used for air-conditioning.

C. Planned replacement of high-energy-consuming equipment (such as old-type air compressors) and optimization of the operation mechanism of clean room air conditioners to reduce energy consumption。.

D. Reduced the energy consumption of air conditioners in the computer room, introduced automatic management of cooling facilities, and reduced energy waste caused by excessive cooling and improper scheduling of backup equipment。

E. Company vehicles will be replaced with hybrid vehicles to effectively improve fuel efficiency and save fuel consumption.

F. Regarding the greenhouse gas planning period, the short-term goal is to reduce electricity consumption by 5% within 5 years, the medium-term goal is to reduce electricity consumption by 10% in 2030, obtain carbon inventory certification such as ISO14064-1, and the long-term goal is to achieve net zero carbon emissions in 2050, so as to contribute to improving the earth's climate change.

(4) Greenhouse gas emissions, water consumption and total waste weight in the past two years: Scope of items coverage: Macroblock (includes Nanshan Warehouse, Xinpu Factory and Pingzhen Factory)

Items	2023	2024	Memo
Greenhouse gas emission	960.26 ktCO2e	862.49 ktCO2e	Mainly due to the company's continued promotion of carbon reduction measures and personnel reduction.
1)Scope 1	61.93 ktCO2e	48.79 ktCO2e	
2)Scope 2	898.33 ktCO2e	813.70 ktCO2e	
Greenhouse gas emission intensity	0.5173 ktCO2e / Million NTD	0.4813 ktCO2e / Million NTD	
Water consumption	10,177 degrees Celsius	8,888 degrees Celsius	
Water Intensity	5.4832 degrees Celsius / Million NTD	4.9598 degrees Celsius / Million NTD	
Waste generation	4.549kt	1.876kt	Scrapped ICs and related raw materials generated during production.
1) Harmful	1.712kt	–	
2) Harmless	2.837kt	1.876kt	
Waste Intensity	0.0024 ktCO2e / Million NTD	0.0010 ktCO2e / Million NTD	

(5)Main machine energy saving effect:

Machine type	Function	Original method	Energy saving method	Energy saving
Reflow oven	Die and circuit board fusion	24 hours start-up demand production	Centralized production electricity	About 3000 kWh of electricity
Air-conditioning system	Control the humidity level of clean room	Original system setup	Adjusting various parameters	About 50,000 kWh of electricity
Frequency conversion air compressor	Provide high pressure air for equipment	Non-inverter	Reduce pressure loss and valve control switch management	About 10,000 kWh of electricity

Water resource management

The Company purchases pollution prevention and energy saving equipment and uses an internal circulation filtration system. Through these systems, the water consumption can be lowered by 99.9% through sewage treatment and recycling to achieve the best use of water resources. Production machine water use only about 1 to 2 degrees of tap water per month to meet the needs of machine equipment production. The amount of water used in the Company's manufacturing process has always been very low, hence reduction targets are not applicable at this juncture.

Waste Management:

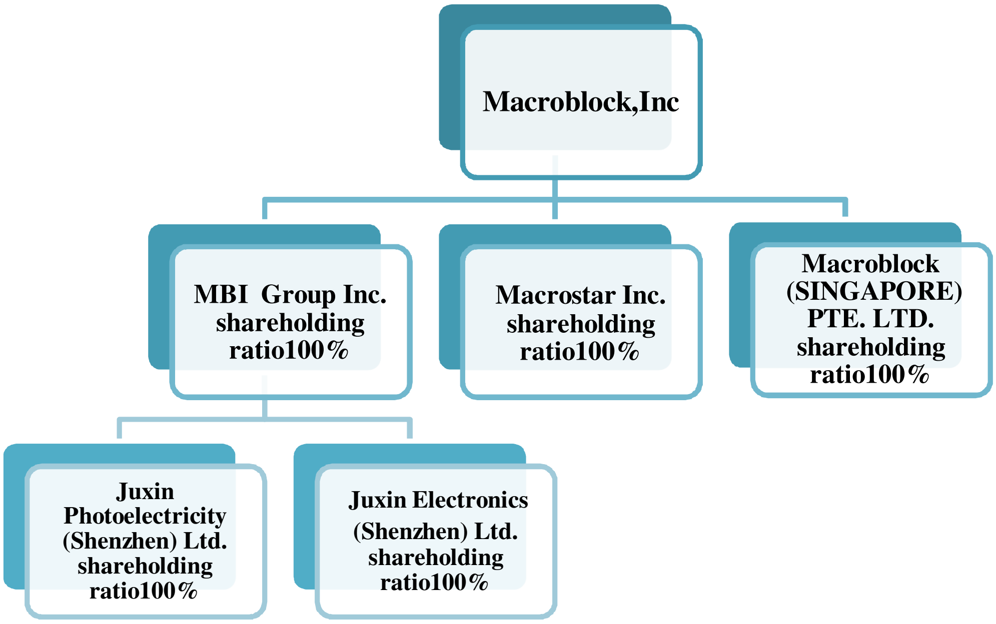
The Company strengthens waste management and focuses on waste reduction, effective classification, recycling, reuse and proper treatment, and continuously improves waste storage, transportation and treatment and its impact on the environment. Strictly select qualified waste cleaning and recycling partners and take the responsibility of supervision.

VI. Special Disclosure

6.1 Summary of Affiliated Companies

6.1.1 Affiliated business merger report

6.1.1.1 Organizational chart of affiliated companies:



6.1.1.2 Basic information of each affiliate:

December 31, 2024 ; Unit: NT$ thousands

Name of entity	Date of incorporation	Address	Paid-up capital	Main business activities
MBI Group Inc.	2004.11.08	Level 1,Central Bank of Samoa Building,Beach Road, Apia, Samoa.	RMB 39,241 (NTD176,602)	Investment
Juxin Photoelectricity (Shenzhen) Ltd.	2005.12.29	Room 1105, 1106, Xinzhoubang Technology Building, No. 9 Changye Road, Liulian Community, Pingshan Street, Pingshan District, Shenzhen	RMB 32,815 (NTD147,636)	Integrated circuit (IC) design and provision of related services, sale of IC products, wholesale and retail of electronic component, development and sale of software
Macrostar Inc.	2013.02.26	No. 18, Puding Road, Hsinchu City, 10F	NTD 11,800	Investment
Macroblock (SINGAPORE) PTE. LTD.	2017.06.05	138 Cecil Street, #13-02 Cecil Court, Singapore 069538	SGD 250 (NTD 5,564)	R&D and sales of LED display modules and related lighting equipment
Juxin Electronics (Shenzhen) Ltd.	2023.08.22	Unit D,7Floor Golden Century Building,6033 shennan Road, Futian District,Shenzhen	RMB 6,426 (NTD 28,966)	Sale of Integrated circuit (IC) products, wholesale and retail of electronic component, sale of software

6.1.1.3 Information on the controlling and controlled entities presumably sharing the same shareholders: None.

6.1.1.4 Industries covered by the overall business of the related company:

Name of entity	Main business activities	Group division of work
MBI Group Inc.	Investment	N/A
Juxin Photoelectricity (Shenzhen) Ltd.	Integrated circuit (IC) design and provision of related services, sale of IC products, wholesale and retail of electronic component, development and sale of software	China market development , sales office and R&D office
Macrostar Inc.	Investment	N/A
Macroblock (SINGAPORE) PTE. LTD.	R&D and sales of LED display modules and related lighting equipment	N/A
Juxin Electronics (Shenzhen) Ltd.	Sale of Integrated circuit (IC) products, wholesale and retail of electronic component, sale of software	China market development , sales office

6.1.1.5 Information on the directors, supervisors, general manager of each affiliated company:

December 31, 2024 Unit: Shares thousands; NT$; %

Name of entity	Job title	Name or Representative	Shareholding	
			Number of shares	Proportion
MBI Group Inc.	Director	Macroblock,Inc, Representative: L.C. Yang	-	100%
Juxin Photoelectricity (Shenzhen) Ltd.	Director	Macroblock,Inc, Representative: L.C. Yang	-	100%
Macrostar Inc.	Chairman	Macroblock,Inc, Representative: L.C. Yang	1,180	100%
Macroblock (SINGAPORE) PTE. LTD.	Director	L.C. Yang	-	-
	Director	DARIUS YER HWEE LONG		
Juxin Electronics (Shenzhen) Ltd.	Director	Macroblock,Inc, Representative: L.C. Yang	-	100%

6.1.1.6 Performance of affiliated companies:

December 31, 2024 Unit: NT$ thousands

Name of entity	Capital Stock	Assets	Liabilities	Net Worth	Net Sales	Operating Income	Net Income (After Tax)	EPS (After Tax)
MBI Group Inc	176,602	408,751	-	408,751	-	-	11,064	NA
Juxin Photoelectricity (Shenzhen) Ltd.	147,636	591,493	212,923	378,570	1,197,922	7,622	11,292	NA
Macrostar Inc.	11,800	3,913	-	3,913	-	(35)	(32)	(0.03)
Macroblock(SNGAPORE) PTE. LTD.	5,564	3,702	102	3,600	-	(322)	(322)	(1.29)
Juxin Electronics (Shenzhen) Ltd.	28,966	30,713	1,622	29,091	28,661	95	148	NA

6.1.2 Consolidated Financial Statements:

The companies that are required to be included in the affiliated companies' consolidated financial statements are the same as those included in the consolidated financial statements of parent company and subsidiaries prepared in conformity with the International Accounting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the affiliated companies' consolidated financial statements is included in the consolidated financial statements of the aforesaid parent company and subsidiaries. Thus, the Company only presents the declaration on the cover page of the consolidated financial report of parent company and subsidiaries, and will not prepare separate affiliated companies' consolidated financial statements and its declaration.

6.1.3 Relationship report: Not applicable.

6.2 Status of private placement of securities during the most recent fiscal year and up to the date of publication of the annual report: None.

6.3 Other supplementary information: None.

VII. Any matter that has material effect on the shareholders' equity or the price of securities as set out in section 2, paragraph 3, Article 36 of the Company Act During the Last Fiscal Year and Until the Publishing date of the Annual Report.: None.

Macroblock, Inc.

Statement of Internal Control System

March 6, 2025

The internal control self-assessment of Macroblock, Inc. was conducted for the year ended December 31, 2024 based on the Company’s internal control system. The results are described as following:

1. Macroblock, Inc. acknowledges that the Board of Directors and the management are responsible for establishing, executing and maintaining an effective internal control system, which has been already set up. The purposes of the internal control system are to provide a reasonable assurance of achieving the goals of efficiency and effectiveness of the operations, such as profitability, performance and the safeguard of the assets, the reliability of the financial reports and the compliance with the applicable laws and regulations.
2. No matter how perfectly designed, the internal control system has its inherent limitations, and it can only provide reasonable assurance of achieving the three goals mentioned above. The effectiveness of the internal control system may subject to changes of environment and circumstances. Macroblock, Inc. has established an internal control system with self-monitoring capabilities, which can undertake corrective actions whenever a deficiency is identified.
3. Macroblock, Inc. evaluates the design and operating effectiveness of its internal control system based on the "Criteria for the Establishment of Internal Control Systems of Public Offering Companies" (hereinafter referred to as “the Criteria”).The Criteria is instituted for judging the effectiveness of the design and enforcement of internal control systems. There are five components for effective internal control as specified by the Criteria of which the procedures for effective internal controls are composed： (1) Control environment (2) Risk assessment (3) Control operation (4) Information and communication (5) Monitoring. Each of the elements in turn contains several items, and the Criteria shall be referred to for details.
4. Macroblock, Inc. has evaluated the design and effectiveness of its internal control system according to the aforementioned criteria.
5. Based on the findings of such evaluation, Macroblock, Inc. believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. The Statement of Internal Control will be an integral part of the annual report and prospectus of the Company and will be made public. Any false statement, concealment, or other illegality in the content made public will entail legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. The statement has been passed by the Board of Directors in the meeting held on March 6, 2025, with none of the eight attending directors expressing dissenting opinions on the content of the Statement.

Macroblock, Inc.

L.C. Yang
Chairman

Jack Lin
CEO

Macroblock, Inc.

Chairman: L.C. Yang