

REALTEK SEMICONDUCTOR CORP.

2024 Annual Report

The annual report is available at:

- I. Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>
- II. Realtek website for annual report: <https://www.realtek.com>

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Notice to Readers:

This annual report has been prepared originally in Chinese. The English version is a direct translation of the Chinese version.

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Please refer to the Luxembourg Stock Exchange official website for Realtek GDR Price.
Website: www.bourse.lu
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Letter to Shareholders

1. 2024 Operating Results

The semiconductor industry was poised for a resurgence in 2024 as customer and supply chain inventories gradually stabilized, end-market demand bounced back, and the rise of generative AI fueled the need for intelligent applications in servers and edge devices. According to the World Semiconductor Trade Statistics (WSTS), global semiconductor industry revenue was projected to reach USD 627 billion in 2024, marking a 19.0% increase from 2023. This remarkable growth was primarily driven by two sectors: memory, anticipated to grow by 81.0%, and logic products, expected to grow by 16.9%.

Amidst stabilizing demand in its key markets and the conclusion of inventory adjustments, Realtek achieved notable growth in both revenue and profitability in 2024, despite ongoing external uncertainties and challenges. The Realtek Group's consolidated revenue for 2024 amounted to NTD 113.4 billion, representing a 19.1% increase from the previous year. Operating gross profit reached NTD 57.16 billion, reflecting a 40.3% growth compared to the previous year. The net profit after tax was NTD 15.29 billion, a substantial 67.1% increase from the previous year, resulting in earnings per share of NTD 29.82.

Realtek remains committed to technological innovation, dedicated to enhancing product performance and differentiation, showcasing its competitive edge and outstanding performance in the global market. According to the Taiwan Intellectual Property Office's announcement of the top 100 domestic corporate patents for 2024, Realtek has secured 262 invention patents, ranking 6th. Additionally, the Company has been named one of Clarivate's "Top 100 Global Innovators" once again. These achievements highlight our proactive patent strategy and innovative prowess.

Furthermore, Realtek's products have demonstrated their strength in various industry evaluations in 2024, earning numerous awards and recognitions. At the 2024 Computex Taipei, Realtek's new generation IoT smart home SoC (RTL8730E) won the Best Choice Golden Award. Three other products—the 2.5GBASE-T1 MACsec Ethernet Transceiver (RTL9021AS), the Smart Automotive Audio Processor (ALC5575), and the Wi-Fi 7 4x5 Wireless SoC (RTL8934AR)—received Best Choice Category Awards. The 5 Gigabit Ethernet Controller (RTL8126-CG) won the 33rd Taiwan Excellence Award. The Automotive Smart Audio DSP with Neural Network Accelerator (ALC5575) received the 2024 Asia Golden Selection Award for "Best Potential IP/Processor of the Year." The IoT Smart Home SoC (RTL8730E) was awarded the "Hsinchu Science Park Outstanding Company Innovative Product Award" for 2024. Additionally, Realtek was named one of the world's most trustworthy tech hardware companies for 2024 by *Newsweek*.

These accolades not only affirm Realtek's product competitiveness and technical capabilities but also position the awarded products to contribute significantly to the Company's future growth momentum.

While committed to pursuing revenue and profit growth, Realtek is also actively working towards corporate sustainability. By strengthening corporate governance, promoting green operations, and innovating products, the Company creates a safe and happy work environment and drives various social care projects, exerting a positive corporate influence.

In 2024, Realtek signed the Science Based Targets initiative (SBTi) commitment, aligning their greenhouse gas emission reduction plan with the goal of limiting global temperature rise to 1.5°C, and pledged to achieve net zero emissions by 2050. Regarding renewable energy usage, Realtek aims to achieve RE50 by 2030 and RE100 by 2050.

The Biomedical Office 1, set to commence operations in 2025, is on track to obtain Taiwan's EEWB Gold Certification and the US LEED Gold Certification for green buildings. By designing low-power products and collaborating with key suppliers, Realtek aims to reduce greenhouse gas emissions from product manufacturing and usage. These goals and actions reflect Realtek's determination and efforts in achieving environmental sustainability.

2. 2025 Business Plan

Realtek remains focused on technical and product innovation to solidify its market leadership while actively

exploring emerging application markets to achieve steady growth in both revenue and profitability. Looking forward to 2025, with the gradual recovery in end-market demand and new opportunities driven by generative AI in edge computing and cloud servers, Realtek is allocating resources to develop more competitive new products in networking, consumer electronics, personal computers and peripherals, automotive, and other emerging applications. This strategic investment aims to promote mainstream market technology upgrades and expand niche application markets.

In response to the rapid development and technological advancements of generative AI, Realtek continues to release products that meet market's and customers' expectations. In the realm of wireless networking, since the Wi-Fi Alliance initiated Wi-Fi 7 product certification in 2024, Realtek's Wi-Fi Certified 7™ solutions have been successfully introduced in high-end PCs and router markets, with penetration rates expected to further increase in 2025. Additionally, as the demand for higher bandwidth and internet speeds grows, Wi-Fi 7 technology will gradually be adopted in gaming consoles and telecom broadband equipment.

Realtek, known as the enabler of mainstream market specifications, actively assists clients in optimizing solutions across various applications, driving market penetration through technological innovation and strategic market positioning. Realtek's IoT solutions, centered around AI edge computing, offer high efficiency and user privacy protection even without cloud collaboration. To achieve this, Realtek continuously enhances efficient cloud access capabilities while strengthening local sensing and AI computing abilities. This, combined with natural voice and image-based human-machine interfaces, has earned the trust of leading home appliance and consumer electronics brands.

In the Bluetooth chip sector, Realtek is dedicated to developing products that support high-performance microcontrollers (MCUs) and ultra-low power consumption combinations, ensuring cost advantages and compatibility. For example, high-performance MCU products cater to computer gaming peripherals, offering single-chip solutions for gaming keyboards and mice that support wired, wireless, and BLE modes. Ultra-low power consumption products include Apple/Google Find My personal Bluetooth item tracking solutions and low-power solutions for electronic shelf labels (ESL), actively expanding into new application areas driven by green trends.

Furthermore, Realtek continues to collaborate with IoT-related organizations and leaders. As a primary partner of the IoT standard "Matter," Realtek has introduced solutions that comply with this standard, helping clients address interoperability issues within smart homes. In 2025, Realtek plans to introduce solutions for more diverse application scenarios, providing consumers with a more intuitive, reliable, and secure smart home experience, thereby enhancing daily convenience.

In the realm of wired networking, the adoption rate of 2.5GbE and 5GbE Ethernet chips in the motherboard market has been increasing annually, driven by specification upgrades. Governments and telecom operators around the world are accelerating the implementation of 10GPON and Wi-Fi 7 router infrastructure upgrades, further boosting demand for multi-G Ethernet controllers and switches. Realtek introduced high-end campus network aggregation level 24/48*10GbE switch solutions in 2024, which have been adopted by major telecom companies. This is expected to drive new growth in their 2025 performance. In response to the trend of fiber optic network upgrades, Realtek launched the 25GPON Single Family Unit (SFU) solution, collaborating with several operators to deliver unprecedented 25Gbps fiber access speeds, showcasing Realtek's leadership in fiber-optic communication products (FTTx).

In the personal computer application sector, IDC reports indicate that PC shipments remained stable in 2024, showing a 0.8% increase compared to the previous year. In 2025, driven by the upgrade from Windows 10 to Windows 11, shipment growth is projected to reach 4.3%. Additionally, brand manufacturers are optimistic that AI PCs will become the key driver for PC upgrades in the coming years and are actively developing various new applications to enhance user experience. Realtek's audio products have incorporated Target Speaker Enhancement and Hearing Protection & Hearing Compensation technologies, focusing on privacy, security, and health. These innovations expand the application scope from online meetings and live streaming to generative AI applications.

In the field of image signal processing chips, Realtek's high-integration edge computing solutions, which offer power-saving and intelligent detection for human-machine interaction, have received high praise from leading PC brands and are being integrated into high-end commercial and consumer models. New products, featuring next-generation imaging technology, are expected to launch in 2025, maintaining Realtek's

market leadership. Furthermore, with the upgrade of high-speed interface product specifications, Realtek will successively introduce USB4 hubs, USB4 retimers, and USB4 v2 redriver solutions, providing customers with a comprehensive range of product options.

In the realm of multimedia applications, Realtek is at the forefront of developing advanced artificial intelligence (AI) technology for TV system-on-chip solutions. By integrating industry-leading image enhancement and audio optimization, Realtek delivers exceptional audiovisual experiences. The chips are equipped with AI analysis technology that can instantly recognize scenes and various objects within the images, automatically adjusting color, contrast, and brightness. Whether it is for movies, sports events, or gaming, the result is realistic detail and vivid color.

As we enter the AI era, Realtek's LCD controller chips not only meet the demands for high resolution, high refresh rates, and superior image color performance with the latest external display interfaces but also provide comprehensive solutions. These solutions include AI sensing monitors, AIoT monitors, and AIoT docking stations, which are equipped with AIoT and AI cameras, thus offering innovative applications for the industry.

Despite the automotive semiconductor market underperforming in 2024 due to end-market demand and inventory adjustments, the demand from major car manufacturers for automotive Ethernet continues to experience steady growth, driven by the continuous development of smart connected vehicles and zonal architecture. Realtek has outperformed the overall market by leveraging its comprehensive automotive Ethernet PHY and highly integrated switch product series. In 2024, Realtek successfully launched the 2.5GBASE-T1 automotive Ethernet controller chip, meeting the future demand for high-speed automotive Ethernet. Additionally, Realtek plans to develop a series of high-speed MIPI asymmetric PHY bridge transceivers suitable for automotive camera applications. Other products, such as automotive AI-supporting voice DSP SoC, power amplifier chip series, Wi-Fi/Bluetooth, and in-car entertainment system solutions, will also become key growth drivers for Realtek in the automotive sector over the coming years.

Benefiting from the growing demand for higher data transmission rates in data centers and telecommunications markets and the increased investment in network equipment by cloud service providers, the optical communication market is expected to maintain a high growth trend in the coming years. To capitalize on this trend, Realtek plans to launch 100G optical PHY products in 2025 and is actively developing PAM4 DSP chips that support cutting-edge 400G and 800G modules, comprehensively targeting future data center applications.

3. Strategy for Future Development and Impact by Competitive, Regulatory, and Macro Conditions

Looking ahead, the semiconductor industry will continue to be influenced by external factors such as national policies and international dynamics. However, with the gradual recovery of end-user demand, coupled with the development of AI servers and AI applications in devices, there is potential for growth driven by specification upgrades, new products, and new applications.

Realtek's various solutions have already integrated embedded AI accelerators, enhancing both audio-visual and network connectivity functionalities and performance. Additionally, Realtek leverages AI technology in daily operations to accelerate and optimize product development, as well as improve business process efficiency.

In response to the rapidly changing industry environment, Realtek remains committed to sustainable corporate development by continuously strengthening corporate governance and risk management, expanding investment in R&D, and attracting and nurturing professional talent. Our aim is to deliver more competitive and high-value-added solutions while also promoting a green supply chain to achieve net-zero targets and contribute to a sustainable planet.

Lastly, we express our gratitude to our shareholders for their long-term support and trust. We will continue to seize new growth opportunities and enhance shareholder value.

We wish you all health and success in the future.

Chairman: Chiu, Sun-Chien
President: Yen, Kuang-Yu
Controller: Chang, Jr-Neng

Corporate Governance Report

I. Information of Directors and Officers

1. Information of Directors

December 31, 2024

Title	Nationality/ Country of Origin	Name	Gender Age	Date Elected	Term of Office	Date First Elected	Shareholding When Elected(Note)		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Selected Education & Experience	Current Positions at the Company and other companies	Managers or Directors who are spouse or within second-degree relatives to each other		
							Share	%	Share	%	Share	%	Share	%			Title	Name	Relation
Director	Belize	United Glory Co., Ltd.	—	2024.05.30	3 years	2021.08.09	3,265,954	0.64%	3,265,954	0.64%	—	—	—	—	NA	NA	—	—	—
Chairman	ROC	United Glory Co., Ltd. Representative: Chiu, Sun-Chien	Male 61~70	2024.05.30	3 years	2000.06.09	883,831	0.17%	883,831	0.17%	1,384	0.00%	—	—	M.S. in Electrical Engineering, National Taiwan University	Chairman of Realtek Semiconductor Corp. Chairman/Director of Realtek Semiconductor Corp. affiliates	—	—	—
Vice Chairman	ROC	United Glory Co., Ltd. Representative: Huang, Yung-Fang	Male 51~60	2024.05.30	3 years	2018.06.05	42,205	0.01%	42,205	0.01%	75,625	0.01%	—	—	M.S. in Electrical Engineering, State University of New York, USA	Chief Executive Officer of Realtek Semiconductor Corp. Chairman/Director of Realtek Semiconductor Corp. affiliates	—	—	—
Director	ROC	Taotech Co., Ltd.	—	2024.05.30	3 years	2024.05.30	1,846,000	0.36%	3,166,000	0.62%	—	—	—	—	NA	NA	—	—	—
Director	ROC	Taotech Co., Ltd. Representative: Yeh, Po-Len	Male 61~70	2024.05.30	3 years	1991.06.26	1,773,899	0.35%	1,513,899	0.30%	208,398	0.04%	—	—	MSc. & Ph.D. in Material Engineering, Loughborough University of Technology, United Kingdom	Chairman/Director of Realtek Semiconductor Corp. affiliates	—	—	—
Director	ROC	Yen, Kuang-Yu	Male 51~60	2024.05.30	3 years	2021.08.09	23,948	0.00%	23,948	0.00%	4,000	0.00%	—	—	M.S. in Communications Engineering , National Chiao Tung University	President of Realtek Semiconductor Corp. Director of Realtek Semiconductor Corp. affiliates	—	—	—
Director	ROC.	Ni, Shu-Ching	Female 61~70	2024.05.30	3 years	1991.06.26	6,308,389	1.23%	6,308,389	1.23%	6,569,949	1.28%	—	—	Open Junior College	None	—	—	—
Director	ROC.	Dejia Investment Co., Ltd.	—	2024.05.30	3 years	2024.05.30	3,648,035	0.71%	3,668,035	0.72%	—	—	—	—	NA	NA	—	—	—
Director	ROC.	Dejia Investment Co., Ltd. Representative: Yeh, Ming-Han	Male 41~50	2024.05.30	3 years	2024.05.30	—	—	—	—	—	—	—	—	Bachelor, Industrial Design, Tatung University	Special Assistant of Realtek Semiconductor Corp. Chairman of Dejia Investment Co., Ltd. Director of HIXUAN Co., Ltd. Representative of juristic person director of Shiteh Organic Pharmaceutical Co., Ltd. Representative of juristic person director of Unitech Computer Co., Ltd. Representative of juristic person director of Unitech Electronics Co., Ltd.	—	—	—
Independent Director	ROC	Yang, Pan-Chyr	Male 71~80	2024.05.30	3 years	2024.05.30	—	—	—	—	—	—	—	—	Ph.D., Graduate Institute of Clinical Medicine, College of Medicine, National Taiwan University	Representative of Chairman and juristic person director of Diamond Biofund Inc. Professor, Department of Internal Medicine, College of Medicine, National Taiwan University Academician and researcher jointly recruited by Institute of Biomedical Sciences, Academia Sinica Executive Secretary, NTU Center of Genomic Medicine Program Director, Microarray Core Facility, National Research Program for Genomic Medicine President, Taiwan Society of Pulmonary and Critical Care Medicine Lung Cancer Program Co-Director of National Research Program for Genomic Medicine Professor, the Graduate Institute of Oncology of National Taiwan University, College of Medicine Dean, NTU YongLin Institute of Health Independent Director, Acer Incorporated	—	—	—
Independent Director	ROC	Ko, Fu-Hwa	Male 61~70	2024.05.30	3 years	2024.05.30	—	—	—	—	—	—	—	—	Ph.D., Electrical Engineering & Computer Science, University of California, Berkeley, USA	Managing Owner of SEMI DA Advisory LLC	—	—	—
Independent Director	ROC	Hsieh, Yin-Ching	Male 61~70	2024.05.30	3 years	2024.05.30	—	—	—	—	—	—	—	—	Bachelor, College of Law, National Taiwan University	Founder of Shay & Partners and leader of the TMT team Independent Director, Taiwan Cooperative Financial Holding Co., Ltd. Advisory committee , Mainland Affairs Council	—	—	—

Note: Shareholding When Elected refers to the number of shares recorded in the shareholder register as of April 1, 2024, when share transfers were suspended.

Table I: The major shareholders of institutional shareholders

December 31, 2024

Institutional Shareholders	Major Shareholders of Institutional Shareholders
Taotech Co., Ltd.	Apricus Capital Limited (shareholding: 30.12%) Shineway International Company Limited (shareholding: 30.12%) Genius Worldwide Corp. (shareholding: 30.12%) Supreme Holding CO. (shareholding: 9.64%)
Dejia Investment Co., Ltd.	Yeh, Ming-Han (shareholding: 33.34%) Yeh, Bo Chun (shareholding: 33.33%) Yeh, Wei Yen (shareholding: 33.33%)
United Glory Co., Ltd.	Target Way Co., Ltd. (shareholding: 100%)

Table II: The major shareholders of the major shareholders of institutional shareholders in Table I

December 31, 2024

Shareholder	Major Shareholders Holding
Target Way Co., Ltd.	Risetek Co., LTD. (shareholding: 100%)

2. Disclosure of professional qualifications of directors and independent status of independent directors

Criteria Name	Professional qualifications and experience (Note1)	Independent Status(Note2)	Number of other public companies concurrently serving as an independent director
United Glory Co., Ltd. Representative: Chiu, Sun-Chien	Business management, strategic planning, leadership and decision-making, international marketing, technology research and development	Please refer to page 8 of the annual report for the explanation of the Board's independence.	-
United Glory Co., Ltd. Representative: Huang, Yung-Fang	Business management, technology research and development, crisis management		-
Taotech Co., Ltd. Representative: Yeh, Po-Len	Business management, strategic planning, leadership and decision-making		-
Yen, Kuang-Yu	Business management, technology research and development, international marketing		-
Ni, Shu-Ching	Business management, accounting and financial analysis		-
Dejia Investment Co., Ltd. Representative: Yeh, Ming-Han	Business management, industry knowledge		-
Yang, Pan-Chyr	Biomedical Profession, business management, strategic planning		1
Ko, Fu-Hwa	Technology Profession, business management, industry knowledge		-
Hsieh, Yin-Ching	Legal profession, operational judgements, crisis management		1

Note: Directors of the Company are not of any conditions defined in Article 30 of the Company Act.

3. Diversity and Independence of the Board

(1) Diversity of the board of directors: The diversity policy for the Company's board members is as follows:

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members in consideration of business scale, the shareholdings of major shareholders, and practical operational needs. The composition of the board of directors shall be determined by considering diversity. An appropriate policy on diversity based on the Company's business operations, operating dynamics, and long-term development needs shall be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: gender, age, nationality, and culture.
2. Professional knowledge and skills: a professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. International market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

There are nine directors for the Company, three of them are independent directors. Each director has his or her own professional background, including business management, leadership decision, industry knowledge, technology research and development, financial accounting, marketing and sales, etc.

The specific management objective of the Company's board member diversity policy is that, the eight abilities the board of directors shall have need to possessed by at least five directors, and each individual board member possesses at least four of the eight abilities.

The Company's board currently has one female director and will continue to actively seek a suitable list of female director candidates in the future to enhance the diversity of the board.

For information on individual board members and their competencies, please refer to pages 5, 7, and Note 1 on page 29.

- (2) Independence of the board of directors: The Company has 3 independent directors, accounting for 1/3 of the board of directors.

The board of directors of the Company meets the following independence criteria:

1. Each director is not a family member of senior management who is employed by the Company or by a subsidiary of the Company
2. Each director is not (and is not affiliated with a Company that is) an adviser or consultant to the Company or a member of the Company's senior management.
3. Each director is not affiliated with a significant supplier of the Company.
4. Each director does not have any personal services contract with the Company or a member of the Company's senior management.
5. Each director is not affiliated with a not-for-profit entity that receives significant contributions from the Company.
6. Each director has not been a partner or employee of the Company's external auditor during the past three years.
7. Each director does not have any other conflict of interest that the board of directors determines to mean he or she cannot be considered independent.
8. The board of directors complies with the provisions of Article 26-3, Items 3 and 4 of the Securities and Exchange Act.
9. Each independent director meets the provisions of Article 3, Item 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

4. Information of President and Vice Presidents

December 31, 2024

Title	Nationality	Name	Gender	Date Appointed (Note)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Selected Education & Experience	Current Positions at other companies	Managers who are spouse or second-degree relative		
					Total	%	Total	%	Total	%			Title	Name	Relation
Chairman	ROC	Chiu, Sun-Chien	Male	1999.07.01	883,831	0.17%	1,384	0.00%	—	—	M.S. in Electrical Engineering, National Taiwan University	Chairman/Director of Realtek Semiconductor Corp. affiliates	—	—	—
CEO	ROC	Huang, Yung-Fang	Male	2015.04.27	42,205	0.01%	75,625	0.01%	—	—	M.S. in Electrical Engineering, State University of New York, USA	Chairman/Director of Realtek Semiconductor Corp. affiliates	—	—	—
President	ROC	Yen, Kuang-Yu	Male	2017.10.30	23,948	0.00%	4,000	0.00%	—	—	M.S. in Communications Engineering , National Chiao Tung University	Director of Realtek Semiconductor Corp. affiliates	—	—	—
CFO	ROC	Chern, Kuo-Jong	Male	2002.03.28	40,686	0.01%	—	—	—	—	MBA(Master of Business Administration), The City University of New York, USA	Director/Supervisor of Realtek Semiconductor Corp. affiliates	—	—	—
Vice President	ROC	Huang, Yee-Wei	Male	2014.03.24	188,560	0.04%	—	—	—	—	Ph.D. in Chemical Engineering, Kansas State University, USA	Chairman of Realtek Semiconductor Corp. affiliates	—	—	—
Vice President	ROC	Lin, Ying-Hsi	Male	2017.03.13	6,000	0.00%	—	—	—	—	M.S. in Electrical Engineering, National Taiwan University	Director of Realtek Semiconductor Corp. affiliates	—	—	—
Vice President	ROC	Tsai, Jon-Jinn	Male	2017.10.30	74	0.00%	—	—	—	—	M.S. in Electrical Engineering, National Taiwan University	Chairman of Realtek Semiconductor Corp. affiliates Director of Compal Broadband Networks Inc.	—	—	—
Vice President	ROC	Wang, Po-Chih	Male	2020.07.31	—	0.00%	—	—	—	—	MBA(Master of Business Administration), National Chengchi University	Director of C-Media Electronics Inc.	—	—	—
Vice President	ROC	Chang, Jr-Neng	Male	2007.03.16	35,045	0.01%	—	—	—	—	M.A. in Accounting, National Taiwan University	Supervisor of Realtek Semiconductor Corp. affiliates	—	—	—
Vice President	ROC	Shen, Jia-Ching	Male	2021.07.23	1,234	0.00%	—	—	—	—	Ph.D. in Communications Engineering, National Chiao Tung University	Director of Realtek Semiconductor Corp. affiliates	—	—	—
Vice President	ROC	Lee, Shang-Ta	Male	2021.07.23	5,000	0.00%	292	0.00%	—	—	M.E.S. in Computer and Communication Engineering, Queensland University of Technology	None	—	—	—
Vice President	ROC	Su, Chu-Ting	Male	2023.02.24	6,776	0.00%	—	—	—	—	M.S. in Electrical and Control Engineering, National Chiao Tung University	Director of Realtek Semiconductor Corp. affiliates	—	—	—
CISO	ROC	Weng, Chi-Shun	Male	2022.10.28	99	0.00%	—	—	—	—	Ph.D. in Communications Engineering, National Taiwan University	None	—	—	—

Note: The Date Appointed is the date to be appointed as an officer.

5. Remuneration for Directors and Officers

5.1 Directors' Remuneration

2024 / Unit: NT\$K

Title	Name	Director remuneration								Amount of Total Remuneration (A+B+C+D) and Proportion to Net Income (%)		Remuneration from concurrent position as employee								Amount of Total Remuneration (A+B+C+D+E+F+G) and Proportion to Net Income (%)		Remuneration from investee business other than subsidiaries or from parent company
		Base Compensation (A)		Pension (B)		Director Remuneration (C)		Business expenses (D)				Salaries, bonuses and special expenses (E) (Note 2)		Pension (F)		Profit distribution for employee compensation (G)						
		REALTEK	Consolidated Entities	REALTEK	Consolidated Entities	REALTEK	Consolidated Entities	REALTEK	Consolidated Entities	REALTEK	Consolidated Entities	REALTEK	Consolidated Entities	REALTEK	Consolidated Entities	Cash	Stock	Cash	Stock	REALTEK	Consolidated Entities	
Chairman	United Glory Co., Ltd. Representative: Chiu, Sun-Chien	—	—	—	—	91,000	91,000	1,008	1,008	92,008 0.60%	92,008 0.60%	127,472	127,472	1,283	1,283	113,234	—	113,234	—	333,997 2.18%	333,997 2.18%	None
Vice Chairman	United Glory Co., Ltd. Representative: Huang, Yung-Fang																					
Director	Taotech Co., Ltd. Representative: Yeh, Po-Len																					
Director	Yen, Kuang-Yu																					
Director	Ni, Shu-Ching																					
Director	Dejia Investment Co., Ltd. Representative: Yeh, Ming-Han	5,250	5,250	—	—	9,000	9,000	324	324	14,574 0.10%	14,574 0.10%	—	—	—	—	—	—	—	14,574 0.10%	14,574 0.10%	None	
Independent Director	Yang, Pan-Chyr																					
Independent Director	Ko, Fu-Hwa																					
Independent Director	Hsieh, Yin-Ching																					

Note 1: The relevant compensation of 960 thousand dollars for the drivers is not included.

Note 2: In addition to the above remuneration, the remuneration received by the directors of the Company in the recent year for providing services to all companies included in the financial report (such as serving as a non-employee consultant for the parent company / all companies included in the financial report / investee companies, etc.): 0.

Note 3: The independent directors of the Company's remuneration includes base compensation, directors' remuneration and business expenses. The remuneration of the Directors are determined by remuneration committee with reference to the industry's usual level of payment, and considerations of the performance evaluation results of the board of directors, individual board members, and functional committees, the time spent, and the responsibilities undertaken, etc. After evaluation of the relevance of individual performance and business performance and future risks, a proposal is submitted to the board of directors for discussion and approval.

Remuneration Range

Remuneration Range	Name of Directors			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	REALTEK	Consolidated Entities	REALTEK	Consolidated Entities
Less than \$1,000,000	Chiu, Sun-Chien, Huang, Yung-Fang, Yeh, Po-Len, Yeh, Ming-Han	Chiu, Sun-Chien, Huang, Yung-Fang, Yeh, Po-Len, Yeh, Ming-Han		
\$1,000,000 (incl.) - \$2,000,000 (excl.)				
\$2,000,000 (incl.) - \$3,500,000 (excl.)	Yen, Kuang-Yu, Ni, Shu-Ching	Yen, Kuang-Yu, Ni, Shu-Ching	Ni, Shu-Ching, Yeh, Ming-Han	Ni, Shu-Ching, Yeh, Ming-Han
\$3,500,000 (incl.) - \$5,000,000 (excl.)	Yang, Pan-Chyr, Ko, Fu-Hwa, Hsieh, Yin-Ching	Yang, Pan-Chyr, Ko, Fu-Hwa, Hsieh, Yin-Ching	Yang, Pan-Chyr, Ko, Fu-Hwa, Hsieh, Yin-Ching	Yang, Pan-Chyr, Ko, Fu-Hwa, Hsieh, Yin-Ching
\$5,000,000 (incl.) - \$10,000,000 (excl.)				
\$10,000,000 (incl.) - \$15,000,000 (excl.)				
\$15,000,000 (incl.) - \$30,000,000 (excl.)	United Glory Co., Ltd., Taotech Co., Ltd. Dejia Investment Co., Ltd.	United Glory Co., Ltd., Taotech Co., Ltd. Dejia Investment Co., Ltd.	United Glory Co., Ltd., Taotech Co., Ltd. Dejia Investment Co., Ltd.	United Glory Co., Ltd., Taotech Co., Ltd. Dejia Investment Co., Ltd.
\$30,000,000 (incl.) - \$50,000,000 (excl.)				
\$50,000,000 (incl.) - \$100,000,000 (excl.)			Chiu, Sun-Chien, Huang, Yung-Fang, Yeh, Po-Len, Yen, Kuang-Yu	Chiu, Sun-Chien, Huang, Yung-Fang, Yeh, Po-Len, Yen, Kuang-Yu
\$100,000,000 and above				
Total	12	12	12	12

5.2 Officer's Compensation

2024 / Unit: NT\$K

Title	Name	Salary (A)		Pension (B)		Bonuses and special expenses (C) (Note)		Employee compensation (D)				Total Amount of A+B+C+D and Proportion to Net Income (%)		Compensation from investee business other than subsidiaries or from parent company
		REALTEK	Consolidated Entities	REALTEK	Consolidated Entities	REALTEK	Consolidated Entities	REALTEK		Consolidated Entities		REALTEK	Consolidated Entities	
								Cash	Stock	Cash	Stock			
Chairman	Chiu, Sun-Chien	73,836	73,836	3,871	3,871	230,828	230,828	220,991	—	220,991	—	529,526 3.46%	529,526 3.46%	None
CEO	Huang, Yung-Fang													
President	Yen, Kuang-Yu													
CFO	Chern, Kuo-Jong													
Vice President	Tsai, Jon-Jinn													
Vice President	Lin, Ying-Hsi													
Vice President	Chang, Jr-Neng													
Vice President	Lee, Shang-Ta													
Vice President	Shen, Jia-Ching													
Vice President	Wang, Po-Chih													
Vice President	Su, Chu-Ting													
Vice President	Huang, Yee-Wei													
CISO	Weng, Chi-Shun													

Note: The relevant compensation of 960 thousand dollars for the driver is not included.

Compensation Range

Remuneration Range	Name of Directors	
	REALTEK	Consolidated Entities
Less than \$1,000,000		
\$1,000,000 (incl.) - \$2,000,000 (excl.)		
\$2,000,000 (incl.) - \$3,500,000 (excl.)		
\$3,500,000 (incl.) - \$5,000,000 (excl.)		
\$5,000,000 (incl.) - \$10,000,000 (excl.)		
\$10,000,000 (incl.) - \$15,000,000 (excl.)		
\$15,000,000 (incl.) - \$30,000,000 (excl.)		
\$30,000,000 (incl.) - \$50,000,000 (excl.)	Weng, Chi-Shun, Tsai, Jon-Jinn, Lin, Ying-His, Chang, Jr-Neng, Lee, Shang-Ta, Shen, Jia-Ching, Wang, Po-Chih, Su, Chu-Ting, Huang, Yee-Wei	Weng, Chi-Shun, Tsai, Jon-Jinn, Lin, Ying-His, Chang, Jr-Neng, Lee, Shang-Ta, Shen, Jia-Ching, Wang, Po-Chih, Su, Chu-Ting, Huang, Yee-Wei
\$50,000,000 (incl.) - \$100,000,000 (excl.)	Chiu, Sun-Chien, Chern, Kuo-Jong, Yen, Kuang-Yu, Huang, Yung-Fang	Chiu, Sun-Chien, Chern, Kuo-Jong, Yen, Kuang-Yu, Huang, Yung-Fang
\$100,000,000 and above		
Total	13	13

5.3 Employee's Compensation for Officers

2024 / Unit: NT\$K

Title	Name	Stock	Cash	Total	Percentage of net income after taxes (%)
Chairman	Chiu, Sun-Chien	—	220,991	220,991	1.45%
CEO	Huang, Yung-Fang				
President	Yen, Kuang-Yu				
CFO	Chern, Kuo-Jong				
Vice President	Tsai, Jon-Jinn				
Vice President	Lin, Ying-Hsi				
Vice President	Chang, Jr-Neng				
Vice President	Lee, Shang-Ta				
Vice President	Shen, Jia-Ching				
Vice President	Wang, Po-Chih				
Vice President	Su, Chu-Ting				
Vice President	Huang, Yee-Wei				
CISO	Weng, Chi-Shun				

6. Percentage of remuneration and compensation paid to Directors and Officers by the Company and all companies of the consolidated statements accounts for net income after taxes for the recent two years.

Percentage of remuneration and compensation paid to Directors and Officers by the Company and all companies of the consolidated statements accounts for net income after taxes for 2023	Percentage of remuneration and compensation paid to Directors and Officers by the Company and all companies of the consolidated statements accounts for net income after taxes for 2024
6.62%	4.56%

The 2024 annual remuneration of directors and compensation of employees was decided in accordance with the Company's articles of incorporation. If gained profits within a fiscal year, the Company shall allocate at a maximum of 3% of the profits as directors' remuneration, and allocate no less than 1% of the profits as employees' compensation. The decision for directors' remuneration was based on the board performance evaluation results of such aspects as the participation in the operation, the quality of the board of directors' decision-making, alignment of the goals and missions of the Company, awareness of the duties of a director, management of internal relationship and communication, the director's professionalism and continuing education, internal control, etc. The decision for officers' compensation was based on the performance appraisal indicators such as the length of service and position, performance, contribution to the Company's operation, industry benchmark, the Company's profitability, etc.

The directors' remuneration and officers' compensation were proposed to the board of directors after the resolution based on the performance evaluation results, the Company's operational performance, and future risk exposure approved by the remuneration committee, and processed after the approval of the board of directors. The directors' remuneration and employees' compensation will also be reported at the shareholders' meeting. The Company's remuneration committee and the board of directors will review the remuneration policies of directors and officers in a timely manner based on the actual operating conditions and relevant laws and regulations, in order to balance the Company's sustainable operation and risk control.

In order to encourage officers to pay attention to long-term comprehensive performance, actively fulfill corporate social responsibilities, achieve sustainable development goals, improve corporate governance, and protect the interests of investors, so as to achieve a win-win situation of economic and social benefits, the Company links the officers' compensation with their performance in environmental, social and corporate governance (ESG) aspects. The specific implementation method is that according to the ESG evaluation standards set by the Company, the Remuneration Committee conducts performance evaluation on individual indicator items related to officers. The indicators include green product innovation, carbon emission reduction, resource utilization efficiency, ecological protection measures, employee welfare, occupational safety and health, social welfare investment, corporate governance structure, information security management, risk management mechanism, etc. The ESG performance evaluation results will be used as part of the performance to calculate the adjustment coefficient for officers' base salary or bonus dividends.

7. The planning and operation of the succession of board members and senior management:

7.1 Succession planning for board members

There are currently 9 directors (including 3 independent directors) for the Company. The nomination and selection of directors take into account the overall capacity and diversity of the board of directors, and adjust the composition of members according to the results of performance evaluation and the need for substantive operations. The succession planning of the board of directors includes the succession of the senior management of the group, and the recruitment of external professionals with background of business management, law, accounting, industry, technology, or marketing.

7.2 Succession planning for senior management

The succession planning for senior management of the Company is mainly constructed as follows:

- (1) Based on the future development strategy, define the positions and talent needs of the Company, and review the succession planning regularly in response to changes in operations and strategies.
- (2) Develop competent talents with potential and capacities to enter the succession planning talent pool, and establish a comprehensive training mechanism and talent development plan for the talent pool.
- (3) Timely promote the mid-level managers as deputies for the high-level managers, and understand the development of the middle-level management through performance appraisal and as a reference for succession planning.

7.3 Operational situation

Currently there are many senior managers within the group who possess the management and professional abilities required to serve as directors. At the same time, the Company will also seek professional talents from outside and appoint independent directors in accordance with legal requirements to further enhance the function of corporate governance.

The Company has gradually implemented a succession plan for key management levels, including comprehensive training for senior managers and the implementation of a job agent system, and regular promotion of employees who meet the conditions for management positions. Trainings through job assignments and project tasks are offered to cultivate their judgment, management capabilities, and problem-solving abilities. This is aimed at improving the decision-making quality of the management level and preparing high-quality human resources for the Company's long-term development.

II. Corporate Governance

1. Operation of Board of Directors

Meeting count and attendance status of Board of Directors:

Term of the previous board of directors: August 9, 2021 to May 30, 2024

Term of the current board of directors: May 30, 2024 to May 29, 2027

The Board of Directors held meetings 6 times in 2024. Attendance status of Directors is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remarks
Chairman	United Glory Co., Ltd. Representative: Chiu, Sun-Chien	6	0	100%	None
Vice Chairman	United Glory Co., Ltd. Representative: Huang, Yung-Fang	6	0	100%	None
Director	Taotech Co., Ltd./ Sonnen Limited Representative: Yeh, Po-Len	6	0	100%	None
Director	Yen, Kuang-Yu	6	0	100%	None
Director	Ni, Shu-Ching	6	0	100%	None
Director	Dejia Investment Co., Ltd. Representative: Yeh, Ming-Han	4	0	100%	Newly elected on May 30, 2024.
Independent Director	Yang, Pan-Chyr	4	0	100%	Newly elected on May 30, 2024.
Independent Director	Ko, Fu-Hwa	3	1	75%	Newly elected on May 30, 2024.
Independent Director	Hsieh, Yin-Ching	4	0	100%	Newly elected on May 30, 2024.
Director	Cotek Pharmaceutical Industry Co., Ltd. Representative: Yeh, Nan-Horng	1	0	50%	Resigned on May 30, 2024.
Vice Chairman	United Glory Co., Ltd. Representative: Chern, Kuo-Jong	2	0	100%	Resigned on May 30, 2024.
Independent Director	Chen, Fu-Yen	2	0	100%	Resigned on May 30, 2024.
Independent Director	Tsai, Tyau-Chang	2	0	100%	Resigned on May 30, 2024.
Independent Director	Lo, Chun-Pa	2	0	100%	Resigned on May 30, 2024.

Other disclosures:

- 1.1 (1) Securities and Exchange Act §14-3 resolutions: Not applicable.
(2) Resolutions of the board of directors with objected or reserved opinions by independent directors and with records or written statements: Not applicable.
- 1.2 Execution of the directors' interests evasion: The directors have avoided the proposal with personal stake.
- 1.3 The goals for strengthening the powers of the board of directors and performance evaluation:
 - (1) Establishing functional committees: For the purpose of developing supervisory functions and strengthening management mechanisms, the Company has set up audit committee, remuneration committee, and nominating committee.
 - (2) Supervising sustainable development promotion performance: Supervision matters include sustainable development policies, systems or related management guidelines and specific promotion plans; major stakeholders and issues of their concern; the Company's implementation performance and reviews in corporate governance, fostering a sustainable environment, preserving social welfare and promoting economic development; improvement directions and goals for sustainable development in the future.

2. Board of Directors performance evaluation

- 2.1 Evaluation cycles: Conducting an internal board performance evaluation every year
- 2.2 Evaluation periods: From Jan. 1, 2024 to Dec. 31, 2024
- 2.3 Scope and method of evaluation: The performance evaluation of the board as a whole, individual board members and functional committees, including audit committee, remuneration committee, and nominating committee.
- 2.4 Method of evaluation: The internal evaluation of the board, self-evaluation by individual board members, and the internal evaluation of audit committee, remuneration committee, and nominating committee. The units conducting evaluations is nominating committee.
- 2.5 Criteria of evaluation:
 - 2.5.1 The board of directors' performance evaluation
 - (1) Participation in the operation of the Company;
 - (2) Improvement of the quality of the board of directors' decision-making;
 - (3) Composition and structure of the board of directors;
 - (4) Election and continuing education of the directors;
 - (5) Internal control.
 - 2.5.2 The board members performance evaluation
 - (1) Alignment of the goals and missions of the Company;
 - (2) Awareness of the duties of a director;
 - (3) Participation in the operation of the Company;
 - (4) Management of internal relationship and communication;
 - (5) The director's professionalism and continuing education;
 - (6) Internal control.
 - 2.5.3 Functional committee's performance evaluation
 - (1) Participation in the operation of the Company;
 - (2) Awareness of the duties of the functional committee;
 - (3) Improvement of quality of decisions made by the functional committee;
 - (4) Makeup of the functional committee and election of its members;
 - (5) Internal control.
- 2.6 Performance evaluation results: The 2024 performance evaluation results of the board, the board members, audit committee, remuneration committee, and nominating committee are all 'outstanding', and have been reported to the board of directors on February 27, 2025. The results of the performance evaluation will be used as a reference for the remuneration of individual directors or functional committee members and the nomination of continuation in office.

3. Operation of Audit Committee

The Audit Committee assists the Board of Directors in performing its supervision functions. It is also responsible for tasks defined by the Company Act, Securities and Exchange Act and other relevant regulations. The operation of Audit Committee is based on the Audit Committee Charter, and Audit Committee shall convene at least once quarterly. 6 meetings were held in 2024. It also maintains good communication channels with the Company's internal audit manager and the CPA.

The authorities of Audit Committee are as follows:

- (1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- (4) Matters in which a director is an interested party.
- (5) Asset transactions or derivatives trading of a material nature.
- (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
- (7) The offering, issuance, or private placement of equity-type securities.
- (8) The hiring or dismissal of a certified public accountant, or their compensation.
- (9) The appointment or discharge of a financial, accounting, or internal audit officer.
- (10) Quarterly financial reports.
- (11) Business reports and proposals for surplus distribution or loss offset.
- (12) Other material matters of the Company or regulated by the competent authority.

The major 2024 annual review matters of Audit Committee were as follows:

- (1) Financial statements.
 - (2) Internal control system.
 - (3) Material transaction of intercompany loans, and endorsement and guarantee.
 - (4) The audit plan and implementation of the internal audit unit.
 - (5) Appointment, remuneration and independence assessment of the CPA.
 - (6) Revising principles and policies related to corporate governance and risk management.
- .

Audit Committee Meeting Count and Attendance

Term of the previous audit committee: August 9, 2021 to May 30, 2024

Term of the current audit committee: May 30, 2024 to May 29, 2027

The Audit Committee held meetings 6 times in 2024. Attendance status of Independent Directors is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remarks
Independent Director	Yang, Pan-Chyr	4	0	100%	Newly elected on May 30, 2024.
Independent Director	Ko, Fu-Hwa	3	1	75%	
Independent Director	Hsieh, Yin-Ching	4	0	100%	
Independent Director	Chen, Fu-Yen	2	0	100%	Resigned on May 30, 2024.
Independent Director	Tsai, Tyau-Chang	2	0	100%	
Independent Director	Lo, Chun-Pa	2	0	100%	

Other disclosures:

3.1 (1) Securities and Exchange Act §14-5 resolutions

Date	Resolutions	The Opinions of All Independent Directors and the Company's Actions to the Opinions
Feb. 26, 2024	<ol style="list-style-type: none"> 2023 financial statements and consolidated financial statements. Report on the situation of related party transactions in 2023. The Company and its 100% invested subsidiary provide loans to their subsidiary respectively. The Company's auditor of financial statements and audit Fee for 2024. The effectiveness of the Company's 2023 Internal Controls and Statement of Internal Control System. 	All independent directors approved
Apr. 18, 2024	<ol style="list-style-type: none"> 2024 Q1 consolidated financial statements. The Company provides a loan to a subsidiary. Processing the renewal of a loan to a subsidiary. 2023 Business Report. Distribution of 2023 Retained Earnings. 2023 cash dividends distribution from retained earnings. Cash distribution from capital surplus. 	
May. 30, 2024	<ol style="list-style-type: none"> Election of the convener and chairman of the 3rd term audit committee. Personnel changes of CEO and Deputy CEO of the Company. 	
Jul. 25, 2024	<ol style="list-style-type: none"> 2024 Q2 consolidated financial statements. Purchasing an office in Taipei. To amend the Company's "Audit Committee Charter". To amend the Company's "Rules Governing Financial and Business Matters Between the Company and its Related Parties". To amend the Company's "Risk Management Methods and Procedures". 	
Oct. 29, 2024	<ol style="list-style-type: none"> 2024 Q3 consolidated financial statements. The Company extends the endorsement & guarantee period and adjusts the endorsement & guarantee amount for a subsidiary. The Company provides a loan to a subsidiary. Reporting transactions with the related party for 2025. 2025 Annual Audit Plans. To amend the Company's "Regulations Governing Procedure for Board of Directors Meetings". To amend the Company's "Corporate Governance Best Practice Principles". 	
Dec. 13, 2024	<ol style="list-style-type: none"> To establish the Company's " Regulations on Realtek's Sustainability-related Information Management ". 	

- (2) There was no resolution that was not approved by the Audit Committee but was approved by two thirds or more of all Directors.

1.2 Execution of the independent directors' interests evasion: None.

1.3 The communication between the independent directors and the internal audit manager and the CPA:

The Company's independent directors communicate with the CPA by the way of meetings, discussions, telephone calls or e-mails through the audit committee or separately to discuss the review results of the financial statements and related laws and regulations such as accounting, taxation, and securities management. If major issues occur, a meeting can be convened at any time.

The Company's independent directors communicate with the internal audit manager by the way of meetings, discussions, telephone calls or e-mails through the audit committee or separately to discuss the Company's audit-related works, audit reports, and the condition of discovering problems and tracking improvements. If major issues occur, a meeting can be convened at any time.

(1) The major items of communication between the independent directors and the CPA

Date	The Major Items of the Communication	The suggestions of independent directors and the Company's action to the suggestions
Feb. 26, 2024 (separate meeting)	The consolidated financial statement and independent auditor's report result for 2023 and Important audit events.	No suggestion from independent directors
Apr. 18, 2024 (separate meeting)	The consolidated financial statement and independent auditor's report result for the first quarter of 2024 and Important review events.	No suggestion from independent directors
Jul. 25, 2024 (separate meeting)	The consolidated financial statement and independent auditor's report result for the second quarter of 2024 and Important review events.	No suggestion from independent directors
Oct. 29, 2024 (separate meeting)	The consolidated financial statement and independent auditor's report result for the third quarter of 2024 and Important review events.	No suggestion from independent directors

(2) The major items of communication between the independent directors and the internal audit manager

Date	The Major Items of the Communication	The suggestions of independent directors and the Company's action to the suggestions
Feb. 27, 2024 (separate meeting)	Implementation of the audit plan for the fourth quarter of 2023	No suggestion from independent directors
Apr. 19, 2024 (separate meeting)	Implementation of the audit plan for the first quarter of 2024	No suggestion from independent directors
Jul. 30, 2024 (separate meeting)	Implementation of the audit plan for the second quarter of 2024	No suggestion from independent directors
Oct. 30, 2024 (separate meeting)	Implementation of the audit plan for the third quarter of 2024	No suggestion from independent directors

4. The state of the Company's implementation of corporate governance, and deviation of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.

Evaluation Item	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
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 established and disclosed the corporate governance best practice principles based on ‘Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,’ with a dedicated ‘Corporate Governance’ section on the Company’s website for all investors to inquire the Company’s corporate governance regulations.	—
2. Shareholding Structure and 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?	✓		The Company has set up an investor relations team and appointed a professional stock transfer agency to handle matters such as shareholder suggestions or doubts.	—
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		The Company regularly collects the shareholdings of directors and officers.	—
(3) Does the Company establish and implement the risk management and firewall system between it and its affiliated companies?	✓		In order to ensure the sound financial business dealings with related companies, preventing irregular transactions and improper transfer of interest; such as purchase and sale transactions, acquisition of assets for disposal, endorsement guarantees, and funds loans, the Company has established Rules Governing Financial and Business Matters Between the Company and its Related Parties. The Rules, which have been approved by the Board of Directors, not only include the management procedures for the purchase and sale of goods, the acquisition and disposal of assets, but also stipulate that all significant transactions of this nature shall be submitted to the board of directors for approval before being carried out. The actual transaction shall be reported in the most recent shareholders’ meeting after the end of a fiscal year.	—
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		On October 28, 2022, the board of directors of the Company approved the amendment to Regulation of Insider Trading. Directors shall not trade the Company’s shares during the blackout period of 30 days prior to the announcement of the annual financial reports and 15 days prior to the announcement of the quarterly financial reports. To avoid the directors from accidentally violating the regulations, the Company will regularly notify the directors about the blackout period prior to the announcement of the annual and quarterly financial reports. In accordance with the Company's Regulation of Insider Trading, educational sessions on the Regulation of Insider Trading and related laws are conducted at least once per year for current directors,	—

Evaluation Item	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
			<p>officers, and all employees. The education & promotion for newly elected directors and appointed officers shall be arranged within 3 months of taking office. HR division shall arrange the education & promotion for new employees during their education training.</p> <p>In 2024, relevant education & promotion for current directors, officers and all employees was conducted from January 2 to December 31. The total education training hours of regulation of insider trading for 2024 were 43.83 hours with 526 participants in relevant courses. The training content includes the confidentiality of material information, and the prohibition of using undisclosed information to engage in insider trading or disclosing it to others, preventing others from using such undisclosed information to engage in insider trading. The course briefings and audio-visual files are placed in the Company's internal system to provide new employees with relevant education training.</p>	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board formulate diversity policies, specific management objectives and implement it accordingly?</p>	✓		<p>The diversity policy for the Company's board members is as follows: The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members in consideration of business scale, the shareholdings of major shareholders, and practical operational needs. The composition of the board of directors shall be determined by considering diversity. An appropriate policy on diversity based on the Company's business operations, operating dynamics, and long-term development needs shall be formulated and include, without being limited to, the following two general standards:</p> <ol style="list-style-type: none"> 1. Basic requirements and values: gender, age, nationality, and culture. 2. Professional knowledge and skills: a professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. <p>All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:</p> <ol style="list-style-type: none"> 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. International market perspective. 	—

Evaluation Item	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
			<p>7. Ability to lead.</p> <p>8. Ability to make policy decisions.</p> <p>There are nine directors for the Company, three of them are independent directors. Each director has his or her own professional background, including business management, leadership decision, industry knowledge, financial accounting, international marketing, etc.</p> <p>The specific management objective of the Company's board member diversity policy is that, the eight abilities the board of directors shall have need to possessed by at least five directors, and each individual board member possesses at least four of the eight abilities.</p> <p>The specific management objectives of the Company's board member diversity policy are that each of the eight abilities that the board of directors shall possess is at least possessed by five directors, and individual board member possesses at least four of the eight abilities. The Company's current board of directors and all individual board members reaches the management objective of diversity policy.</p> <p>The abilities possessed by individual board members of the Company please refer to the note1.</p>	
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		The Company has set up nominating committee. Please refer to the operation of nominating committee section disclosed in annual report or the Company's website.	—
(3) Does the Company establish regulations governing the board performance evaluation and its evaluation method, regularly conduct performance evaluation every year, submit the results of performance evaluation to the board of directors, and base the determination of remuneration, the election or nomination of an individual director on the evaluation results?	✓		The Company has established regulations governing the board performance evaluation and its evaluation method, regularly conducts performance evaluation every year, and submits the results of performance evaluation to the board of directors. The 2024 performance evaluation results of the board, the board members, audit committee, remuneration committee and nominating committee are all "outstanding", and have been reported to the board of directors on February 27, 2025. The results of the performance evaluation will be used as a reference for the remuneration of individual directors or functional committee members and the nomination of continuation in office. Please refer to Board of Directors performance evaluation section disclosed in annual report or the Company's website.	—
(4) Does the Company regularly evaluate the independence of accountants?	✓		The Company evaluates the independence of the certified public accountants every year, in addition to requiring "statement of independence" from the certified public accountants, and evaluate the independence of the certified public accountants according to the Norm of Professional Ethics for Certified Public Accountant. Please refer to page 57 for the information of evaluation standard. The	—

Evaluation Item	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
			Company obtain the Audit Quality Indicators (AQIs) provided by the accounting firm to evaluate the audit quality of the accounting firm and the audit team based on five major aspects: professionalism, independence, quality control, monitoring, and creativity. After full communication with the certified accountants, the Audit Committee will evaluate the competency of the certified accountants one by one. After the assessment, the Company was not aware of anything that might affect the independence and competency of the certified accountant. The evaluation results of the most recent year were discussed and approved by the Audit Committee on February 26, 2025, were submitted to the Board of Directors for approval on February 27, 2025.	
4. Does the Company have an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer to be in charge of corporate governance affairs. (including but not limited to providing data demanded by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders meetings according to laws, and producing minutes of board meetings and shareholders meetings)?	✓		<p>The Company, approved by the board of directors, has appointed a chief corporate governance officer to be in charge of corporate governance affairs. The main duties include handling of matters relating to board of directors meetings and shareholders meetings in compliance with law, preparation of minutes of the board of directors meetings and shareholders meetings, assistance in onboarding and continuing education of the directors, provision of information required for performance of duties by the directors, assistance in the directors' compliance of law, report to the board of directors on the review results regarding whether independent directors meet the qualification requirements stipulated by relevant laws and regulations at the time of nomination, election, and during their tenure, handle matters related to director changes and other matters specified in the Company's articles of incorporation.</p> <p>The performance of duties for 2024 was as following:</p> <ol style="list-style-type: none"> 1. Assisted independent directors and directors in performing their duties, provided required information, and arranged directors' further education: <ol style="list-style-type: none"> (1) Provided onboard directors revision and development of the latest laws and regulations regarding company management field and corporate governance, and updated them regularly. (2) Reviewed the confidential level of relevant information and provided the Company information required by the directors, maintained smooth communication between the directors and officers. (3) Assisted in arranging relevant meetings when, in accordance with the corporate governance best-practice principles, independent directors needed to meet with the internal audit supervisor or accountants individually to 	—

Evaluation Item	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
			<p>understand the Company's finance and business.</p> <p>(4) Assisted independent directors and directors to formulate annual training plans and arrange courses based on the Company's industrial characteristics and directors' academic and professional experience background.</p> <p>(5) Regularly review the professional qualifications, independence, and concurrent independent directorship restrictions of the Company's current independent directors during their tenure to ensure they comply with relevant laws and regulations.</p> <p>2. Assisted that the procedures and resolutions of board of directors meetings and shareholders meetings were in compliance with laws:</p> <p>(1) Confirmed whether the convening of the Company's shareholders meetings and board of directors meetings were in compliance with relevant laws and corporate governance best-practice principles.</p> <p>(2) Assisted and reminded the directors of the laws and regulations to be followed when performing duties or making a formal resolution of the board of directors, and made suggestions when the board of directors will make a resolution in violation of the laws.</p> <p>(3) Checked the release of material information on important resolutions of the board of directors after the meetings, and ensured the legality and correctness of the content of the material information for the transaction information equality of investors.</p> <p>3. Informed directors of the agenda for board of directors seven days before the meeting, convened a meeting and provided meeting materials, reminded directors to recuse if there is a conflict of interest in the agenda items in advance, and completed the minutes of the board of directors meetings within 20 days after the meetings.</p> <p>4. Registered the date of the shareholders meeting in advance in accordance with the law, prepared meeting notices, handbook, meeting minutes within the statutory deadlines, and handled registration of change matters in the revised articles of incorporation or director election.</p> <p>Training situation: Professional training is arranged in accordance with the requirements of "Operation directions for compliance with the establishment of board of directors by TWSE listed companies"</p>	

Evaluation Item	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
			and the board's exercise of powers". Please refer to note 2.	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employee and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company has set up a stakeholder section on our website with a dedicated email for stakeholder communication and contact. Any question, suggestion, or complaints regarding issues of corporate social responsibilities can be channeled through this mailbox for open and effective communication.	—
6. Does the Company appoint a professional shareholder transfer agency to deal with shareholder affairs?	✓		The Company appoints Chinatrust Commercial Bank Transfer Agency to deal with shareholder affairs.	—
7. Information Disclosure (1) Does the Company have a corporate website to disclose the financial, business, and corporate governance information?	✓		The financial, business and corporate governance information has been disclosed on the Company's website. Investors can also access the Company's material information through the market observation post system.	—
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, implementing a spokesman system, webcasting investor conferences)?	✓		The Company has set up an English website, and has a spokesperson for external communication and designated personnel to disclose information about the Company and the institutional investor conferences at market observation post system in accordance with the statutory requirements.	—
(3) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	✓		The Company announced and reported the 2024 annual financial statements within two months after the end of the fiscal year, and announced and reported quarterly financial statements as well as the operating status of each month before the prescribed deadline.	—
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (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 liability insurance for directors and supervisors)?	✓		<ol style="list-style-type: none"> 1. The Company provides information on relevant regulations that directors should pay attention to at any time. 2. The directors of the Company attended the board of directors in good condition and all met the requirements of the laws. 3. The director is required to evade if the proposal has a stake in the directors. 4. The Company has purchased the liability insurance for directors, which was approved by the board of directors. 5. The Company protects the legitimate rights and interests of employees in accordance with the provisions of Labor Standards Act, and establishes a good relationship of mutual trust with employees through the welfare system enhancing the stability of employees' lives, and completed educational trainings. 	—
9. Please describe the improvement status according to the result of cooperate governance evaluation announced by cooperate governance center of TWSE, and the first priority improving items and measures on non-improving items : The company has implemented ISO 27001 and TISAX standards for information and communication security and obtained third-party certification in 2024. This ensures the effective execution and continuous improvement of our information security management system, enhancing the reliability of our information security management system.				

Evaluation Item	Implementation Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
Additionally, we have established an intellectual property management plan aligned with our operational objectives. The implementation of this plan was reported to the board of directors on October 30, 2024, and disclosed on the Company’s official website. The Company will continue to improve the transparency of information disclosure in line with corporate governance indicators, and promote the measures related to exercising corporate governance, fostering a sustainable environment, and preserve social welfare.				

Note1: The abilities possessed by individual board members of the Company

Directors	Gender	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	International market perspective	Ability to lead	Ability to make policy decisions
Chiu, Sun-Chien	Male	✓	✓	✓	✓	✓	✓	✓	✓
Huang, Yung-Fang	Male	✓		✓	✓	✓	✓	✓	✓
Yeh, Po-Len	Male	✓	✓	✓	✓	✓	✓	✓	✓
Yen, Kuang-Yu	Male	✓		✓	✓	✓	✓	✓	✓
Ni, Shu-Ching	Female	✓	✓		✓	✓	✓		✓
Yeh, Ming-Han	Male	✓		✓	✓	✓	✓		✓
Yang, Pan-Chyr	Male	✓	✓	✓	✓	✓	✓	✓	✓
Ko, Fu-Hwa	Male	✓	✓	✓	✓	✓	✓	✓	✓
Hsieh, Yin-Ching	Male	✓		✓	✓	✓	✓	✓	✓

Note 2: Professional training of corporate governance officer

Organization	Course	Course Date	Training Hours
Securities & Futures Institute	Carbon Rights Trading Mechanism and Carbon Management Application	2024/07/30	3
Accounting Research and Development Foundation	NVIDIA's Three Trillion Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	2024/08/08	3
Accounting Research and Development Foundation	2024 Prevention of Insider Trading Promotion Conference	2024/10/04	3
Accounting Research and Development Foundation	2024 Insider Equity Transaction Law Compliance Promotion and Briefing Session	2024/10/25	3

5. Members Background and Operation of Remuneration Committee:

5.1. Members Background of the Remuneration Committee

Criteria Title / Name		Professional qualifications and experience	Independent Status	Number of other public companies concurrently serving as an independent director
Independent Director (convener)	Yang, Pan-Chyr	Biomedical profession, business management, strategic planning Working experience: 45 years	Please refer to statement of note	1
Independent Director (member)	Ko, Fu-Hwa	Technology profession, business management, industry knowledge Working experience: 39 years		0
Independent Director (member)	Hsieh, Yin-Ching	Legal profession, operational judgements, crisis management Working experience: 39 years		1

Note : (1) Whether the person, the person's spouse, or relatives within the second degree serve as directors, supervisors, or employees of the Company or its affiliated companies: none;
(2) The shareholding numbers and proportion by the person, the person's spouse, or relatives within the second degree: 0;
(3) Whether the person serves as a director, a supervisor or an employee of a company with specific relationship to the Company: none;
(4) The amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in recent two years: 0.

5.2. Operation of Remuneration Committee status

1. There are 3 members of the Remuneration Committee.
2. Term of the previous remuneration committee: August 9, 2021 to May 30, 2024
3. Term of the current remuneration committee: July 30, 2024 to May 29, 2027

The Remuneration Committee held meetings 3 times in 2024. Attendance status of members is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remarks
Convener	Yang, Pan-Chyr	2	0	100%	Newly elected on July 30, 2024
Member	Ko, Fu-Hwa	2	0	100%	Newly elected on July. 30, 2024
Member	Hsieh, Yin-Ching	2	0	100%	Newly elected on July. 30, 2024
Convener	Tsai, Tyau-Chang	1	0	100%	Resigned on May 30, 2024
Member	Chen, Fu-Yen	1	0	100%	Resigned on May 30, 2024
Member	Lo, Chun-Pa	1	0	100%	Resigned on May 30, 2024

5.3. Regularly review performance evaluation and remuneration

1. The committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors.
 - (1) Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers.
 - (2) Periodically evaluate and prescribe the remuneration of directors and managerial officers.
2. When performing the official powers of the preceding paragraph, the remuneration committee shall follow the principles listed below:
 - (1) With respect to the performance assessment and remuneration of directors and managerial personnel of the Company, it shall refer to the typical pay levels adopted by peer companies, and take into

consideration the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure.

- (2) It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate.
- (3) It shall take into consideration the characteristics of the industry and the nature of the Company's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of the variable part of remuneration.
- (4) No member of the committee may participate in discussion and voting when the committee is deciding on that member's individual compensation.

3. The Company's Remuneration Committee and the Board of Directors review the remuneration policies for directors and officers in a timely manner, based on actual operating conditions and relevant laws and regulations. In order to promote the realization of ESG (environmental, social, governance) goals, ensure that the decisions and behaviors of directors and officers are consistent with the Company's ESG goals, and encourage directors and officers to pay attention to ESG performance, the Company has linked the ESG performance evaluation with the remuneration of directors and officers, and formulated ESG-related indicator as the basis of the evaluation. The board of directors supervises the implementation of this policy, regularly evaluates the implementation of the policy, and makes adjustments and optimizations as needed, thereby motivating directors and officers to actively participate in promoting the Company's sustainable development, achieving ESG goals, enhancing the Company's reputation and competitiveness, and attracting partners and investors who care about sustainable development.

Other disclosures:

1. If advice of the Remuneration Committee was not adopted or modified by the Board of Directors, the meeting date, period, content of proposals, meeting resolution, and the Company's action to the advices of the Remuneration Committee should be disclosed: None
2. If resolutions of the Remuneration Committee were objected or reserved with records or written statements by any member, the meeting date, period, content of proposals, opinions of all members, and action to the member's opinions should be disclosed: None
3. The major 2024 annual review matters of Remuneration Committee were to periodically evaluate and prescribe the remuneration of directors and managerial officers.
4. The discussion item and resolution results of the Remuneration Committee, and the Company's action to the advices of the Remuneration Committee:

Date	Content of proposals	Resolution results	The Company's action to the advices of the Remuneration Committee
Apr. 18, 2024	<ol style="list-style-type: none"> 1. Approve the distribution of 2023 directors' remuneration and officers' compensation. 2. Approve 2024 officers' salary adjustments. 	Approved by all members of the committee.	Processed as the resolution results of the remuneration committee.
Jul. 30, 2024	<ol style="list-style-type: none"> 1. Election of the convener and chairman of the 6th term Remuneration Committee. 	Approved by all members of the committee.	Processed as the resolution results of the remuneration committee.
Oct. 29, 2024	<ol style="list-style-type: none"> 1. Approve 2024 year-end bonus distribution for officers. 	Approved by all members of the committee.	Processed as the resolution results of the remuneration committee.

6. Members Background and Operation of Nominating Committee:

6.1 The Company established a Nominating Committee in October 2019. The qualifications for the selection of the nomination committee member are possessing professional capabilities in business management, strategic planning, accounting and financial analysis as a whole, and are capable to contribute to the operation and decision-making of the committee. The committee is composed of three independent directors. The convener and chairman of the meeting, Chen, Fu-Yen, has the abilities of business management and strategic planning. The independent director, Tsai, Tyau-Chang, has the abilities of legal profession and crisis management. The independent director, Lo, Chun-Pa, has the abilities of business management and accounting and financial analysis. All of which meet the professional abilities required by the committee.

The major duties of the nominating committee are as follows:

1. Developing the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the board, and finding, reviewing, and nominating candidates for directors based on such standards.
2. Establishing and developing the organizational structure of the board and each committee, and evaluating the performance of the board, each director, and each committee.
3. Establishing and reviewing on a regular basis programs for the succession plans of directors and senior executives.

6.2 There are 3 members of the Nominating Committee.

6.3 Term of the previous nominating committee: August 9, 2021 to May 30, 2024

6.4 Term of the current nominating committee: May 30, 2024 to May 29, 2027

The Nominating Committee held meetings 5 times in 2024. Professional qualifications and experience, and attendance status of members are as follows:

Title	Name	Professional qualifications and experience	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remarks
Convener	Yang, Pan-Chyr	Biomedical Profession, business management, strategic planning	3	0	100%	Newly elected on May 30, 2024.
Member	Ko, Fu-Hwa	Technology Profession, business management, industry knowledge	3	0	100%	Newly elected on May 30, 2024.
Member	Hsieh, Yin-Ching	Legal profession, operational judgements, crisis management	3	0	100%	Newly elected on May 30, 2024.
Convener	Chen, Fu-Yen	Business management, strategic planning	2	0	100%	Resigned on May 30, 2024.
Member	Tsai, Tyau-Chang	Legal profession, crisis management	2	0	100%	Resigned on May 30, 2024.
Member	Lo, Chun-Pa	Business management, accounting and financial analysis	2	0	100%	Resigned on May 30, 2024.

6.5 The discussion items and resolution results of the Nominating Committee:

Date	Content of proposals	Resolution results	The Company's action to the resolutions of the nominating committee
Feb. 26, 2024	1. 2023 Board and functional committees' performance evaluation results. 2. The number of directors (including independent directors) re-elected at the 2024 annual shareholders meeting and the qualifications of the board members.	Approved by all members of the committee.	Processed as the resolution results of the nominating committee.

Date	Content of proposals	Resolution results	The Company's action to the resolutions of the nominating committee
Apr. 18, 2024	1. Propose a list of candidates for directors (including independent directors).	Approved by all members of the committee.	Processed as the resolution results of the nominating committee.
May. 30, 2024	1. Election of the convener and chairman of the third term Nominating Committee.	Approved by all members of the committee.	Processed as the resolution results of the nominating committee.
Jul. 25, 2024	1. Propose a list of the 6th term Remuneration Committee members.	All members of the committee have recused themselves due to potential conflicts of interest, and the decision will be made by the board of directors.	Processed as the resolution results of the Board of Directors.
Oct. 29, 2024	1. Conduct 2024 performance evaluation of the board of directors and functional committees.	Approved by all members of the committee.	Processed as the resolution results of the nominating committee.

7. Promotion of Sustainable Development, Status, and Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Assessment Item	Implementation Status			Deviation from the 'Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies' and Reasons
	Yes	No	Summary	
1. Has the Company established a governance structure to promote sustainable development and set up full-time (part-time) units to promote sustainable development, and has the board authorized senior management to execute under the board's supervision?	✓		<p>The company's sustainable development organizational structure places the Board of Directors as the highest guiding authority, with the President's Office at the top management level. This office oversees the progress of key issues in various aspects of sustainable development, including economic, environmental, social, and corporate governance. The ESG Center is established under the President's Office with designated representatives from each department serving as the ESG committee members. Since 2008, the Company has been actively promoting issues related to corporate governance, R&D innovation, talent cultivation and development, environmental sustainability, and social inclusivity. Cross-departmental sustainability enhancement meetings are held at least once every quarter, with progress reported to the board at least once a year.</p> <p>The results of the 2024 sustainable development implementation were reported to the Board of Directors on October 30, 2024. The Board reviewed and approved the following reports: (1) Realtek's sustainable development achievements, (2) status of stakeholder communication, (3) integrity management promotion and operations, and (4) 2024 risk management implementation. The Board will continue to monitor the execution of various sustainable development strategies and programs, fulfilling its supervisory responsibilities.</p> <p>We will continue to work diligently towards accomplishing our six main goals and commitments, and refining the Company's ESG comprehensive development strategy: (1) adhering to sustainable goals and the spirit of integrity, (2) implementing Green Energy Policy and</p>	—

Assessment Item	Implementation Status			Deviation from the 'Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies' and Reasons
	Yes	No	Summary	
			Environmental Responsibility, (3) sustainable talent development and safe workplace, (4) partnership, service and quality, (5) innovative R&D to yield a rich and convenient world, (6) warming the hearts of people	
2. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	✓		<p>To fulfill our corporate governance obligations, maintain sustainable business goals, and address potential internal and external risks related to economic, social (people), and environmental factors, our company conducts risk assessments following materiality analysis procedures and establishes relevant risk management policies or strategies.</p> <p>The risk management organizational structure designates the Board of Directors as the highest governing body for risk management and the Audit Committee as the top supervisory entity for company risk management. The Risk Management Center is responsible for driving and executing risk management initiatives. Additionally, the independent audit unit under the Board of Directors conducts internal audits to ensure the continuous and effective implementation of the risk management system.</p> <p>Our scope of risk management covers strategic planning, operational management, financial operations, and hazard events, including risks related to climate change. Drawing on Enterprise Risk Management (ERM) procedures, the Risk Management Center conducts systematic risk assessments and identification mechanisms annually. This involves risk identification, risk measurement, risk monitoring, risk response, and risk reporting and disclosure. The center identifies risk management issues, monitors potential risks, and implements preventive measures to ensure the Company's ongoing operations and minimize potential impacts.</p> <p>Operational units compile and report on the execution of various risk management measures for 2024, which serves as the basis for the Risk</p>	—

Assessment Item	Implementation Status			Deviation from the 'Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies' and Reasons
	Yes	No	Summary	
			<p>Management Center's analysis and identification of significant risk issues closely related to the Company.</p> <p>Risk Management Implementation and Operations</p> <p>Our company manages risks based on type, with each operational unit implementing risk management measures. This ensures comprehensive risk control and prevention across the organization. Operational units submit risk management information to the Risk Management Center. For significant potential risks affecting operations or sustainable development, the Risk Management Center reports to the Audit Committee and the Board of Directors at least once annually.</p> <p>In July 2024, in response to the revised risk management practices guidelines for listed companies by regulatory authorities, the Risk Management Center submitted revised risk management measures to the Board of Directors and the Audit Committee, with key risk issues and results reported in October. This year, the Audit Committee and the Board of Directors have supervised and guided the relevant risk management issues presented by the Risk Management Center twice, thereby reinforcing the Company's overall operational risk management.</p>	
<p>3. Environmental Issues</p> <p>(1) Does the Company establish proper environmental management systems based on the characteristics of its industries?</p>	✓		<p>In 2006, the Company passed ISO14001 Environmental Management Systems certification. In October 2023, we completed the external audit of the ISO14001 recertification (valid from 2023/10/12 to 2026/10/12). We continue to implement the systematization of the environmental management system and advance towards the goal of environmental sustainability.</p>	—
<p>(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials that have</p>	✓		<p>In 2023, the Company obtained ISO50001 certification for energy management at the Hsinchu No. 1 office. The following year, in</p>	—

Assessment Item	Implementation Status			Deviation from the ‘Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies’ and Reasons
	Yes	No	Summary	
a low impact on the environment?			October 2024, we completed the certification for the Hsinchu No. 2 office and updated the certificate (valid from November 23, 2023, to November 22, 2026). We continue to enhance energy efficiency and advance towards our goal of net-zero emissions.	
(3) Does the Company monitor the impact of climate change on present and future operations and evaluate related opportunities? Does it establish measures to respond to climate change related impacts?	✓		The Company refers to the four core elements of governance, strategy, risk management, as well as indicators and targets in the "Task Force on Climate-Related Financial Disclosures" (TCFD) framework to identify the potential risks and opportunities brought about by climate change, and comprehensively examine the possible impact of climate change on Realtek's business operations to formulate and implement countermeasures due to climate change, so that various impacts of climate change can be effectively monitored, controlled and quickly responded to. Relevant assessment results and countermeasures taken will be published in the current year's ESG report.	—
(4) Has the Company taken inventories of greenhouse gas emissions, water use, and waste volume during the past two years? Does it adopt guidelines to conserve energy and reduce carbon and greenhouse gases emissions, water use, and waste generation?	✓		<p>The Company attaches great importance to the sustainable development of the environment and ecology. Self-check and annual disclosure on greenhouse gas discharge have been done since 2019.</p> <p>The energy management policy aims to achieve an RE (Renewable Energy) rate of 10% by 2025, 50% by 2030, and 100% by 2050. Realtek annually reviews the energy consumption data of its facilities, assessing and auditing the use of electricity, air conditioning, compressed air, and IT rooms. Subsequently, the Company proposes relevant optimization management plans, such as replacing old equipment with energy-efficient models, upgrading to LED lighting, and implementing rainwater recycling measures.</p> <ul style="list-style-type: none"> Electricity savings: In 2023 and 2024, the Company saved 3,558,000 and 3,464,000 kWh, respectively. Greenhouse gas inventory: In 2023 and 2024, the Company produced 31,032 and 28,650.61 metric tons of greenhouse gases, 	—

Assessment Item	Implementation Status			Deviation from the 'Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies' and Reasons
	Yes	No	Summary	
			<p>respectively. The 2024 greenhouse gas inventory is yet to be externally verified; the current data is based on internal calculation and will be fully disclosed in the ESG report upon verification.</p> <ul style="list-style-type: none"> Water consumption: In 2023 and 2024, the Company used 70.12 and 97.69 million liters, respectively. Total waste: In 2023 and 2024, the Company generated 632.78 and 659.65 metric tons of waste, respectively. 	
<p>4. Social Issues</p> <p>(1) Does the Company comply with relevant laws and regulations and the International Bill of Human Rights? Does it adopt relevant management policies and processes?</p>	✓		<p>The Company adheres to labor-related regulations at all operational locations worldwide to protect employees' legal rights. We reference the International Bill of Human Rights, the United Nations Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, among other international human rights conventions, to uphold the spirit and principles of human rights protection. Following the guidelines and spirit of the Responsible Business Alliance Code of Conduct, we have established the Realtek Semiconductor Human Rights Policy and the Realtek Semiconductor Labor Policy. These policies outline our commitments, goals, mitigation measures, and grievance channels concerning human rights issues, which are also communicated through employee training programs and managerial seminars. In 2024, our human rights policy-related education and training included an onboarding training camp (100% participation) and managerial seminars, totaling 149.9 hours of instruction. This demonstrates our responsibility to respect and protect human rights, treating all colleagues, including permanent and contract employees, with dignity and respect.</p>	—
<p>(2) Does the Company establish and implement appropriate remuneration mechanisms (including wages, vacation, and other benefits) and reflect the corporate business</p>	✓		<p>Establishment and Implementation of Reasonable Compensation Policies:</p> <p>The compensation for employees of the Company and its subsidiaries</p>	—

Assessment Item	Implementation Status			Deviation from the 'Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies' and Reasons
	Yes	No	Summary	
performance or achievements in the employee remuneration policy?			<p>comprises fixed salaries, annual bonuses, performance bonuses, and employee remuneration. Salaries are determined based on local industry standards, and a mechanism linking compensation to business performance is established to provide fair and competitive remuneration. Salaries and performance bonuses are adjusted based on the roles and job performances of the employees. Our company and its subsidiaries are committed to achieving workplace diversity and equality by providing equal pay and promotion opportunities to all employees, without discrimination based on gender, race, color, religion, marital status, etc. Matters such as salary standards and calculations, labor insurance, working hours, rest and leave, pensions, etc., are in compliance with local labor regulations to protect the legal rights of employees.</p> <p>Reflection of Business Performance in Employee Compensation: In addition to regularly adjusting employee salaries based on industry standards, our company and its subsidiaries link business performance (including ESG performance) with employee compensation, thereby enabling employees to share the Company's profits. Through daily communication between supervisors and employees and regular performance evaluations, both parties work together to establish common goals and confirm performance feedback. Based on these evaluations, decisions on salary adjustments, bonuses, and employee remuneration are made to incentivize employees to grow with the Company.</p> <p>To ensure that business performance is reflected in employee compensation and to maintain competitive pay, our company allocates performance bonuses based on business performance. According to the Company's articles of incorporation, if the Company makes a profit,</p>	

Assessment Item	Implementation Status			Deviation from the ‘Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies’ and Reasons
	Yes	No	Summary	
			not less than one percent will be allocated as employee remuneration, which may include employees from qualifying subsidiaries. In 2023, the average salary for full-time employees not in supervisory positions was 3,149 thousand TWD, which is 80% higher than the average salary of listed semiconductor companies in Taiwan, demonstrating the competitive and performance-linked compensation of our employees. Furthermore, the Company has established and implemented reasonable employee welfare measures, including employee compensation, workplace diversity and equality, vacation systems, various allowances, gifts, and subsidies, as well as a reasonable compensation policy.	
(3) Does the Company provide safe and healthful work environments for employees, and does it organize training on safety and health for employees on a regular basis?	✓		The Company provides employees with a safe and healthy working environment, inspects the working environment twice a year according to the law, conducts regular employee health checks, monthly health education bulletin, and emergency response fire drills every year. The ISO45001 Occupational Safety and Health System was recertified in 2024. In 2024, there were no occupational accidents, fires, or fatalities.	—
(4) Does the Company establish effective training programs to foster employees’ career skills?	✓		The Realtek Education Training System comprises six academies of the Realtek Corporate University, offering diverse, immediate, and well-developed professional education training. It promotes the accumulation of knowledge in various fields such as innovative research and development, organizational development, and management. Bespoke career development courses are planned according to job requirements, technical fields, and professional backgrounds, enhancing employee professional competencies and management skills. The system actively cultivates internal successors, creating a win-win match between organization and talent, and continuously strengthening organizational competitiveness. In 2024, a total of 33,525 training sessions were completed, amounting to	—

Assessment Item	Implementation Status			Deviation from the 'Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies' and Reasons
	Yes	No	Summary	
			100,313 hours, with an average of 18.9 training hours per employee. Other related employee training plans and implementation details are disclosed in the annual ESG report.	
(5) Does the Company follow the laws and regulations of the government and international guidelines in relation to customer health, safety, and privacy, as well as sales and labeling of its products and services? Does the Company establish policies to protect consumer rights and interests and provide a clear and effective procedure for accepting consumer complaints?	✓		<p>The Company values customer relationships and believes in continuously building a competitive quality management system to provide customers with the highest quality products and services. At the same time, to meet customer needs, whether it is innovative development, design, product promotion, or sales, all consumer products follow the requirements of the ISO9001 quality management system, while automotive products follow IATF16949 or ISO26262 for functional safety requirements. These systems employ process-oriented self-monitoring and assessment to continuously deepen the stable quality and trust relationship with customers.</p> <p>The Company has obtained ISO14001 environmental management system certification. We take our responsibility to protect the planet seriously and set strict standards for the raw materials used in product production (such as EU RoHS (2011/65/EU) and REACH regulation (EC) No. 1907/2006). We adhere to the various standards set by international advocacy organizations for the environment and quality so that products do not contain ingredients that are harmful to human health or have an impact on the environment.</p> <p>Our company has also obtained ISO45001 occupational health and safety management system certification. We strive to create a safe and healthy working environment to protect and improve occupational safety and health, fostering a workplace of health and happiness.</p> <p>The Company continues to pass the ISO17025 laboratory quality management system certification, strengthens quality management, and extends the product life by improving and ensuring the durability of IC products and reducing the use of production resources. Before</p>	—

Assessment Item	Implementation Status			Deviation from the 'Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies' and Reasons
	Yes	No	Summary	
			<p>shipment, the product function is strictly tested through various reliability testing processes and simulation of the scenarios that consumers may use, designing strict testing methods, analyzing the tolerance of the device under various conditions, and repeatedly experimenting and proposing solutions to ensure that the goal of extending the service life is achieved. In addition, we also pay attention to customer and consumer feedback, design specific test plans, and make product quality more perfect and stable.</p> <p>To protect customer data and privacy, the Company, through the Information Security Committee and Information Security Center, regularly identifies information security risks related to personal data and privacy according to the 'Information Security Risk Management Framework.' We propose countermeasures and oversee the implementation and execution of security controls. The relevant product and service policies can be found in the annual ESG report.</p>	
(6) Does the Company establish policies to assess whether suppliers adhere to environmental, occupational health and safety, and labor rights laws and regulations, then follow up on implementation status?	✓		<p>The Company is committed to fulfilling its supply chain management responsibilities, promoting a safe working environment for supply chain partners, ensuring employees are respected and treated with dignity, as well as advancing environmental protection and ethical compliance. We establish our Supplier Code of Conduct based on international standards such as the Responsible Business Alliance Code of Conduct, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Universal Declaration of Human Rights. Suppliers are required to meet standards in five areas: labor, health and safety, environment, ethics, and management systems, and to fully comply with the laws and regulations of the countries where they operate.</p> <p>Moreover, Realtek not only continuously enhances the sustainability</p>	—

Assessment Item	Implementation Status			Deviation from the ‘Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies’ and Reasons
	Yes	No	Summary	
			management of existing suppliers but also requires new suppliers to sign the Realtek Supplier Code of Conduct or provide their own codes of conduct, the Responsible Business Alliance Code of Conduct, and the Conflict-Free Minerals Declaration to ensure the implementation of responsible supply chain management. For more detailed supplier management policies, please refer to the annual ESG report.	
5. Does the Company adopt internationally recognized standards or guidelines when producing corporate social responsibility reports and other related reports to disclose the status of implementing non-finance related policies? Does the Company obtain a third-party assurance or verification for the reports to enhance the reliability of the information in the reports?	✓		The Company adheres to the latest GRI Standards (GRI Universal Standards 2021) issued by the Global Reporting Initiative for compiling and publishing its sustainability report. This report discloses key issues covering operational performance, corporate governance, stakeholder engagement, social participation, environmental protection, a friendly workplace, and employee care. The 2023 Realtek Sustainability Report has also been externally verified by TUV NORD Taiwan, ensuring compliance with GRI Standards (2021) and AA1000 AS v3 Moderate Assurance (Type I).	—
6. If the Company has established its Sustainable Development Code of Practice according to ‘Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,’ please describe the operational status and differences: Realtek establishes its Sustainable Development Code of Practice in accordance with the ‘Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies’. Its operations is consistent with the spirit and principles of the Sustainable Development Code of Practice.				
7. Other important information to facilitate a better understanding of the Company’s implementation of sustainable development: Our company has planned the "Realtek Charity and Sustainability Three-Year Plan," which encompasses five major thematic goals: the Growth of Children and Safety of Women and Children Project, Rural Education Development and Growth Care Project, Social Mutual Assistance and Benevolent Action Project, Academic Research and Social Institutions Sponsorship Project, and Realtek Visionary Future and Creativity Hope Initiative. These projects serve as guiding principles for our charitable actions, enabling our company to proactively, systematically, and sustainably engage in social welfare and sustainable development.				

8. Company Climate Related Information

1. Implementation of climate-related information

Item	Implementation Status
1. Describe board and management oversight and governance of climate-related risks and opportunities.	Realtek's sustainable organizational structure has the Board of Directors as the highest guidance body, and the President's office as the highest management level, responsible for supervising the progress of each major topic in ESG (Environmental, Social, and Governance) and instructing the Facility team to conduct TCFD risk assessment.
2. Describe how the identified climate risks and opportunities affect the corporate business, strategy, and finances (short, medium, and long term).	The main financial impacts of climate risks and opportunities are the increase in air-conditioning costs, the transformation costs of upstream suppliers, the cost of adding solar power generation facilities, and the management and communication costs of sustainable issues. Regarding the short-, medium-, and long-term financial impacts caused by various climate issues, they are all less than 1% of net revenue upon quantitative assessment.
3. Describe the financial impact of extreme climate events and transitional actions.	Regarding the short-, medium-, and long-term financial impacts caused by various climate issues, they are all less than 1% of net revenue upon quantitative assessment.
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	Realtek's risk management scope includes risks pertaining to strategic planning, operational management, financial operations, and hazardous events. We also incorporate risks related to climate change, refer to ERM (Enterprise Risk Management) procedures, and through risk identification, risk measurement, risk monitoring, risk response, risk reporting and disclosure and other management procedures to ensure the continuous operation of Realtek and reduce the possible impact of risks.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors adopted, and major financial impacts should be explained.	According to the sixth scientific assessment report (AR6) of the United Nations Intergovernmental Panel on Climate Change (IPCC), Realtek uses the Shared Social-Economic Pathways (SSP) and adopts SSP1-1.9, SSP2-4.5 and SSP5-8.5 to analyze three climate scenarios. In the short-term, medium-term and long-term time boundaries, under the ideal scenario where the temperature rise is controlled at 1.5°C, it is estimated that the main financial impact of climate change on Realtek will be less than 1% of net revenue.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	In response to climate-related risks, Realtek has proactively initiated an energy transition. Solar panels have been installed on the rooftop of the Hsinchu headquarters, with a total installed capacity of 1,005 KW as of 2024, generating 1.3 million kWh of electricity, equivalent to a carbon reduction of 645 tons of CO ₂ e. Additionally, the Company plans to purchase an extra 1 million kWh of renewable energy in 2025, aiming for the entire group to achieve RE10 by the end of 2025.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Not applicable.
8. If climate-related goals are set, the activities covered, scope of greenhouse gas emissions, planing schedule, annual progress and other information should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits to be offset or the number of renewable energy certificates (RECs) should be stated.	<p>Realtek has committed to achieving the major goal of net zero carbon emissions by 2050. It plans to meet the goal by reducing total carbon emissions through various energy-saving and carbon-reduction measures such as the continuous development of low-carbon products, improvement of equipment energy efficiency, construction and certification of office buildings in accordance with green building standards, increased use of renewable energy, and implementation of MBO (Management by Objective) for supply chain carbon reduction. Net Zero Target and Schedule:</p> <ul style="list-style-type: none"> By 2030, reduce Scope 1 and Scope 2 carbon emissions of greenhouse gases by 50% compared with the base year of 2021. By 2030, achieve 50%; by 2050, achieve 100% renewable energy usage. By 2050, achieve net zero emissions. <p>In addition, Realtek continues to build rooftop solar panels, achieving an actual power generation of 1.3 million kWh in 2024, earning 1,300 Renewable Energy Certificates (RECs). The projected total installed capacity is expected to reach 1,549 kW by 2025, with an estimated annual acquisition of 1,800 RECs.</p>

9. Greenhouse Gas Inventory and Confirmation Status	Realtek has received verification from the British Standards Institution (BSI), a third-party impartial entity, confirming that the scope 1 and scope 2 carbon emission data included in its 2023 financial report, covering a total of 16 domestic and international sites, meets the reasonable assurance level. For details on the greenhouse gas inventory and assurance, please refer to pages 45-46 of the annual report; for reduction targets, strategies, and specific action plans, please refer to page 47 of the annual report.
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2. Greenhouse Gas Inventory and Assurance Status in the Past Two Years

Basic Company Information <input type="checkbox"/> Companies with over 10 billion NTD in capital, the iron and steel industry, and the cement industry <input checked="" type="checkbox"/> Companies with between 5 billion and 10 billion NTD in capital <input type="checkbox"/> Companies with less than 5 billion NTD in capital	Minimal disclosure according to the regulations of the Sustainable Development Roadmap of listed companies <input checked="" type="checkbox"/> Parent company individual check <input checked="" type="checkbox"/> Parent company individual certified <input type="checkbox"/> Consolidated financial report subsidiaries check <input type="checkbox"/> Consolidated financial report subsidiaries certified
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Year	Scope 1 Emissions (tCO ₂ e)			Scope 2 Emissions (tCO ₂ e)			Density (tCO ₂ e/M NTD)
	Parent Company	Subsidiary	Total	Parent Company	Subsidiary	Total	
2023	1,143.57	889.50	2,033.07	26,074.04	2,924.89	28,998.93	0.286
2024	1,114.65	878.52	1,993.18	26,208.81	448.62	26,657.43	0.253
Year	Certifying Institute	Certification Statement					
2023	BSI	<ul style="list-style-type: none"> The greenhouse gas emissions with Realtek Semiconductor Corporation for the period from 2023-01-01 to 2023-12-31 were verified and validated. The verified organization-level greenhouse gas emissions include direct greenhouse gas emissions of 2,033.07 tonnes of CO₂ equivalent and indirect greenhouse gas emissions from imported energy of 28,998.93 tonnes of CO₂ equivalent. Realtek Semiconductor Corporation has defined and explained its own process and predetermined criteria for the significance of indirect greenhouse gas emissions and quantifies and reports these identified significant emissions accordingly. 					
2024		<ul style="list-style-type: none"> The greenhouse gas inventory for 2024 is yet to undergo external verification, and the currently shown data are the results of internal group statistics. Complete and verified information will be disclosed in the ESG report. 					

Note: The British Standards Institution conducted the 2023 audit in accordance with the ISO14064-1:2018 standard. The data, once verified, fall under the reasonable assurance level and Agreed-Upon Procedures (AUP). For the assurance statement, please refer to page 46 of the annual report.



Opinion Statement



Greenhouse Gas Emissions Verification Opinion Statement

This is to verify that: Realtek Semiconductor Corporation
No. 2, Chuangxin 2nd Rd.
Baoshan Township
Hsinchu County 300092
Taiwan

瑞昱半導體股份有限公司
臺灣
新竹縣
寶山鄉
創新二路2號
300092

Holds Statement No: GHGEV 805404

Verification opinion statement

As a result of carrying out verification and validation procedures in accordance with ISO 14064-3:2019, it is the statement for mixed engagement including reasonable assurance for verification activity, validation and agreed-upon procedures (AUP) contains the following:

- The Greenhouse Gas Emissions with Realtek Semiconductor Corporation for the period from 2023-01-01 to 2023-12-31 was verified and validated.
- The verified organization-level greenhouse gas emissions include direct greenhouse gas emissions 2033.0749 tonnes of CO₂ equivalent and indirect greenhouse gas emissions from imported energy 28,998.9332 tonnes of CO₂ equivalent.
- Realtek Semiconductor Corporation has defined and explained its own process and pre-determined criteria for significance of indirect Greenhouse Gas Emissions and quantify and report these identified significant emissions accordingly.

For and on behalf of BSI:

Managing Director BSI Taiwan, Peter Pu

Originally Issue: 2024-05-31

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...making excellence a habit.™

The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Opinion Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its carbon emissions more particularly described in the scope. It was not prepared for any other purpose. The British Standards Institution will not, in providing this Opinion Statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used or to any person by whom the Opinion Statement may be read. This Opinion Statement is prepared on the basis of review by The British Standards Institution of information presented to it by the above named client. The review does not extend beyond such information and is solely based on it. In performing such review, The British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this Opinion Statement or matters relating to it should be addressed to the above named client only.

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
BSI Taiwan is a subsidiary of British Standards Institution.

3. Greenhouse Gas Reduction Goals, Strategies and Specific Action Plans

Goal	Short-Term	1. By 2025, the proportion of renewable energy used by the entire group will reach 10%
	Long-Term	1. By 2030, the carbon emissions of Scope 1 and Scope 2 will be reduced by 50% compared to the baseline year of 2021. 2. By 2030, the proportion of renewable energy used by the entire group will reach 50%. 3. By 2050, The entire group achieves a 100% usage of renewable energy and meets the net zero emissions target.
Strategy	1. Actively participate in international net zero emission initiatives. 2. Continue to develop low-carbon products. 3. Improve equipment energy efficiency. 4. Construct office buildings and obtain green building certificates. 5. Increase the proportion of renewable energy use. 6. Supply chain carbon reduction target management.	
Specific Actions	1. In 2024, we joined the Science-Based Targets initiative (SBTi) and signed the commitment letter to demonstrate our dedication to carbon reduction. 2. Our 2023 financial report encompassed 16 domestic and international sites that completed greenhouse gas inventory ISO14064 external verification. 3. In 2023, the Hsinchu No. 1 Office attained the ISO50001 Energy Management certification. This certification is extended to include the Hsinchu No. 2 Office in 2024. 4. The Biomedical No. 1 Office attained the "Golden Level" candidate certificate for the Taiwan Green Building in 2022. 5. In 2023, the Hsinchu No. 3 Office attained the "Bronze Level" certification for the Taiwan Green Building. 6. In 2023, the Hsinchu No. 3 Office attained the "Gold Level" certification from the U.S. Green Building Council's LEED program. 7. The installation of solar panels on the rooftops of the front building and the parking tower of the Hsinchu No. 1 Office was completed in 2024, with a total installed capacity of 1,005KW. The rooftop solar panels on the rear building of the Hsinchu No. 1 Office are expected to be completed by 2025, bringing the total installed capacity to 1,549KW. 8. The Suzhou Office in China has been using green electricity comprehensively since 2024, with plans to purchase approximately 4,000 relevant renewable energy certificates. 9. ISO14067 product carbon footprint management was implemented in 2024, categorizing products into high power and low power types, and obtaining external verification.	
Carbon Reduction Result	1. In 2024, the total electricity consumption of the Hsinchu No. 1 Office was 36,830,400 kWh, a reduction of 1,608,000 kWh compared to the previous year. 2. The combined electricity savings rate of the Hsinchu No. 1 and No. 2 Offices in 2024 reached 6.17%, with total electricity savings of 3,463,903 kWh, equivalent to a reduction in carbon emissions of 1,711 tons of CO ₂ e 3. The rooftop solar power systems of the Hsinchu No. 1, No. 2, and No. 3 Offices generated a total of 1,322,169 kWh in 2024.	

9. Status of Ethical Corporate Management Implementation and Deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.

Evaluation Item	Implementation Status			Deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
1. Establishment of ethical corporate management policies and programs (1) Does the Company establish its ethical corporate management policies approved by the board of directors, and clearly specify in their rules and external documents the ethical corporate management policies and practices, and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies?	✓		Per approval by the Board of Directors, the Company has established integrity management policies, integrity management codes, integrity management operating procedures and behavior guidelines and other integrity management related regulations, and announced them in the corporate governance section of the Company website for directors, managers and all employees to follow.	—
(2) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope that are at a higher risk of being involved in unethical conduct, and establish prevention programs which at least include preventive measures against the conducts listed in article 7, paragraph 2 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	✓		The Company's codes of integrity management, operating procedures and guidelines for integrity management, code of ethical conduct, staff code of conduct, and Realtek's internal (and external) whistleblowing procedures for reporting illegal or unethical behavior comprehensively cover mechanisms for assessing the risk of dishonest behavior and schemes to prevent such behavior.	—
(3) Does the Company clearly specify operational procedures, guidelines, and well-defined disciplinary and appeal systems for handling violations in the prevention programs against unethical conducts, implement such programs rigorously, and regularly review and correct the programs?	✓		The Company clearly specifies operational procedures, guidelines, and a well-defined disciplinary and appeal system for handling violations in the prevention programs against dishonest behavior. The compliance situation is checked by the internal audit unit. The Company also reviews the measures when necessary.	—

Evaluation Item	Implementation Status			Deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
2. Implement ethical corporate management	✓		The Company regularly conducts quality and credit evaluations for suppliers and customers. For those who have not passed the rating, they will be removed from the cooperation list.	—
(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓			
(2) Does the Company establish an exclusively dedicated unit under the board of directors, which reports to the board of directors on a regular basis (at least once a year), on the establishment and supervision of the implementation of the ethical corporate management policies and prevention programs?	✓		The Company's Administration Department is responsible for promoting the integrity of the business, the relevant units are responsible for the implementation, and the Internal Audit unit is independently responsible for auditing to ensure the implementation of the Company's integrity management philosophy, the results of which are reported to the Board of Directors at least once a year. (The execution results were reported to the Board of Directors on October 30, 2024)	—
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement the policies?	✓		The Company's code of integrity management, operating procedures, and behavior guidelines for integrity management, codes of ethical conduct, and codes of employee conduct have covered policies to prevent conflicts of interest and communication channels for directors, managers, and all employees to follow.	—
(4) Does the Company establish effective systems for both accounting and internal control systems to facilitate ethical corporate management, and does the internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and examine accordingly the compliance with the prevention programs, or engage a certified public accountant to carry out the audit?	✓		The Company has established accounting systems, internal control systems, and internal auditing systems in accordance with various regulations. The auditors, based on the result of assessment of the risk of involvement in unethical conduct, devise relevant audit plans to examine the compliance with the prevention programs against unethical conducts, and report to the board of directors on a regular basis.	—
(5) Does the Company regularly hold internal and external educational trainings of ethical corporate management?	✓		The Company has established a Code of Ethical Conduct, Procedures for Ethical Business Operations and Guidelines, Code of Ethical Behavior, Code of Conduct for All Employees, and Procedures for	—

Evaluation Item	Implementation Status			Deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
			<p>Reporting Unlawful and Unethical Behavior by Internal (and External) Personnel of Realtek, among other relevant regulations. These are published on Realtek's corporate website for the understanding of directors, employees, and stakeholders.</p> <p>Additionally, the Company continuously conducts related educational training for colleagues and management-level personnel on integrity management and ethical behavior. The training content includes the Company's policies on integrity management, the code of ethical behavior for employees, and reporting channels for unethical conduct, thereby effectively promoting the Company's integrity management philosophy and implementing it in daily work. In the year 2024, the total hours of integrity management-related educational training amounted to 223.75 hours, with 1,045 participants attending the relevant courses.</p>	
<p>3. Implementation status of the whistle-blowing system</p> <p>(1) Does the Company establish a concrete whistle-blowing system and incentive measures, create a convenient way for reporting, and appoint appropriate designated personnel for reported cases?</p>	✓		<p>The Company's board of directors has approved the establishment of a whistleblowing system for reporting illegal or unethical behavior by internal or external personnel. The designated reporting channels and units responsible for handling the reports are as follows:</p> <ol style="list-style-type: none"> Reporting units: The Company's management, internal audit supervisor, relevant units, or the reporting channels provided by the Company. Audit reporting mailbox: audit@realtek.com 	—
<p>(2) Does the Company establish standard operating procedures, follow-up measures to be taken after the investigation is completed, and related confidentiality measures for reported cases?</p>	✓		<p>The Company's code of integrity management, operating procedures, and behavior guidelines for integrity management, and measures to report illegal or unethical behavior by Realtek's internal and external personnel have covered standard operating procedures, follow-up measures to be taken after the investigation is completed, and related confidentiality measures for reported cases.</p>	—

Evaluation Item	Implementation Status			Deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
			<p>1. Acceptance principles: The following cases will not be accepted:</p> <p>(1) Anonymous or reported under a false name without providing contact information.</p> <p>(2) The reported case does not provide evidence for investigation.</p> <p>2. Investigation procedure:</p> <p>(1) Acceptance and verification The accepting unit shall notify the internal audit department to form an event investigation and review team, which shall immediately ascertain the relevant facts, and if necessary, be assisted by the relevant departments, and shall complete the investigation within 90 days from the date of acceptance; if it exceeds 90 days, it shall be submitted to the general manager for approval to extend the verification time.</p> <p>(2) Disposition and record retention: If it is confirmed that the reported person has indeed committed violation, the event investigation and review team shall immediately require the reported person to cease the relevant behavior, and make appropriate disposition, and if necessary, request damages through legal procedures. The acceptance, investigation process, and investigation results of the report shall be retained in written documents and kept for five years.</p> <p>(3) Improvement and prevention management, reporting: The event investigation and review team shall instruct the relevant units to review the relevant internal control</p>	

Evaluation Item	Implementation Status			Deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for deviation.
	Yes	No	Summary Description	
			<p>systems and operating procedures and propose improvement and prevention management measures. The internal audit department shall report the situation, its handling method, and subsequent review and improvement measures to the board of directors.</p> <p>3. Confidentiality mechanism: The relevant personnel handling the reported case shall strictly keep the identity of the informant and the content of the reported matter confidential.</p>	
(3) Does the Company adopt measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing?	✓		The Company will take the necessary protective measures for the whistle-blowers, and promises that the Company's employees will not be subject to inappropriate disciplinary actions due to their whistle-blowing.	—
4. Strengthening information disclosure Does the Company disclose its ethical corporate management principles and the results of performance on the Company's website and MOPS?	✓		The Company's integrity management code, integrity management operating procedures and behavior guidelines, and other relevant regulations, as well as the implementation and operation of integrity management are disclosed on the Company's website and MOPS, and are operated scrupulously.	—
<p>5. If the Company has established Principles of Ethical Corporate Management based on Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation between the implementation and the principles.</p> <p>The Company has established integrity management policy, integrity management code, integrity management operation procedures and behavior guidelines, codes of ethical conduct, codes of employee conduct, and measures to report illegal or unethical behavior by Realtek's internal and external personnel. No deviation is between the operation and the regulations.</p>				
<p>6. Other important information to facilitate a better understanding of the Company's ethical corporate management implementation: (e.g., review and amend the Company's principles)</p> <p>The Company complies with related laws and regulations including Company Act, Securities and Exchange Act, Business Entity Accounting Act, etc. to implement ethical corporate management</p>				

10. Additional pertinent information that enhances understanding of the Company's governance operations may be disclosed as well. The Company adheres to regulations by promptly disclosing significant information and regularly holds institutional investor briefings to explain financial and business-related information.

11. Internal Control Status

11.1. Statement of internal control

Realtek Semiconductor Corporation Statement of Internal Control System

Date: February 27, 2025

Based on the findings of a self-assessment, Realtek Semiconductor Corporation (Realtek) states the following with regard to its internal control system during the year 2024:

1. Realtek's board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Realtek takes immediate remedial actions in response to any identified deficiencies.
3. Realtek evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the 'Regulations'). The Criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. Realtek has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, Realtek believes that, as of 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. This Statement is an integral part of Realtek's annual report for the year 2024 and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement was passed by the board of directors in their meeting held on February 27, 2025, with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this statement.

Realtek Semiconductor Corporation

Chairman: Chiu, Sun-Chien

President: Yen, Kuang-Yu

11.2. The Company was not required to commission an independent auditor to audit its internal control system.

12. Major resolutions of the shareholders' meeting and the board meetings from last year to the date of the annual report printed:

12.1. Major resolutions of 2024 shareholders' meeting:

Date	Proposals	Resolution Results And Implementation
May 30, 2024	Ratification Items	
	1. 2023 business report and financial statements	Approved
	2. Distribution of 2023 retained earnings	Approved Dividend record date: 2024/09/12 Payment date: 2024/10/08 Amount: NT\$7,692,954,615
	Election Item	The list of elected directors is as follows:
	Election of Directors (including Independent Directors)	Directors: United Glory Co., Ltd. Representative: Chiu, Sun-Chien United Glory Co., Ltd. Representative: Huang, Yung-Fang Taotech Co., Ltd. Representative: Yeh, Po-Len Yen, Kuang-Yu Ni, Shu-Ching Dejia Investment Co., Ltd. Representative: Yeh, Ming-Han Independent Directors: Yang, Pan-Chyr Ko, Fu-Hwa Hsieh, Yin-Ching

12.2. Major Resolutions of Board Meetings

Date	Summary of Major Resolutions	Resolution Results
Feb. 27, 2024	<ol style="list-style-type: none"> 2023 financial statements and consolidated financial statements. Report on the situation of related party transactions in 2023. The Company and its 100% invested subsidiary provide loans to their subsidiary respectively. The Company's auditor of financial statements and audit Fee for 2024. The effectiveness of the Company's 2023 Internal Controls and Statement of Internal Control System. Matters of convening 2024 regular shareholders' meeting. Election of Directors (including Independent Directors). Adoption of the shareholders' proposals for 2024 shareholders' meeting and adoption of the nomination of candidates for directors (including independent directors). 	Approved by all attending directors
Apr. 19, 2024	<ol style="list-style-type: none"> 2024 Q1 consolidated financial statements. The Company provides a loan to a subsidiary. Processing the renewal of a loan to a subsidiary. 2023 Business Report. Employees' compensation and Directors' remuneration of 2023. Distribution of 2023 Retained Earnings. 2023 cash dividends distribution from retained earnings. 	Approved by all attending directors

Date	Summary of Major Resolutions	Resolution Results
	8. Cash distribution from capital surplus. 9. To approve the list of nominated candidates for directors (including independent directors). 10. To request the shareholders' meeting to release the Directors and their Representatives from noncompetition restrictions. 11. To amend the matters of convening 2024 regular shareholders' meeting.	
May. 30, 2024	1. Election of the Chairman of the 13th term board of directors. 2. Election of the Vice Chairman of the 13th term board of directors. 3. Elections of the members of the 3rd term nominating committee. 4. Personnel changes of CEO and Deputy CEO of the Company.	Approved by all attending directors
Jul. 30, 2024	1. 2024 Q2 consolidated financial statements. 2. Purchasing an office in Taipei. 3. Appointment of 6th term Remuneration Committee members. 4. To amend the Company's "Audit Committee Charter". 5. To amend the Company's "Rules Governing Financial and Business Matters Between the Company and its Related Parties". 6. To amend the Company's "Risk Management Methods and Procedures". 7. Submission of Realtek 2023 Sustainability Report. 8. To establish the "Group Tax Policy and Management Guidelines" for the Company and its group subsidiaries. 9. To amend the Company's procedures for ethical corporate management and guidelines for conduct and the regulations governing Realtek internal (external) personnel whistleblowing on illegal or immoral behaviors.	
Oct. 30, 2024	1. 2024 Q3 consolidated financial statements. 2. The Company extends the endorsement & guarantee period and adjusts the endorsement & guarantee amount for a subsidiary. 3. The Company provides a loan to a subsidiary. 4. Matters related to the distribution of year-end bonuses for officers. 5. To establish the remuneration for independent directors. 6. Reporting transactions with the related party for 2025. 7. 2025 Annual Audit Plans. 8. To amend the Company's "Regulations Governing Procedure for Board of Directors Meetings". 9. To amend the Company's "Corporate Governance Best Practice Principles".	Approved by all attending directors
Dec. 13, 2024	1. To establish the "Regulations on Realtek's Sustainability-related Information Management".	Approved by all attending directors

13. Directors' objections against the important resolution of board meetings from last year to the date of the annual report printed: None

III. Information Regarding Audit Fees

1. Information regarding audit fee

Unit: NT\$K

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
PricewaterhouseCoopers Taiwan	Li, Tien-Yi Cheng, Ya-Huei	2024/01/01~2024/12/31	4,580	Tax Compliance Audit 1,050	5,630	None

1.1 Replaced the audit firm and the audit fee paid to the new audit firm was less than the payment of previous year: Not applicable.

1.2 Audit fee reduced not less than 10% compared to previous year: Not applicable.

2. If the Company's Chairman, President, Managers in charge of finance or accounting operations held positions within the auditor's firm or its affiliates during last year, the name, title, and period of holding positions should be disclosed: None

3. The Company evaluates the independence of the certified public accountants every year, in addition to requiring "Statement of Independence" from the certified public accountants, and evaluate the independence of the certified public accountants according to "The Norm of Professional Ethics for Certified Public Accountant" (the evaluation standard is as follow). The Company obtains the Audit Quality Indicators (AQIs) provided by the accounting firm to evaluate the audit quality of the accounting firm and the audit team based on five major aspects: professionalism, independence, quality control, monitoring, and creativity. After full communication with the certified accountants, the Audit Committee will evaluate the competency of the certified accountants one by one. After the assessment, the Company was not aware of anything that might affect the independence and competency of the certified accountant.

The evaluation results of the most recent year were discussed and approved by the Audit Committee on February 26, 2025, were submitted to and submitted to the Board of Directors for approval on February 27, 2025.

Evaluation Item	Evaluation Result	Whether it meets independence
1. The CPA, their spouse, and dependents do not have any investment or financial interest-sharing relationship with the Company	Yes	Yes
2. The CPA, their spouse, and dependents do not have any funds or loans from the Company. This does not apply if the principal is a financial institution with normal dealings.	Yes	Yes
3. The firm is not issuing an assurance report on the effectiveness of the operation of its financial systems that were designed or implemented with assistance by the firm before.	Yes	Yes
4. The CPA or a member of the assurance team is not, nor has ever been, a director or supervisor of the client or employed by the Company in a position to exert significant influence over the subject matter of the engagement within the last two years and does not have a close or immediate family member (spouse, lineal, immediate affinity, or the relationship between collateral blood relatives within the second degree of consanguinity) who is a director, supervisor, or officer of the client or an employee of the Company who is in a position to exert significant influence over the subject matter of the engagement.	Yes	Yes
5. The non-audit services provided for the Company do not directly affect the important items of the audit case.	Yes	Yes
6. The CPA or a member of the assurance team is not promoting or brokering shares in the Company or other securities issued by the Company and is acting as an advocate on behalf of an audit client in litigation or disputes with third parties.	Yes	Yes

Evaluation Item	Evaluation Result	Whether it meets independence
7. The CPA or a member of the assurance team is not accepting gifts or preferential treatment from the Company, the Company's director, supervisor, officer, or major stockholder.	Yes	Yes
8. The CPA has not been providing audit services to the Company for seven consecutive years.	Yes	Yes

IV. Replacement of Independent Auditors

1. Regarding the former CPA

Replacement Date	March 30, 2023		
Replacement reasons and explanations	The internal regular rotation of PricewaterhouseCoopers Taiwan		
Describe whether the Company terminated or the CPA rejected the appointment	Parties	CPA	The Company
	Status		
	Appointment terminated automatically	Not applicable	Not applicable
	Appointment rejected (continued)	Not applicable	Not applicable
The Opinions other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions (Note)	None		
Is there any disagreement in opinion with the Company	YES		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	NO	✓	
	Explanation		
Supplementary Disclosure	None		

2. Regarding the Successor CPA

Name of accounting firm	PricewaterhouseCoopers Taiwan
Name of CPA	Li, Tien-Yi ; Cheng, Ya-Huei
Date of appointment	March 30, 2022
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that the CPA might issue on the Financial Report.	None
Written Opinions from the Successor CPA are different from the Former CPA's opinions.	None

V. Share transfer or share pledge of Directors, Officers and major shareholders holding more than 10% shares from last year to the print date of the annual report

1. Changes in shareholding of Directors, Officers and major shareholders

Title	Name	2024		As of January 31, 2025	
		Shares increased (decreased)	Pledge shares increased (decreased)	Shares increased (decreased)	Pledge shares increased (decreased)
Director	United Glory Co., Ltd.	—	—	—	—
Chairman	United Glory Co., Ltd. Representative: Chiu, Sun-Chien	—	—	—	—
Vice Chairman & CEO	United Glory Co., Ltd. Representative: Huang, Yung-Fang	—	—	—	—
Director (Note 2)	Taotech Co., Ltd.	13,000 (Note 3)	—	—	—
Director	Taotech Co., Ltd. Representative: Yeh, Po-Len	(260,000)	—	—	—
Director & President	Yen, Kuang-Yu	—	—	—	—
Director	Ni, Shu-Ching	—	—	—	—
Director (Note 2)	Dejia Investment Co., Ltd.	20,000 (Note 3)	—	—	—
Director	Dejia Investment Co., Ltd. Representative: Yeh, Ming-Han	—	—	—	—
Independent Director (Note 2)	Yang, Pan-Chyr	—	—	—	—
Independent Director (Note 2)	Ko, Fu-Hwa	—	—	—	—
Independent Director (Note 2)	Hsieh, Yin-Ching	—	—	—	—
Director (Note 1)	Cotek Pharmaceutical Industry Co., Ltd.	—	—	—	—
Director (Note 1)	Sonnen Limited	—	—	—	—
Independent Director (Note 1)	Chen, Fu-Yen	—	—	—	—
Independent Director (Note 1)	Tsai, Tyau-Chang	—	—	—	—
Independent Director (Note 1)	Lo, Chun-Pa	—	—	—	—
CFO	Chern, Kuo-Jong	—	—	—	—
Vice President	Huang, Yee-Wei	—	—	—	—
Vice President	Lin, Ying-Hsi	—	—	—	—
Vice President	Tsai, Jon-Jinn	—	—	—	—
Vice President	Wang, Po-Chih	—	—	—	—
Vice President	Chang, Jr-Neng	—	35,000	—	—
Vice President	Shen, Jia-Ching	—	—	—	—
Vice President	Lee, Shang-Ta	—	—	—	—
Vice President	Su, Chu-Ting	—	—	—	—
CISO	Weng, Chi-Shun	—	—	—	—

Note 1 : Cotek Pharmaceutical Industry Co., Ltd., Sonnen Limited, Chen, Fu-Yen, Tsai, Tyau-Chang and Lo, Chun-Pa resigned on May 30, 2024.

Note 2 : Taotech Co., Ltd., Dejia Investment Co., Ltd., Yang, Pan-Chyr, Ko, Fu-Hwa and Hsieh, Yin-Ching were newly elected on May 30, 2024.

Note 3 : The increase or decrease in the number of shares held by the director in 2024 is calculated from the date of assuming office on May 30, 2024.

2. Information on stock transfer to related parties: None.

3. Information on pledge of shares to related parties: None.

VI. The relationship between any of the Company's top ten shareholders:

September 12, 2024

Name	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Top Ten Shareholders who are Related Parties, Spouse, or Second-Degree Relatives	
	Shares	%	Shares	%	Shares	%	Name	Relationship
Cotek Pharmaceutical Industry Co., Ltd.	22,146,604	4.32%	—	—	—	—	—	—
Representative: Yeh, Chia-Wen	—	—	—	—	—	—	—	—
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	22,024,000	4.29%	—	—	—	—	—	—
Yuanta Taiwan Dividend Plus ETF	17,009,395	3.32%	—	—	—	—	—	—
Investment account of J.P. Morgan Funds managed by HSBC	9,542,581	1.86%	—	—	—	—	—	—
Fubon Life Insurance Co., Ltd.	8,680,000	1.69%	—	—	—	—	—	—
Representative: Howard Lin	—	—	—	—	—	—	—	—
China Life Insurance Co., Ltd.	8,195,000	1.60%	—	—	—	—	—	—
Representative: Alan Wang	—	—	—	—	—	—	—	—
New Labor Pension Fund	6,921,848	1.35%	—	—	—	—	—	—
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	6,665,988	1.30%	—	—	—	—	—	—
Chiang, Ting-Chi	6,569,949	1.28%	6,308,389	1.23%	—	—	—	—
Norges Bank	6,348,121	1.24%	—	—	—	—	—	—

VII. The consolidated shareholdings and percentage of investments held by the Company, Directors, Officers, and the companies controlled directly or indirectly by the Company.

December 31, 2024 / Unit: shares: %

Investments	Investments of the Company		Investments directly or indirectly held by Directors, Officers, and the companies controlled directly or indirectly by the Company		Consolidated Investments	
	Shares	%	Shares	%	Shares	%
Amber Universal Inc.	41,432	100%	—	—	41,432	100%
Realtek Singapore Private Limited	116,059,638	100%	—	—	116,059,638	100%
Wise Elite Global Limited	1,000	100%	—	—	1,000	100%
Realsun Investments Co., Ltd	28,000,000	100%	—	—	28,000,000	100%
Hung-wei Venture Capital Co., Ltd.	25,000,000	100%	—	—	25,000,000	100%
Realking Investments Co., Ltd.	29,392,985	100%	—	—	29,392,985	100%
Realsun Technology Corporation	500,000	100%	—	—	500,000	100%
AICONNX Technology Corporation	2,000,000	100%	—	—	2,000,000	100%
Bobitag Inc.	1,918,910	66.67%	—	—	1,918,910	66.67%

Note1: The aforementioned are long-term investments under the equity method.

Capital Raising

I. Source of Capital

Year & Month	Issuing Price	Authorized		Paid-in		Remarks		
		Shares (K)	Amount (\$K)	Shares (K)	Amount (\$K)	Source of Equity	Capital increase by assets other than cash	Other
2017/09	10	890,000	8,900,000	506,506	5,065,062	Employees' compensation	—	Note 1
2018/04	10	890,000	8,900,000	508,095	5,080,955	Employees' compensation	—	Note 2
2020/04	10	890,000	8,900,000	510,685	5,106,849	Employees' compensation	—	Note 3
2022/04	10	890,000	8,900,000	512,864	5,128,636	Employees' compensation	—	Note 4

Note 1: The capitalization was approved by the Hsinchu Science Park Administration on Sep. 25, 2017 with an approval letter of No. 1060026285.

Note 2: The capitalization was approved by the Hsinchu Science Park Administration on Apr 11, 2018 with an approval letter of No. 1070010727.

Note 3: The capitalization was approved by the Hsinchu Science Park Administration on Apr 20, 2020 with an approval letter of No. 1090010606.

Note 4: The capitalization was approved by the Hsinchu Science Park Administration on Apr 13, 2022 with an approval letter of No. 1110011158.

Type of share	Authorized Capital			Remarks
	Outstanding Shares	Un-issued Shares	Total	
Common stock	512,863,641	377,136,359	890,000,000	Note

Note: The authorized capital retains 80,000,000 shares for the issue of employee warrant shares.

Shelf Registration: Not Applicable.

II. List of Major Shareholders

September 12, 2024

Shareholder	Shareholding	Shareholdings	Percentage of Shareholding
Cotek Pharmaceutical Industry Co., Ltd.		22,146,604	4.32%
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF		22,024,000	4.29%
Yuanta Taiwan Dividend Plus ETF		17,009,395	3.32%
Investment account of J.P. Morgan Funds managed by HSBC		9,542,581	1.86%
Fubon Life Insurance Co., Ltd.		8,680,000	1.69%
China Life Insurance Co., Ltd.		8,195,000	1.60%
New Labor Pension Fund		6,921,848	1.35%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		6,665,988	1.30%
Chiang, Ting-Chi		6,569,949	1.28%
Norges Bank		6,348,121	1.24%

III. Dividend Policy and Status of Execution

1. Dividend Policy under the Articles of Incorporation

The Company belongs to the integrated circuit design industry and is in the growth phase of the enterprise life cycle. After considering the long-term business development of the Company, matching future investment fund requirements, and the long-term financial planning of the Company, if there are profits at the end of fiscal year, the Company shall first offset the accumulated losses with profits after tax, and then shall contribute 10% of profit as legal reserve, unless the accumulated legal reserve has reached the amount of the Company's total capital, and contribute or reverse special reserve in accordance with relevant laws or regulation by the competent authority. If there are net profits remained, the remaining net profits and the retained earnings from previous years shall be distributed as shareholders' dividend after the distribution proposal is prepared by the board of directors. In case the distribution is in the form of issuing new shares, the distribution proposal shall be approved at a shareholders meeting. In case the distribution is in the form of cash, the distribution proposal is authorized to be approved by the board of directors. After considering financial, business, and operational factors, the Company may distribute the whole of distributable earnings of the current year, and may also distribute whole or part of the reserves in accordance with the law or the regulation by the competent authority. The dividend distributed to shareholders shall not be less than 50% of the increased distributable retained earnings for the current year.

When distributing dividends, the main consideration is the Company's future expansion of operating scale and requirement of cash flow. The cash dividends shall not be less than 10% of the total dividends distributed to shareholders in the current year.

According to Article 240, Paragraph 5, and Article 241, Paragraph 2 of the Company Act, the Company authorizes the distributable dividends, legal reserve, and capital reserve in whole or in part may be paid in cash after a resolution has been adopted 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.

2. 2025 Annual Shareholders' Meeting report on the distribution of dividends for 2024:
The Company's dividend distribution from retained earnings for 2024, approved by the board of directors, was NTD 25.5 per share in cash.

IV. Impact to business performance and EPS resulting from stock dividend distribution: None.

V. Employees' Compensation and Remuneration to Directors

1. Employees' Compensation and Remuneration to Directors as Stated in the Articles of Incorporation:

If gained profits within a fiscal year, the Company shall allocate at a maximum of 3% of the profits as directors' remuneration, and allocate no less than 1% of the profits as employees' compensation. However, in case of the accumulated losses, certain profits shall first be reserved to cover the accumulated losses, and then allocate employees' compensation and directors' remuneration according to the proportion in the preceding paragraph.

The distribution of employees' compensation in the preceding paragraph shall be in cash or in stock, and shall be resolved with a consent of a majority of the directors present at a meeting attended by over two-thirds of the total directors. The distribution of director's remuneration and employee's compensation shall be reported to the shareholders meeting.

The employees entitled to receive employees' compensation may include the employees of subsidiaries of the Company meeting certain specific requirements. The requirements are determined by the board of directors or its authorized person.

2. Accounting for Employee Compensation and Remuneration to Directors

The Company accrued employees' compensation and remuneration to directors based on a percentage of profit as stated in the Articles of Incorporation Article. If the accrued amounts differ from the actual amounts approved by stockholders' meeting, the Company will recognize the change as an adjustment to income of next year.

3. Employee compensation and Remuneration to Directors resolved by the Board of Directors

3.1. The Proposal of 2024 Employees' Compensation and Remuneration to Directors resolved at the Board of Directors held on February 27, 2025:

Unit: New Taiwan Dollars; shares

Employees' Compensation				Remuneration to Directors	Difference	
Cash compensation	Stock compensation	Common Shares	Total	Cash	Difference Amount	Treatment
4,497,482,930	0	0	4,497,482,930	100,000,000	none	Not applicable

Note: The Employees' compensation and directors' remuneration resolved at the Board of Directors are the same as the accrued amounts in 2024.

3.2. The ratio of employees' stock compensation divided by the total of income after tax and employees' compensation: The 2024 employees' compensation is in cash so that it is not applicable.

4. The actual distribution of employees' compensation and directors' remuneration for the previous fiscal year (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's compensation and directors' remuneration, additionally the discrepancy, cause, and how it is treated.

Unit: New Taiwan Dollars; shares

Employees' Compensation				Remuneration to Directors	Difference	
Cash compensation	Stock compensation	Common Shares	Total	Cash	Difference Amount	Treatment
2,696,047,171	0	0	2,696,047,171	90,000,000	none	Not applicable

Note: The actual distribution of employees' compensation and directors' remuneration is the same as accrued amounts in 2023.

VI. Status of Treasury Stocks: None

VII. Status of Corporate Bonds: None

VIII. Status of Preferred Stocks: None

IX. Status of GDR

December 31, 2024

Item		Issuing Date	Jan 24, 2002
Issuing Date			Jan 24, 2002
Issuance & Listing			Luxembourg Stock Exchange.
Total Amount (US\$)			240,180,375
Offering Price per Unit (US\$)			17.25
Issued Units			13,923,500 units
Underlying Securities			New shares issued for capital increase of cash and issued common shares held by shareholders of the Company
Common Shares Represented			55,694,400 Common Shares
Rights and Obligations of GDR holders			According to the relevant instructions of the published manual
Trustee			N/A
Depositary Bank			Bank of New York Mellon
Custodian Bank			Mega International Commercial Bank
GDRs Outstanding			410,113 units
Apportionment of the expenses for the issuance and maintenance			In accordance with the contract of the underwriting syndicate and depositary bank
Terms and Conditions in the Deposit Agreement and Custody Agreement			The company will provide necessary public information in accordance with the contract for the depositary bank to notify the depositary certificate holder
Closing price per GDRs(US\$)	2024	Highest	77.20
		Lowest	53.98
		Average	64.62

X. Status of Employee Stock Warrants: None

XI. Status of Employee Restricted Stocks: None

XII. Status of Mergers or Acquisitions, or as assignee of new shares issued by other companies:
None

XIII. Status of Implementation of Fund Utilization Plan: Not Applicable

Operations Overview

I. Business Overview

1. Business Scope

(1) Realtek's Main Business Areas

- i. Research, development, production, manufacturing, and sales of various types of integrated circuits.
- ii. Provide software and hardware application design, testing, maintenance, and technical consulting services for various integrated circuit products.
- iii. Research, development, and the sale of various types of silicon intellectual property
- iv. Adjunct trade and sales that relate to Realtek's core businesses

(2) Percentage of Operating Revenue

Unit: NT\$ thousands

2024	IC Products	Other	Total
Net Operating Revenue	113,082,609	311,089	113,393,698
Percentage of Operating Revenue	99.73%	0.27%	100%

(3) Current Products

Communications Network and Connected Media Products:

- Ethernet Controller Series
- Ethernet PHY Transceiver Series
- USB Storage Bridge Controller Series
- UHD HDR Multimedia STB SoC Series
- Automotive Ethernet PHY Transceiver Series
- Automotive Ethernet Highly Integrated Switch Controller Series
- Integrated Wireless LAN (WLAN) and Bluetooth Network Controllers Series
- WLAN Dual Band AP/Router SoC Series
- IoT Multifunction SoC Series
- Smart Home Gateway SoC
- IoT AI Wireless IP Camera SoC Series
- Bluetooth 5.3 Low Energy Single Mode SoC
- Bluetooth 5.3 Audio SoC Solution
- Bluetooth Hearing Aid SoC Solution
- Matter over Thread SoC Solution
- GNSS (Global Navigation Satellite System) IC Series
- Multi-Port Ethernet PHY Chipset Series
- Multi-Port Ethernet Switch Controller Chipset Series
- Multi-Port Ethernet Managed Switch Controller Chipset Series
- Highly Integrated PON SoC Series
- Multi-Port PSE Controller Series
- VDSL 35B Network Router Controller Series

Computer Peripheral and Smart Interconnect Products:

- HD-A Audio Codec Series
- High Voltage Audio Amplifier Chip Series

- SoundWire Audio Codec Series
- SoundWire Audio Amplifier Chip Series
- USB 2.0 Audio Codec Series
- Automotive Audio DSP Chip Series
- Hi-Fi Audio DSP SoC series for game console controllers
- Hi-Fi Audio Codec series for Game Consoles
- Hi-Fi Audio Codec Series for Mobile Devices
- Hi-Fi Audio DSP Series for Mobile Devices
- Boost Audio Amplifier with Speaker Protection Series for Mobile Devices
- High-Definition Image Signal Processor Chip Series with USB 2.0/USB 3.0 Interface
- Machine Vision Controller Chip with Edged-AI and I2C Interface
- 2nd Generation USB 2.0 Match on Chip Fingerprint ID Encryption Controller Chip Series
- Highly Integrated 5 Mega Pixel Edge AI Surveillance Camera Single Chip Series
- USB 3.2 Gen1/Gen2 Hub Controller Series
- USB4 Hub Controller Series
- USB Type-C and PD Controller Series
- USB 3.2 Gen2 and DP 2.1 Redriver IC Series
- High Integration and Low Power Embedded System Controller Series
- I3C Hub Controller Chip Series

Multimedia Products:

- Integrated LCD Controller Series
- Integrated High Resolution Gaming LCD Controller Series
- DisplayPort Video Translator Series
- DisplayPort MST Hub Controller Series
- DP 2.1/HDMI 2.1 with OSD Enabled Video Hub Controller Chip Series
- HDMI Retimer IC Series
- High-End Smart Connected LCD TV SoC Series
- Intelligent Display SoC Series
- 8K LCD TV Video Decoder and Processing IC Series
- Super Resolution Image Enhancement SoC Series

(4) Products Under Development

Communications Network and Connected Media Products:

- Higher Specification Ethernet Controller Series
- Higher Specification Ethernet PHY Transceiver Series
- Higher Specification Storage Bridge Controller Series
- Managed USB NIC
- 100G TIA & VCSEL Driver
- 800G PAM4 DSP
- Multi-IO Bridge Controller Chip
- Higher Specification UHD HDR Multimedia STB SoC Series
- Automotive High-Speed Ethernet Cyber-Security PHY Transceiver Series
- High-Port Count Integrated Automotive Ethernet Cyber-Security Switch Controller Series
- Automotive High-Speed MIPI Asymmetric PHY Bridge Transceiver Series
- Higher Specification Multi-Port Ethernet PHY Chipset Series
- Higher Specification Multi-Port Ethernet Switch Controller Chipset Series

- Higher Specification Multi-Port Ethernet Managed Switch Controller Chipset Series
- Higher Specification Multi-Port Ethernet PSE Controller Chipset Series
- Higher Specification Fiber Uplink High Bandwidth Managed Ethernet Switch Controller Series
- Higher Specification Highly Integrated PON SoC Series
- Higher Specification PON Laser Driver Series
- New Generation Integrated Multi-Link Wireless LAN (WLAN) and Bluetooth Network Controller Series
- Higher Specification Smart Multifunction IoT SoC
- Higher Specification, Highly Integrated IoT AI Wi-Fi Camera SoC Series
- Higher Specification, Highly Integrated WLAN Dual Band AP/Router SoC Series
- Higher Specification Bluetooth 5.4 Audio SoC Series
- Higher Specification Bluetooth 5.4 LE IoT SoC Series
- Higher Specification BLE/Matter over Thread Multi-Protocol SoC Series

Computer Peripheral and Smart Interconnect Products:

- SoundWire Audio Codec Chip Series
- Audio DSP Supporting Neural Network Computing Series
- High Voltage Audio Amplifier Chip Series
- Automotive Audio Codec Chip Series
- Automotive Audio Amplifier Chip Series
- Hi-Fi Audio Codec Chip Series
- Hi-Fi Audio Codec with Class-D Amplifier and SoundWire Interface Single Chip Series for Mobile Devices
- Boost Audio Amplifier with Speaker Protection Chip Series for Mobile Devices
- Haptic Driver IC Series for Mobile & Wearable Devices
- Notebook High-Definition Image Signal Processor Series with New eUSB2 (Embedded USB2) Interface
- 3rd Generation USB 2.0 MOC (Matching on Chip) Fingerprint Encryption Controller Chip Series
- New Generation High-Resolution Edge AI Surveillance Camera Single Chip Series
- Higher Specification Highly Integrated USB 3.2 Gen 2 Multi-Port Hub Controller Chip Series
- USB 3.2, DP2.1, and USB4 Redriver IC Series
- Type-C PD EPR (Enhanced Power Range) Controller Chip Series
- eUSB2 Repeater Controller Chip Series
- Higher Specification Highly Integrated Low-Power Embedded System Controller Chip Series
- Higher Specification I3C Hub/Bridge Controller Series

Multimedia Products:

- Higher Specification Integrated LCD Controller Series
- Higher Specification DisplayPort Video Translator Series
- Higher Specification DisplayPort MST HUB Controller Series
- LCD TV SoC Series Supporting New Generation Video Decode
- Higher Specification SoC Series Supporting Streaming Video CODEC and Display
- Higher Specification TV SoC Series Supporting AI Audio and Video

2. Industry Overview

(1) Industry Status & Trends and Product Development & Competition

The year 2024, the first full year post-pandemic, saw a significant recovery in the momentum of the semiconductor industry. This resurgence was primarily driven by the rapid development of generative artificial intelligence, a technology that requires substantial computing power and memory capacity, both reliant on semiconductor solutions. Although Realtek does not focus on high-performance computing or high-bandwidth memory, the Company has actively increased its involvement in the AI sector. In 2024, a growing number of Realtek solutions integrated embedded AI accelerators in various forms, enhancing the functionality and performance of audio, video, and connectivity. Moreover, Realtek has expanded the application of AI in its daily operations, assisting in product development and improving business process efficiency. We anticipate this positive trend to continue into 2025, giving us confidence in stable growth for the coming year.

Communications Network and Connected Media Products:

In 2024, Realtek not only reinforced its market leadership through continuous product improvements and upgrades but also actively engaged in developing new products to meet future challenges. With the rapid proliferation of AI, 5G, and IoT technologies, the Company is focusing on driving innovation in optical communication products. Realtek is committed to providing comprehensive planning and deployment for a future high-speed data transmission environment. This strategy demonstrates the Company's sensitivity to market trends and underscores its commitment to technological innovation and forward-thinking planning.

In terms of Ethernet, the personal computer (PC) market saw de-inventory completion in 2024, with replenishment starting mid-year. Realtek has a long-standing presence in Ethernet, having established a strong foothold in markets such as notebooks, motherboards, network-attached storage (NAS), gaming consoles, docking stations, USB-to-Ethernet adapters, switches, home routers, and smart home devices.

In 2024, the trend towards upgrading motherboard network speed specifications has resulted in a growing proportion of entry-level motherboards equipped with 2.5GbE and mid-range products with 5GbE network cards. This trend has led to increased sales of high-end 2.5GbE and 5GbE network cards. Additionally, many network devices are actively planning to transition to Multi-G Ethernet, highlighting a clear market shift towards higher-speed network applications.

Realtek's 2.5GbE product solutions boast excellent specifications and have been in mass production for several years, making them highly mature. In the rapidly growing market, Realtek is poised to continue expanding its influence and market share. Furthermore, Realtek's 10GbE Single Port PHY began shipping in 2024, experiencing rapid growth and gaining significant recognition from the broadband and switch markets.

As the information age drives the rapid growth in demand for big data processing, SSDs, with their high-speed read-write capabilities and lightweight portability, have gradually replaced traditional hard drives to become the mainstream market product. Their prices have become more affordable, further promoting widespread consumer adoption. Realtek has pioneered globally leading technology, supporting USB 10Gbps and 20Gbps interfaces, and features the ability to automatically detect PCIe/NVMe and SATA/AHCI dual protocols. This has allowed Realtek to successfully penetrate the high-end SSD storage market, showcasing its technological innovation and market competitiveness.

In high-end audiovisual systems, medical equipment, edge computing devices, and the rapidly growing market for audiovisual content creators, the demand for 4K and even 8K ultra-high-

definition content is soaring, leading to stricter requirements for memory card read-write speeds. To keep pace with market trends, in addition to the previously launched USB 20Gbps to SD Express bridge controller solution, Realtek introduced the first PCIe to 9-port SATA controller by the end of 2024, targeting small NAS storage devices and surveillance NVR applications and aiming to meet the diverse needs of external and standalone storage markets.

Realtek plans to launch more innovative products in 2025 to further drive the development of the card reader market. In the field of commercial storage applications, the Company continues to focus on technological innovation. Looking ahead, Realtek will keep deepening its core technologies to maintain its leadership in interface expansion solutions.

OTT (Over-the-Top) services have flourished and reached a global scale in recent years. Traditional satellite and terrestrial broadcast television service operators have also transformed their content and services into IP-based formats, enhancing IP-based television service operations (IPTV or OTT). Major operators have strengthened their broadband services to adapt to this trend. Additionally, the rise of FAST (Free Ad-Supported Streaming Television) services has led major operators and set-top box platforms to accelerate their development, enriching consumer viewing options and turning advertising revenue into a driving force for platform profitability. Open platforms have attracted operators to shift from closed systems to open platforms, leveraging the support of app stores and better integration with premium apps. Google's Android TV and the RDK Alliance's RDK-V platform have successfully drawn large operators. Meanwhile, Netflix has launched the Netflix Scaling Program for operators, speeding up the deployment of hybrid OTT and IPTV set-top boxes that support Netflix.

The shifting viewing habits of consumers and the continuous demand for higher-quality content have posed increasing security challenges for operators. With concerns about quantum computer attacks on the horizon, set-top box platforms are initiating security upgrade plans. To keep pace with a rapidly maturing market and the trend towards high-performance, low-cost products, Realtek is continually developing next-generation ultra-high-definition multimedia control chip solutions for set-top boxes, integrating new security solutions required by operators.

In addition to integrating next-generation High Dynamic Range (HDR) and 3D immersive audio technology, Realtek is developing new audio and video codec technologies to enhance resolution while reducing network bandwidth requirements. These solutions effectively support Edge AI and other advanced features and can interact with smart home products, including IoT product information aggregation, video, and far-field voice capabilities.

With the recent formulation and popularization of the Matter standard, set-top boxes are beginning to integrate Thread, gradually becoming the center of smart homes. Realtek offers a complete and cost-competitive hardware and software reference design with low power consumption to help clients develop high-performance set-top box products and seize market opportunities. By combining multimedia and network solutions, Realtek aims to maintain a competitive edge that rivals will find difficult to replicate in the future market.

In Ethernet switch chips, Realtek has established a leading position in the market for embedded applications such as home gateways, Wi-Fi routers, VoIP phones, unmanaged switches, and smart switches. In recent years, its market share in managed switches has also been climbing steadily. In 2024, impacted by the global economic downturn, the first half of the year saw inventory adjustments. However, in the second half of the year, customers depleted their inventories, gradually reviving demand. Concurrently, Realtek started investing in the development of next-generation products, which are expected to drive sales growth in 2025.

Ethernet Power Sourcing Equipment (PSE) chip products have successfully penetrated the supply chains of major clients through managed switches. As clients gradually exhausted their previous inventories leading up to 2024, combined with the introduction of a new generation of products, shipments are steadily increasing, and market share is rising. Regarding the 2.5GbE switches, the growing adoption of Wi-Fi 7 and its increasingly faster wireless connectivity have significantly boosted demand for 2.5GbE switches. Realtek's 5-port and 8-port 2.5GbE switch chips, launched in 2023, have been successfully integrated into several key strategic clients and have entered mass production, with both shipment volume and revenue increasing monthly. The 2*2.5GbE+2*GbE solutions, in particular, are highly suitable for upgrading the wired bandwidth of Wi-Fi 7 routers. In 2024, Realtek introduced a 2-port 2.5GbE switch chip specifically designed for home routers/gateways such as Wi-Fi 7 AP routers, 5G FWA, cable modems, and 10G-PON. These chips feature optimized power consumption and more competitive pricing, which is expected to align more closely with the Gigabit Ethernet (GbE) market and accelerate the penetration rate of 2.5GbE, thereby increasing its market share.

In the managed switch product line, Realtek's 10GbE Single Port PHY has received recognition from global telecommunications companies, with shipments commencing in 2024. Additionally, mid- to high-end managed switch products continue to accumulate significant strategic clients. Besides stable demand in the main GbE market segments (24*1GBASE-T+4*10GBASE-T and 48*1GBASE-T+6*10GBASE-T), the Multi-GbE market segment is also beginning to grow, particularly targeting key strategic clients in the campus network market, with mass production starting in 2024. This growth is expected to sustain the performance of managed switches.

To meet customer demand and market competition, Realtek launched high-end campus network aggregation-grade 24/48*10GBASE-T switch chip solutions in 2024, paired with Realtek's own 10G PHY to form a total solution. These solutions have been adopted by major telecommunications equipment manufacturers and are anticipated to drive a new wave of growth in 2025.

In the past five years, household demand for internet bandwidth has increased, prompting global operators to accelerate the deployment and upgrading of fiber-optic networks. Realtek currently has a comprehensive portfolio in 10G-PON (including XG-PON and XGS-PON), 2.5G PON, 1G EPON, and optical device products such as laser drivers. These products include various Home Gateway Units (HGU) and Single Family Units (SFU) equipped with configurations such as 4-port 1GBASE-T, 1-port GBASE-T + 3-port 100BASE-T, and 1-port 1GBASE-T Ethernet network ports, meeting the needs of new global projects.

Additionally, in 2024, Realtek became the industry leader by providing a 25G PON Single Family Unit solution that complies with the 25GS-PON Multi-Source Agreement (25 Gigabit Symmetric Passive Optical Network Multi-Source Agreement) standards. This solution is suitable for applications requiring ultra-high bandwidth, such as enterprises, residential areas, and mobile base station backhaul links. Realtek has already partnered with multiple operators to plan an unprecedented pilot project for 25Gbps fiber access rates.

China remains the world's largest market for optical fiber, with Realtek holding a significant share thanks to its years of active engagement in the region. Despite a slowing economy in the post-pandemic era, technological evolution has not ceased. Chinese operators are introducing new applications of fiber networks, such as Fiber To The Room (FTTR), further accelerating the economies of scale and affordability of fiber products. Meanwhile, the momentum for upgrading standards continues, with the number of tenders for XG-PON home gateway units steadily increasing. Shipments are expected to surpass those of 2.5G PON products by 2026.

Automotive manufacturers from Europe, America, China, Japan, and Korea have already adopted Automotive Ethernet as the backbone of in-vehicle networks, applying it to connect safety sensors, 360-degree camera systems, infotainment head units, dashboards, and advanced driver-assistance systems (ADAS). Starting in 2024, the architecture of automotive Ethernet has gradually transitioned from domain-based to zonal-based. The introduction of zonal architecture significantly increases the utilization of Ethernet technology per vehicle. Realtek's automotive Ethernet products have been designated as the golden sample for interoperability tests by IOP certification laboratories and have been certified and adopted by numerous automotive manufacturers and Tier 1 suppliers, with mass production and delivery already in progress. Leveraging its technological advantages, Realtek continues to lead globally by launching various automotive Ethernet products. For instance, the second-generation high-port-count switch chip integrating 100/1000BASE-T1 dual modes has been widely adopted by automotive manufacturers in Europe, America, and China. The second-generation PHY supporting 100/1000BASE-T1 dual-mode MACsec is progressively being adopted by European and American car manufacturers and Tier 1 suppliers to meet the demands for next-generation millimeter-wave radar. The third-generation switch chip complies with future UNECE regulations for safety levels while also meeting various packet access control detection requirements. The fourth-generation switch, positioning itself for high-end autonomous driving and gateway applications, is soon to be launched. In the future, with the enhancement of autonomous driving specifications and AI computing power, a new wave of millimeter-wave radar upgrades is expected to drive higher market penetration for dual-mode MACsec PHY. Additionally, Realtek launched a 2.5GBASE-T1 automotive IC in 2024, meeting the demand for ultra-high-speed automotive Ethernet over the next 5 to 8 years, making it a highly competitive product. Concurrently, the 10BASE-T1 technology standard, promoted in collaboration with automotive manufacturers, has been integrated into the new generation of multi-port switch single chips. Since 2023, the Chinese automotive industry has faced a wave of intense competition. Having established strong roots in China for many years, Realtek collaborates with the top fifteen Chinese automotive manufacturers. Besides continuing the development of high-specification products, Realtek will also develop entry-level switch chips and automotive high-speed MIPI asymmetric physical layer bridge transceivers to be further promoted as industry standards, suitable for data bridging applications in automotive cameras to meet the diverse product needs of customers.

In the Wi-Fi market, Wi-Fi 6 became mainstream in the PC market in 2024. The latest Wi-Fi 7 standard is also beginning to be adopted by OEM customers for high-end models. Additionally, with the introduction of AI PCs, which are positioned as high-specification and high-priced products, Wi-Fi 6E or Wi-Fi 7 are being used as the Wi-Fi standards for these products.

In addition to the advancement of Wi-Fi standards, Bluetooth technology has also progressed to BT 5.4. With the support of LE Audio in Microsoft's operating system, OEM customers are now requiring Wi-Fi/BT combo chips to support this LE Audio feature. Our solutions have already enabled this functionality in Wi-Fi 6/Wi-Fi 6E.

In the post-pandemic era, the Wi-Fi market for televisions and set-top boxes has seen customers in the high-end TV segment seeking competitively priced, high-spec Wi-Fi to support end products with better value propositions and stimulate consumption. The specifications for Wi-Fi in low-end TVs have also been forced to upgrade due to application demands. By optimizing product portfolios, customers can enhance the pricing of end products, aligning with Realtek's ongoing strategy to guide

customers toward higher cost-performance ratio specifications and build technological barriers in the competitive market.

The integration of AI and IoT technology with wireless surveillance devices (IP CAM) has diversified applications, continuing to drive market growth. Despite stable market growth, the demand for transmission bandwidth remains low, and the primary market for consumer wireless surveillance devices is still concentrated in emerging developing countries, making them highly price-sensitive. In response, Realtek is actively planning the next generation of products, incorporating new Wi-Fi technologies to gain market dominance.

In the wireless router product segment, Realtek's Wi-Fi 6/Wi-Fi 7 offerings continue to drive new market demand with outstanding cost-performance ratios, creating new growth momentum for its products. Particularly in the post-pandemic era, the shift in lifestyle habits and the increase in work-from-home (WFH) practices have heightened consumer expectations for home router performance to enhance work efficiency. This trend has simultaneously boosted the demand for wireless signal extenders and intelligent networking (Extender/MESH AP). In addition to expanding the promotion of Wi-Fi 6 router solutions across more regions and countries, Realtek introduced high-end Wi-Fi 7 solutions, including the BE3600, BE6400, and BE7200, in the third quarter of 2024, providing customers with a more comprehensive and complete range of router product solutions.

Realtek has been deeply involved in the IoT product line for many years, offering solutions ranging from smart control to enhanced voice and real-time video applications. Moving forward, Realtek plans to integrate more human and spatial sensing technologies combined with cloud-based generative AI to provide consumers with more user-friendly terminal applications.

Realtek boasts a comprehensive IoT product series characterized by high integration, ultra-low power consumption, and high security. The Company actively invests in R&D annually to develop next-generation Wi-Fi and Bluetooth technologies while expanding AI applications, all in compliance with the latest IoT alliance standards.

In addition to capturing the global market for smart home applications with top-tier brand clients, Realtek is also making significant strides in the green energy sector this year. Furthermore, the Company is actively expanding into industrial and medical fields, aiming to facilitate the integration of AI-powered IoT across various industries, thereby enhancing user experiences.

Moreover, Realtek continues to collaborate with IoT-related organizations and key stakeholders. As a major partner in the IoT standard "Matter," Realtek has officially launched several solutions and synchronized product releases with major clients. In 2025, it is expected to see more product launches, thereby building a more complete smart home environment.

Bluetooth technology is widely integrated into products such as smartphones, televisions, set-top boxes, and smart speakers, enabling individuals and families to enjoy the convenience of wireless connectivity. With Bluetooth headphones, fitness trackers, voice-activated remote controls, and Bluetooth Mesh peripherals, users can experience enhanced entertainment, more intuitive human-machine interaction, and faster, more streamlined operation.

The introduction of the new Bluetooth specification, LE Audio, presents numerous new audio application scenarios and is poised to drive the development of a broader range of Bluetooth audio products. LE Audio offers low-latency performance, catering to the high-quality reception needs of multi-channel soundbars, gaming headsets, and more.

The Auracast broadcasting audio format allows one or more audio streams to be broadcast to an unlimited number of audio-receiving devices, such as headphones, speakers, and hearing aids. This

is ideal for public or small-scale audio-sharing scenarios, exemplified by the market's first Auracast guide system utilizing Realtek's solutions.

Being in the interim period before LE Audio-supported main devices become widespread, Realtek has introduced a dual-mode dongle that serves as a bridge between classic Bluetooth audio and LE Audio. This dongle can be used with audio sources like computers and set-top boxes. Additionally, Realtek has launched the first audio-mix dual-mode gaming headset, which caters to the increasingly rich interactive scenarios sought by gamers.

Realtek continues to be a pivotal player in Bluetooth audio solutions, collaborating with suppliers and brand partners to provide consumers with enhanced voice experiences. This meets the market's evolving expectations for new Bluetooth headset functionalities and drives market growth, creating a win-win situation for all stakeholders.

Furthermore, by integrating the Bluetooth audio platform and Realtek's low-power IoT SoC with ISP (Image Signal Processing), Realtek has introduced an intelligent eyewear solution. This solution extends Bluetooth capabilities to the next generation of smart wearable devices, catering to the market's demand for new cloud AI functionality. By providing increased convenience and novel experiences, Realtek aims to continually enhance its market penetration in the Bluetooth sector.

Realtek's low-power Bluetooth (BLE) series supports the latest Bluetooth specifications (BT 5.3/BT 5.4) and continues to develop high-computation, ultra-low-power solutions. These solutions are designed to ensure cost-effectiveness and compatibility to meet market demands. The Bluetooth voice remote control has received continuous recognition from renowned home appliance brands worldwide. The high-performance product series now offers a single-chip solution integrating Bluetooth, an MCU, and a display driver for e-scooter dashboards, leveraging its expertise in Bluetooth wearables with screen and call functionality. Additionally, it has launched the market's first color screen earphone charging case solution. The BLE low-power product series also includes Apple/Google Find My personal Bluetooth item tracking solutions and wired, wireless, and BLE tri-mode HID single-chip solutions supporting a high polling rate for gaming keyboards and mice, marking its entry into the computer gaming peripherals market. Furthermore, Realtek has introduced low-power solutions for electronic shelf labels (ESL), catering to new green energy and environmentally friendly applications. Realtek's Bluetooth products are not only used in personal entertainment and smart home applications but have also entered industrial and in-car entertainment fields, providing customers with diverse, cross-industry usage scenarios.

Computer Peripherals and Smart Interconnected Products:

The PC market was stable in 2024, with brand manufacturers observing that the anticipated business upgrade cycle did not materialize as expected. The bulk of shipments were still dominated by low-cost models. Looking ahead, brand manufacturers are optimistic that AI PCs will drive the next wave of PC upgrades in the coming years. As a result, they are actively conceptualizing and experimenting with various proof-of-concept AI PCs to enhance user experiences. Amidst this landscape of opportunities and challenges, Realtek continues to refine its key technologies and proactively align with customer needs to develop new products, thereby embracing the new opportunities presented by AI.

In addition to continuously refining its AI audio noise reduction algorithm, which has been well recognized by the market over the past two years, Realtek has introduced AI Beamforming, AI Echo Cancellation, and AI Reverb Remover. They have also integrated Target Speaker Enhancement and Hearing Protection & Hearing Compensation technologies. These advancements aim to enhance the

user experience for PCs, conferencing devices, and live-streaming equipment while also addressing privacy, security, and health concerns. This expansion extends the application scope of AI algorithms from online meetings to content creators (live streaming) and further to generative AI applications. Anticipating future specifications for PC audio interfaces, Realtek has actively participated in early specification development and offered a comprehensive suite of products. Realtek's renowned Total Solution, which encompasses algorithms, hardware, software, and on-site support, ensures a smooth transition for the industry and customers to the next generation of standards.

In terms of imaging products, PC users have become accustomed to turning on cameras for remote meetings due to the pandemic, thus making good call quality and clear image quality key criteria when selecting PCs. Responding to this shift in consumer habits, PC brand clients significantly upgraded camera specifications on their business and high-end consumer notebooks in 2024 from HD (720p) to FHD (1080p) or 5MP resolution to enhance image clarity and corresponding quality. Regarding the improvement in image quality, Realtek took the lead in 2023 by introducing the Video High Dynamic Range (VHDR) solution, addressing the issue of facial shadows caused by strong backlighting during camera use. This significantly enhances image quality during outdoor or window-facing video calls. The specification has received widespread acclaim and adoption from PC brand clients, becoming a key focus for image quality enhancement in mid-to-high-end notebooks from 2024 to 2025.

Additionally, AI PCs were officially defined and mass-produced in 2024, making AI-related applications the main highlight of the PC industry. As a leading PC camera IC provider, Realtek pioneered the industry by launching a single-chip solution integrating an Image Signal Processor (ISP) with an Edge AI processor, earning the Best Choice Golden Award at Computex 2023. Subsequently, at the end of 2024, Realtek introduced the second generation of Edge AI engine single-chip solutions with lower power consumption and higher computing power, which won the CES Innovation Award. Realtek's highly integrated Edge AI computing solutions have been acknowledged by top-tier PC brands for their advantages in power efficiency and intelligent human-machine interaction. These solutions have been gradually adopted in both commercial and high-end consumer models. The third generation of Edge AI single-chip solutions, incorporating next-generation imaging technology, is currently under development and is expected to launch in 2025, continuing to set the benchmark for technological and market leadership.

In terms of fingerprint recognition products, Realtek, in collaboration with Microsoft's promotion plan in 2024, launched the fourth-generation MoC (Matching on Chip) fingerprint MCU product. This new generation features lower power consumption and an integrated hardware algorithm accelerator, along with anti-spoofing capabilities. It aims to enter the mid-to-high-end fingerprint recognition market for PCs with its superior performance and high integration.

In 2025-2026, as Microsoft implements new specifications for desktop AI PCs, requiring compliance with Microsoft's Enhanced Sign-in Security (ESS) standards for encrypted biometric devices, Realtek will seize this opportunity to penetrate the market for desktop peripherals (such as mice and keyboards) with fingerprint authentication applications.

Regarding the single-chip products for surveillance cameras, due to the sluggish domestic demand in China from the second half of 2023 to 2024, as well as geopolitical factors such as China-US relations, Realtek has gradually shifted its target market to regions outside of China and has

collaborated with specific brands on differentiated value-added applications. In 2024, Realtek's efforts in overseas markets have been recognized by customers, with well-known brand clients continuously adopting Realtek's IP camera single chips, which are now in stable mass production.

In the consumer electronics audio chip market, Realtek's unique low-power chip design and integrated hardware-software power-saving solutions effectively extend battery life. With high-performance audio encoding and decoding, an integrated adaptive boost circuit, and highly integrated solutions such as D-class power amplifiers with speaker protection and equalizers, Realtek helps customers reduce external components and minimize motherboard size. In the smartphone and gaming console markets, Realtek's low-power audio codecs, smart amplifiers, and programmable audio DSPs have been adopted by major brands and have received high praise. In recent years, Realtek has also partnered with key players strategically to expand into the virtual reality (VR) and automotive voice markets, achieving significant results.

Regarding card reader controllers, Realtek has launched multi-functional integrated card reader products with PCI Express and USB 3.2 interfaces, catering to notebook and desktop computer demands. These products integrate memory card readers and smart card readers, and Realtek has taken the lead in the industry by introducing products that support both the latest SD7.1 and SD8.0 specifications, as well as Intel's latest power-saving standards. With its patented architecture, Realtek's SD7.1 and SD8.0 card reader chips significantly reduce chip size without compromising functionality, effectively enhancing product cost and competitiveness. In addition to maintaining its leading market share, Realtek also aims to create new product application value for its customers.

Responding to the growing demand for products supporting USB 3.2, Realtek's 4-port USB 3.2 hub has been adopted by several system manufacturers, with shipments increasing month by month. Realtek has taken the lead in developing a USB 3.2 GEN2 hub, which not only offers fast transmission speeds and low power consumption but also integrates USB Type-C and PD3.2 functionality, providing customers with higher specifications and more refined product design flexibility. To expand the application market, the 7-port USB 3.2 hub single-chip integrating Type-C and PD 3.2 functionalities will be launched in 2025. In addition to expanding to seven downstream ports, the upstream ports have also been increased to two. It integrates the Bridge function, enabling two connected hosts to exchange files and mouse coordinates through the built-in Bridge circuit. Additionally, significant resources have been invested in the development of the USB4 hub controller chip, which fully complies with the USB4 specifications. This chip integrates essential IPs such as Type-C, PD 3.1, DP 2.1 Tx, DP 2.1 Rx, USB 3.2 Gen 2x2 Hub, USB 2.0 Hub, xHCI, PCIe switch, and a security engine. It allows customers to develop end products that meet USB4, Thunderbolt 4, Type-C, PD 3.2, USB 3.2, USB 2, and DP 2.1 specifications with minimal cost and maximum efficiency. This makes it the most integrated and competitive USB4 hub product in the current industry.

In response to the introduction of USB Type-C and Power Delivery specifications, Realtek has launched highly integrated products. These not only reduce overall design costs but also miniaturize the products, winning adoption from major manufacturers across various application markets. Moving forward, Realtek will continue to develop products with updated specifications, solidifying its position in Type-C and PD control chips among leading PC manufacturers. Additionally, Realtek's PD controllers have received PCL/AVL certification from industry giants such as Intel, AMD, and Google, significantly boosting customer confidence. The product line is also being

expanded to meet new customer demands, including integrating power switch-related IP technology to launch new PD3.2 EPR28V and EPR48V products. These innovations enable customers to further streamline costs and expand market share.

With the increasing adoption and speed enhancement of USB 3.2 and DP 2.1 specifications, the demand for Redriver products is rising. Realtek has introduced Redriver products that support USB 3.2 Gen 2x2 and DP 2.1. In addition to the advantages in process selection, the integration of Type-C and Power Delivery IP within Redriver chips helps customers reduce costs and rapidly capture the market for PCs, monitors, and various computer peripherals. Furthermore, Realtek is already developing chips for the USB4 Version 2.0 Redriver specification to meet the needs for high-speed and high-bandwidth applications. In response to the IO voltage limitations of advanced processes, eUSB2 is poised to replace the USB2 interface in the future. Realtek has launched high-performance, low-power eUSB2 repeater chips that comply with the latest eUSB2 specifications, helping customers meet the demands of eUSB2 applications.

In response to the growing demand for low power consumption and enhanced security in the current PC market, Realtek is dedicated to developing high-integration, low-power Embedded Controller (EC) chips. These chips feature a high-performance 32-bit MCU and expanded memory capacity, providing ample resources for innovative application development, particularly in AI-related fields. The chips are manufactured using advanced processes and integrate a comprehensive hardware encryption engine, achieving an ideal balance of high performance, power efficiency, and robust security. Addressing the widespread demand for USB Type-C specifications, Realtek's EC chips, combined with their proprietary USB Type-C control chips, offer customers a complete and superior power management and data transfer solution. Realtek's Embedded System Controllers were successfully introduced into several PC brand supply chains in the second half of 2023. From 2024 onward, these products have begun mass production and are anticipated to become a crucial technological pillar in the PC industry, creating greater value for customers.

To enhance the management efficiency of the next-generation server systems, the peripheral component management circuitry of server platforms is transitioning from the I2C/SMBus interface to the I3C interface. In response to market demands, Realtek has introduced an I3C Hub chip. This chip not only meets the I3C scalability requirements of system design but also incorporates a unique intelligent polling function to reduce the complexity of system design during the transition period. This feature enhances flexibility for customers in their system designs. The Realtek I3C Hub chip was developed in the second half of 2024 and is expected to enter mass production and be actively marketed in 2025.

Multimedia Products:

The new opportunities for LCD monitors primarily stem from the demand for high resolution, high refresh rates, superior image quality, and the latest external display interfaces. This includes applications such as WFHD, QHD, WQHD, and UHD high-resolution professional monitors, high image quality displays supporting High Dynamic Range (HDR) or Wide Color Gamut (WCG), and gaming monitors with higher refresh rates for improved responsiveness. For applications in notebook and desktop computers, Realtek offers DisplayPort to VGA protocol translator chips and DisplayPort to HDMI protocol translator chips, which have been widely adopted by first- and second-tier brand customers. To meet the increasing demand for high-speed video interfaces, Realtek has developed the HDMI 2.1 retimer product, poised to drive the next wave of growth.

Due to the extensive adoption of USB Type-C interfaces for video, data, and power transmission in notebooks, mobile phones, and even Apple's iPad and iPhone 15 and subsequent models, the demand for USB Type-C peripheral products is surging. In 2024, Realtek launched its latest low-power DP 2.1/HDMI 2.1 hub controller chips with OSD functionality and high-end DP 2.1/HDMI 2.1 LCD controller chips. Additionally, Realtek continues to enhance its LCD controller chips with improved image quality technologies, including UltraVivid PRO and Dynamic Low Blue Light, to increase the added value of its products and differentiate them from competitors, thereby strengthening market competitiveness. As the AI era approaches, Realtek is also integrating current solutions with AIoT and AI cameras to provide comprehensive total solutions for innovative applications like AI sensing monitors, AIoT monitors, and AIoT docking stations.

In the LCD TV market, Realtek has developed advanced artificial intelligence (AI) technology that integrates industry-leading image enhancement, sound optimization, and smart applications to deliver an exceptional audiovisual experience. The chip features built-in AI analysis technology, capable of real-time recognition of various scenes and objects in the picture, automatically adjusting color, contrast, and brightness. Whether it is a movie, sports event, or gaming scene, it can present realistic details and vivid colors.

The upgraded TV system-on-chip includes AI audio processing technology that automatically optimizes sound quality based on the content being displayed, making dialogues clearer and background music more immersive, providing users with a cinematic listening experience. Additionally, the built-in voice recognition system supports multiple languages and dialects, enabling users to operate the television effortlessly through voice commands without the need for a remote control. The AI system also learns user preferences, offering personalized content recommendations and quick commands.

To achieve low power consumption, the chip employs AI-optimized energy management systems that can automatically adjust power usage according to the currently displayed scene, extending device lifespan and adhering to eco-friendly trends. Through cutting-edge AI technology, we aim to provide consumers with a more convenient and intelligent entertainment experience.

(2) The upstream, midstream, and downstream relationships in the industry.

The IC manufacturing industry can be divided into upstream IC design and design services companies, midstream IC chip manufacturers, and downstream IC packaging and testing suppliers. IC design firms typically engage in design and sale of their own products or commissioned designs for other firms. Within the supply chain, they are knowledge intensive. Before the final product is completed, however, photo mask tooling, wafer fabrication, and product packaging and testing are needed. Generally, design firms contract external manufacturers to support these production and manufacturing processes.

3. R&D Development

(1) R&D Expenditure for the Past Two Years

Unit: NT\$ thousands

Year	Revenues	R&D Expenditures	Ratio (%)
2023	95,179,276	26,434,295	27.77
2024	113,393,698	33,543,624	29.58

(2) Products Successfully Developed in the Past Years

Communications Network and Connected Media Products:

- Ethernet Controller Series
- Ethernet PHY Transceiver Series
- USB Storage Bridge Controller Series
- PCIE to SATA Bridge Controller Series
- UHD STB SoC Series
- Automotive Ethernet PHY Series
- Automotive Ethernet Highly Integrated Switch Controller Series
- Integrated OFDMA Wireless LAN (WLAN) and Bluetooth Network Controller Series
- WLAN 802.11ax Dual-Band Access Point/Router SoC Series
- WLAN 802.11be Wireless Access Point/Router SoC Series
- IoT Multifunction SoC Series
- IoT AI Wireless IPCamera SoC Series
- Bluetooth 5.3 Low Energy Single Mode SoC
- Bluetooth 5.3 Audio SoC Solution
- Bluetooth Hearing Aid SoC Solution
- Matter over Thread SoC Solution
- GNSS (Global Navigation Satellite System) IC Series
- Multi-Port Ethernet PHY Chipset Series
- Multi-Port Ethernet Switch Controller Chipset Series
- Multi-Port Ethernet Managed Switch Controller Chipset Series
- Highly Integrated PON SOC Series
- Multi-Port PSE Controller Series

Computer Peripheral and Smart Interconnect Products:

- HD-A Audio Codec Series
- USB 2.0 Low-Power Audio Codec Series
- SoundWire Audio Codec Series
- SoundWire Audio Amplifier with Speaker Protection Chip Series
- Automotive AI Algorithm-Enabled Voice DSP Chip Series
- Hi-Fi Audio Codec with Power Amplifier Single Chip Series for Mobile Device
- Hi-Fi Audio Codec with Voice/Audio DSP Single Chip Series for Mobile Device
- High-Definition, High-Efficiency Class-D Amplifier with Equalizer and Speaker Protection Series for Mobile Devices
- Hi-Fi Audio DSP Single Chip Series for Game Console Controller
- Hi-Fi Audio Codec Chip Series for Game Consoles
- I2S Class-D Amplifier Series
- High Voltage Class-D Amplifier Series
- High-Definition Image Signal Processor Chip Series with Edge AI and USB Interface Series
- Machine Vision Controller Chip with Edge AI and I2C Interface
- USB 2.0 Fingerprint ID MOC Controller Chip Series

- Highly Integrated 5MP Edge AI IP Camera SoC Series
- USB 3.2 Card Reader Controller Chip Series Supporting Intel NB Power Saving Specification
- PCIe Card Reader Controller Chip Series Supporting SD 7.1 and SD 8.0 for Notebook Computers
- USB4 Hub Controller Chip Series
- 4-Port USB 3.2 Gen 2 Hub Controller Chip Series
- 7-Port USB 3.2 Gen 2 Hub Controller Chip Series
- Highly Integrated PD 3.2 EPR (Enhanced Power Range) Controller Chip Series
- USB 3.2 and DP 2.1 Redriver IC Series
- eUSB2 Repeater Controller Chip Series
- High Integration and Low Power Embedded System Controller Chip Series
- I3C Hub Controller Chip Series

Multimedia Products:

- Integrated High Resolution Gaming LCD Controller Series
- Integrated LCD Controller Series
- DisplayPort Video Translator Series
- DisplayPort MST Hub Controller Series
- HDMI Retimer IC Series
- High-End Smart Connected LCD TV SoC Series
- Intelligent Display SoC Series
- 8K LCD TV Video Decoder and Processing IC Series
- Super Resolution Image Enhancement SoC Series
- Higher Specification TV SoC with AI Video and Audio Processing

4. Long-Term and Short-Term Business Development Plan

(1) Short-term Business Development Plan:

- i. Continue to use the Company's innovation framework to lower chip capital costs, in order to ensure competitive prices and raise profit margins.
- ii. In addition to maintaining current market share, expand overall market share through new product launches and providing various sales combinations and distribution strategies.
- iii. In accordance with the needs of major customers, assist in integrating product logistics support systems and provide the best marketing services to win customer trust and meet customer needs.
- iv. Participate in international exhibitions and product evaluation conferences to increase the exposure of new products and show off product quality.

(2) Long-term Business Development Plan

- i. Participate in formulating and promoting international standards to acquire related product and technical information in advance, thus accelerating Time-to-Market. Participating in the evaluation and selection of the test platforms for the standard organizations to make Realtek an industry benchmark in interoperability testing.
- ii. For high market share products, in addition to stabilizing market share and ensuring good quality, establish a global service and technology network. For products with lower market share, actively develop new customers and expand new markets and marketing channels to meet the goal of increasing overall market share.
- iii. Hold product launch events and technical seminars regularly in response to regional market needs, or establish relationships directly with brand owners and discuss their future product

needs to strengthen customer relationships.

II. Marketplace and Production Overview

1. Market Analysis

(1) Major Product Sales Regions

Unit: NT\$ thousands

Sales Region	2023		2024	
	Sales Amount	Percentage	Sales Amount	Percentage
Taiwan	38,940,171	40.91%	44,435,413	39.19%
Asia	55,394,154	58.20%	67,922,330	59.90%
Other	844,951	0.89%	1,035,955	0.91%
Total	95,179,276	100.00%	113,393,698	100.00%

(2) Market Share

Realtek is one of the world's leading IC suppliers, designing and developing a variety of IC products in wired and wireless communication networks, computer peripheral IC products, consumer multimedia, and automotive applications. According to Omdia, Realtek ranked 7th worldwide in terms of revenue among global IC design companies in 2024.

(3) Future Market Supply and Demand and Growth Trend

In the post-pandemic era, changes in lifestyle and work patterns have increased our reliance on the Internet of Things and cloud services. The demand for wired and wireless network chips is strong across a range of electronic products, home appliances, and even transportation. This includes broadband products such as IP-STBs, cable modems, and PONs, as well as consumer electronics such as gaming consoles, smart TVs, printers, refrigerators, air conditioners, voice-controlled smart speakers, home theater systems, IP cameras, robotic vacuum cleaners, drones, projectors, consumer or industrial robots, and industrial controls. The proportion of cars with built-in Ethernet, Wi-Fi, or Bluetooth is also gradually increasing. As more and more devices connect wirelessly, and with the widespread adoption of smartphones and cloud services, hybrid applications such as the Internet of Things and artificial intelligence will be important drivers of growth for Wi-Fi and Bluetooth. At the same time, the increase in wireless connection speeds is driving upgrades of wired networks and broadband. The era of multi-GbE networks has arrived. There are concrete upgrade plans for Wi-Fi 6 wireless access points/routers with WAN and LAN ports, switches, PON fiber networks, cable modems, DSL, 5G network CPE, NAS, gaming and commercial computers, expansion network cards, and USB-to-Ethernet adapters. Ethernet speeds exceeding 2.5 Gbps are expected to become mainstream. Another growth driver for the Ethernet market comes from connected automobiles, where trends in autonomous vehicles and electric cars have led to a significant increase in vehicle data streams and environmentally friendly initiatives that emphasize weight reduction and energy savings, making Ethernet the backbone network inside automobiles.

With the rapid advancements in global AI technology and cloud computing, the demand for high-speed computation and data transmission has increased significantly, driving the growth of hyperscale data centers. Optical communication technology, known for its high bandwidth and low latency characteristics, has become a key solution for upgrading data centers. In particular, the demand for optical transceivers supporting 100G, 400G, 800G, and higher speeds continues to rise,

addressing the massive data transmission needs required for AI model training and inference.

According to research institutions, the optical communication industry is expected to achieve a compound annual growth rate (CAGR) of 45% from 2023 to 2029. This growth is primarily driven by the increasing demand for higher transmission speeds in data centers and the telecommunications market, as well as the substantial investment in network equipment by cloud service providers. To capitalize on this trend, Realtek plans to launch 100G Optical PHY products in 2025 and is actively developing PAM4 DSP ICs to support cutting-edge 400G and 800G modules. These efforts are aimed at establishing a solid foundation for the long-term development of the future data center application market.

The demand for OTT retail set-top boxes and IP operator set-top boxes will continue to rise in the future. Meanwhile, due to the lack of significant growth in 8K televisions, more variations in 4K products have emerged to strengthen market segmentation. The growth of ultra-high-definition televisions, the proliferation of diverse audiovisual content, and the rapid growth of high-speed networking demand for Wi-Fi 6, Wi-Fi 6E, and even Wi-Fi 7, coupled with the integration of smart homes and the demand for voice intelligence control, the set-top box market is moving towards wireless, high-speed connections and edge computing intelligence. In addition, the operator market is shifting towards openness and network streaming, driving the growth of IP set-top box chip demand. Realtek will develop high-integration and cost-effective multimedia controller chips with new features, combined with Realtek's network communication chips, to provide customers with a total solution that combines software and hardware advantages, helping customers seize business opportunities.

The year 2024 marked an explosive growth in generative AI, with people eagerly anticipating its convenient usage in workplaces, daily life, and educational settings. In the face of ubiquitous virtual assistants, voice control stands out as the most humanized method. Realtek has been cultivating voice recognition, voice wake-up, noise reduction, and deep learning technologies for many years. The Company has created seamless voice application experiences across various products, allowing users to enjoy the convenience of voice control. This makes it the best integrated solution for voice and sound quality in the new generation of computer products. Furthermore, combined with low-power Internet of Things (IoT) single-chip solutions, it can realize portable AI assistants, enabling users to enjoy this functionality anytime and anywhere, whether for work or personal life. Realtek has also developed audio codec chips with integrated power amplifiers. The power amplifier not only integrates a low-power design with a built-in adaptive boost circuit but also includes a design that saves external components for customers, allowing the new generation of integrated chips to support high-voltage (+9V) Class-D power amplifiers with protection functions. In response to the demand for high-quality audio in the development of gaming PCs, such as Hi-Fi Audio (32 bits/384 KHz sample rate) audio standards, audio technology development will continue to integrate existing software and hardware advantages to provide customers with the best choice for thin and light computers and Hi-Fi Audio applications.

The growth opportunities in the LCD display market stem from new specifications and interface technologies such as 4K2K, USB4, USB Type-C, HDMI 2.1, DP 2.1, HDR, WCG, and high frame rate gaming models. Panel manufacturers and TCON companies have garnered brand customers' interest by enhancing the frame rate of panels within existing architectures (same LVDS cables, same LVDS connectors, same PCBs) to add greater value. Increasing the frame rate support of the

scaler has become an important trend, while reducing overall system costs and power consumption remains a key development focus. In the notebook/desktop market in 2024, the trend towards digital interface connectors remained unchanged, driving demand for DisplayPort to HDMI2.0 interface control chips, high-end DisplayPort to HDMI2.1 interface control chips, HDMI2.1 Retimer chips, USB4 Retimer chips, external USB Type-C video converters, and DisplayPort MST hub control chips.

According to the latest TrendForce survey, global TV brand shipments reached 90.72 million units in the first half of 2024, a year-on-year increase of 0.8%. Regional demand showed mixed results, with TV sales in China falling short of expectations due to a sluggish real estate market and changing habits among the younger demographic. In North America, ongoing low-price competition supported demand, while Europe benefitted from sporting events and a low base effect from the previous two years' inflation, resulting in better-than-expected TV shipments in the first half of the year.

To stimulate the economy, in the second half of 2024, the Chinese government implemented an old-to-new appliance replacement policy in September, offering a 15-20% subsidy on the sale price of household appliances to consumers. This policy has begun to revive previously weak TV demand, with Omdia reporting double-digit growth in LCD TV sales during the National Day period. However, global annual TV shipments remain lackluster.

Google, leading the charge with Google TV, has integrated various Gemini AI features, including program summaries, reviews, and season-by-season analyses, to assist users in selecting content. Additionally, the environment mode has been upgraded with the capability to design screensavers using generative AI, aiming to attract more OEMs. Looking ahead, the global LCD TV market is expected to maintain substantial volume. Realtek will continue to actively promote in key markets, offering customers the most comprehensive solutions.

(4) Competitive Strengths

- i. **Advanced core technology:** Realtek has excellent radio frequency (RF), analog and mixed-signal circuit design capabilities, IC manufacturing knowledge, system technology, and the mix and match of intellectual property rights to enhance product performance and production yield, thus reducing costs and enhancing product value.
- ii. **Strong customer base:** Realtek's customer base includes leading manufacturers of PCs, motherboard, network system, consumer electronics, and multimedia products. By providing customers with high-value, high-performance, and excellent economic benefits solutions, Realtek endeavors to establish long-term cooperative relationships with customers.
- iii. **Excellent cost-benefit and customer-oriented products:** Realtek specializes in developing cost-effective products, and combines chip and system design to provide customers with high-value system integration solutions, and assist customers in quickly launching new products to market.
- iv. **Innovative products leading new applications and markets:** Realtek continues to explore new business opportunities in emerging applications and markets. By collaborating closely with partners, Realtek promptly delivers innovative products that address end-user pain points and meet their potential needs. Through innovation, Realtek enhances the application and market value of its products.
- v. **Experienced Technical and Management Team:** Realtek's technical and management team boasts extensive experience in the semiconductor industry. The Company attracts top talent by

fostering an excellent work environment and a strong corporate culture.

(5) Future Advantageous and Disadvantageous Factors:

i. Advantageous Factors:

- a. Leading its domestic industry, Realtek has launched a range of communications network, connected media, computer peripherals, smart interconnect, and multimedia IC products with competitive specification and price. Realtek continues to establish advanced core technologies that improve product yield, reduce production costs, and enhance product value.
- b. Realtek maintains good partnerships with wafer foundries and assembly houses, which ensures a stable supply of raw materials and cost control.
- c. Realtek actively collaborates with customers to provide the best marketing services, thus establishing a solid customer base.
- d. Experienced R&D and management teams with decision-making authority combined with a corporate culture of mutual support attract talented technical staff.

ii. Disadvantages:

Due to fierce market competition and short product life-cycle, failing to timely introduce new products could cause the Company to lose market share, thereby affecting profits.

iii. Countermeasures:

- a. Proactively invest in new product development and timely introduce new products to seize market opportunities.
- b. Proactively improve existing products by increasing yield and performance to reduce costs or enhance product value.
- c. Achieve win-win through comprehensive product services or joint development of new products with customers.

2. Main Applications for Major Products and Production Process

(1) Main Applications

- i. Communication network products: routers, switches, home gateways, optical network equipment, wireless network application products, etc.
- ii. Computer Computing Products: servers, desktop computers, notebook computers, card readers, interface expansion docks, network storage devices, etc.
- iii. Consumer electronics products: smart wearable, smart-home appliances, game consoles, security surveillance cameras, smart phones, tablet computers, etc.
- iv. Multimedia products: LCD monitors, smart HD TVs, OTT boxes, multimedia video translators, etc.
- v. Automotive products: In-vehicle electronics and network systems, etc.

(2) Production Process

Realtek's main products are designed and commissioned to wafer foundries for production. After the completed wafers are tested, they are sent to an assembly house for packaging. Packaged products then go through final testing.

3. Supply Status of Key Raw Materials

Realtek's primary raw material is the silicon wafer, with key suppliers including Taiwan Semiconductor Manufacturing Company, United Microelectronics Corporation, and other professional wafer foundries and semiconductor outsourcing packaging and testing factories, all of which maintain high standards in quality, process, and packaging and testing capabilities. The semiconductor industry is closely linked to the global economy, and in response to global changes, Realtek actively deepens its cooperative relationships with suppliers. By closely collaborating with global wafer foundries, packaging, and testing factories, Realtek provides flexible, cross-regional production support, reducing risks from economic, accidental, epidemic, or geopolitical events.

4. Suppliers' Name of purchase equal to or over 10% of the total purchase in any of the last two years

1. Major suppliers in the last two years

Unit: NT\$ thousands

	2023				2024			
Item	Name	Amount	% of Total Purchase	Relation to the Company	Name	Amount	% of Total Purchase	Relation to the Company
1	A	8,948,768	24		A	13,581,169	25	
2	B	6,301,547	17		B	12,354,401	22	
3	C	8,995,695	24		C	11,229,567	20	
	Other	13,788,337	35		Other	17,869,664	33	
	Total Purchase	38,034,347	100		Total Purchase	55,034,801	100	

There have been few changes in the Company's major suppliers in the last two years.

2. Major customers in the last two years

Unit: NT\$ thousands

	2023				2024			
Item	Name	Amount	% of Total Purchase	Relation to the Company	Name	Amount	% of Total Purchase	Relation to the Company
1	D	19,723,991	21		D	23,612,972	21	
2	B	17,261,675	18		B	20,320,545	18	
3	A	11,680,734	12		A	14,996,561	13	
	Other	46,512,876	49	(Note)	Other	54,463,620	48	(Note)
	Total Operating revenue	95,179,276	100		Total Operating revenue	113,393,698	100	

There have been few changes in the Company's major customers in the last two years.

Note: Other related party.

III. Employees

Employee breakdown over the past two calendar years and up until the date of the Report's publication

Year		2023	2024
Number	Research and Development	6,459	6,673
	Administration and Sales	594	604
	Production and Testing	193	176
	Total	7,246	7,453
Average Age		36.10	36.61
Average Years of Service		7.03	7.57
Education	Ph.D./Master's	73.09%	73.88%
	University/College Degree	25.03%	24.35%
	High School/Vocational High School Degree	1.88%	1.77%

Note: Data are based on the Company's consolidated statements, including employees of the Company and its subsidiaries.

IV. Environmental Expenses

1. The Company did not incur any losses, penalties, or liabilities due to environmental pollution during the previous calendar year or up until the date of the Report's publication.
2. The Company passed ISO 14001 Environmental Management Systems certification on September 22, 2006. The ISO 14001 certificate is valid (2023/10/12-2026/10/12).

V. Labor Relations

1. Summary of the Company's employee benefits, continuing education, training, pension plan and implementation results, as well as labor agreements and measures to uphold employee rights.
 - (1) Wages and Benefits
 - i. Performance appraisal twice a year for promotion/salary adjustment/bonus.
 - ii. R&D and patent application training and patent bonuses.
 - iii. Library of renowned domestic and foreign journals, papers and books, and guidance and incentive bonus system for publication.
 - iv. R&D project participation based on professional suitability and personal choices.
 - v. Incentive system for the 'Stimulus for Employee Brain Power Sharing Program'.
 - vi. Dual track career development to decide on going for R&D management based on ability and interest.
 - vii. Bonus and dividend system based on performance appraisal and comprehensive evaluation of R&D investment.
 - viii. Highly competitive salary and fringe benefit system.
 - ix. Profit sharing with the Company through salary adjustment, year-end bonus, and employee dividends based on personal performance.
 - x. New Year's Day and birthday gift vouchers, Lunar New Year party luck draw, as well as a cafeteria benefit plan by the Welfare Committee.
 - xi. Employee discounts on gift certificates and special store discounts.
 - xii. Paid annual health check-up to assist employees in implementing self-health care

management.

- xiii. Major holiday bonuses, as well as wedding and funeral subsidies.
- xiv. Professional and diverse intellectual lectures, club activities, ball games, and competition interactions held by the Employee Welfare Committee.
- xv. Employee Assistance Program providing psychological counseling, legal counseling, and stress relief massage services.
- xvi. Employee restaurants, cafes, and convenience stores with meal subsidies for diversified dining services at a discount.
- xvii. Employee group insurance and business travel insurance to strengthen the work and life protection in addition to labor insurance and national health insurance.
- xviii. Realtek annual Family Day activities and year-end Lunar New Year party activities.
- xix. Realtek gymnasium for exercise, reading, games, family funtime and health management.
- xx. Professional breastfeeding rooms and kindergarten services to create a friendly parenting environment.
- xxi. Sufficient parking spaces for automobiles and motorcycles, as well as charging stations for electric vehicles.

(2) Realtek Educational Training, and Development

Talent is a key requirement for building intellectual power, blazing competitive new trails, and fostering sustainable operations. The Company's greatest assets in these pursuits are the professionals of various fields who compose its workforce. In order to sustain competitiveness and develop new talent, the Company founded the Realtek Corporate University, which offers classes covering topics such as professional R&D, leadership development, organizational operations, and spontaneous learning. This initiative is part of the comprehensive education and training plans the Company offers to help all employees raise their capabilities to new heights.

i. New Employee Training Camps

Orientation for new employees focuses on teamwork, innovation, and vitality to help new team members quickly adapt to the Company's corporate lifestyle and culture.

ii. Professional R&D Training

285 education and training courses in 2024 for new R&D staff to quickly raise their professional capabilities. It invites R&D experts from Taiwan and overseas to share their knowledge and techniques. Employees can also join fully subsidized external training courses.

iii. Management and Leadership Training

Besides providing management training to employees based on their rank and role, the Company fully subsidizes training classes for employees at external institutions.

iv. Self-Study and Development

The Company offers open, diverse study environments and contents. It maintains awareness of employees' learning and development while taking into account their professional needs and lifestyle aspirations. Diversity, timeliness, and convenience are distinguishing features of our planning.

v. Tailored Professional Development Plans

A combination of traditional and on-line classes offers flexible professional development plans tailored to the specific needs of every employee. Raising the R&D capabilities of each individual and team gives the Company a workforce with diverse professional knowledge.

vi. Internship Program

By designing required and elective courses for the comprehensive functional development required by scientific and technological professionals, interns are encouraged to combine academic field

knowledge with practical R&D majors to achieve professional synergy goals. Through the specialized tutor system, we help interns understand the research and development process and practical operations of the semiconductor industry, achieve the goal of effectively learning and cultivating semiconductor talents, and contribute to the cultivation and development of the country's future scientific and technological talents.

(3) Pension System

The Company established pension plans and created a Supervisory Committee of Labor Retirement Reserve to manage pension payments for regular employees in accordance with the 'Labor Standards Act'. From 1995, it appropriated labor pension reserve funds each month based on pension actuarial evaluations and stored in a central trust account to protect labor rights and interests. From July 1, 2005, it utilized a defined contribution system for employees who are ROC nationals in accordance with the 'Labor Pension Act'. At least 6% of the worker's monthly wages are paid into his or her Individual Account of Labor Pension at the Bureau of Labor Insurance. Employees receive monthly retirement payments calculated based upon their individual account balance and other factors, or claim their pension in a lump-sum payment.

The Company abides by the Labor Pension Act following relevant rules as follows:

i. Voluntary Retirement

Workers may apply for voluntary retirement under one of the following circumstances: (For those who choose to apply the Labor Pension Act, the same Act shall apply)

- a. Workers who have worked for more than 15 years and are over 55 years old.
- b. Workers who have worked for more than 25 years.
- c. Workers who have worked for more than 10 years and are over 60 years old.

ii. Mandatory Retirement

The company may not force an employee to retire unless he or she falls under one of the following circumstances:

- a. Over 65 years old.
- b. Loss of mental capacity or physical disability that renders the worker unfit for work.

The age specified in the first paragraph of the preceding paragraph may be adjusted by the Company with the approval of the central competent authority for workers engaged in work of a dangerous or physically demanding nature. However, it may not be less than 55 years old.

iii. Pension Standards

- a. For workers who have worked before and after the Labor Standards Act and have chosen to continue to apply the "Labor Standards Act" pension provisions or to retain the working years before the Labor Pension Act, the pension standards shall be calculated in accordance with Article 84-2 and Article 55 of the Labor Standards Act.
- b. For workers who have the working years specified in the preceding paragraph and are forced to retire in accordance with the provisions of Article 35, Paragraph 1, Subparagraph 2, if the loss of mental capacity or physical disability is due to the performance of their duties, an additional 20% shall be given in accordance with the provisions of Article 55, Paragraph 1, Subparagraph 2 of the Labor Standards Act.
- c. For employees who apply the pension provisions of the Labor Pension Act, the Company shall contribute 6% of their monthly wages to the employee's individual pension account.

iv. Pension Standards

The company shall pay the employee's pension within 30 days from the date of the employee's retirement.

(4) Labor Agreements and Upholding Worker Rights

- i. The Company's intranet offers a forum that gives employees immediate access to management.
- ii. The Company holds worker-employer meetings as a positive mechanism for communication.
- iii. The Company set up two-way communication channel (President mailbox) for employees to offer their opinions to management.
- iv. At regular departmental/unit meetings, employees can voice their opinions on problems.
- v. The Company has an Employee Care and Consultation Center to provide individual or team consultation services.
- vi. The Occupational Safety and Health Center is responsible for matters related to safe workplaces and health promotion.
- vii. The Company has a sexual harassment prevention hotline and a prevention plan against unlawful violations to provide a safe work environment that puts employees' minds at ease.

2. The Company did not incur any losses due to labor disputes during the past calendar year and up until the date of publication of this report.

VI. Cyber security management

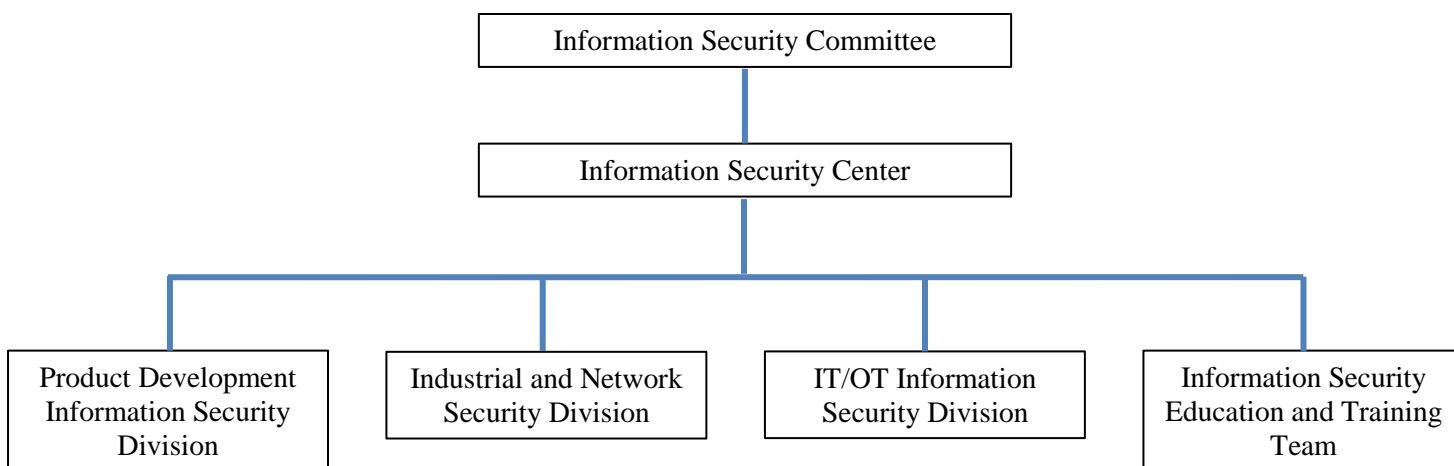
To protect the information security of its employees, customers, investors, and partners, and to support the Company's vision of continuous operation and development, Realtek is committed to developing information security strategies and continuously improving them. This is to avoid risks such as theft, improper use, leakage, or destruction of information assets due to human negligence, deliberate actions, or natural disasters. Realtek has established an 'Information Security Risk Management Framework' and continuously improves its risk management by strengthening governance strategies, personnel training, conducting assessments and reviews, and formulating supporting measures. This creates a solid, secure, and trustworthy digital environment for the Company, serving as a solid foundation for its sustainable operation.

1. Cyber Security Risk Management Framework

(1) Enterprise Information Security Organization

- i. To implement and improve the information security governance strategy, Realtek established the Information Security Committee, which is responsible for reviewing the formulation and implementation of information security policies. Realtek President serves as the chairman, and the first-level manager of each unit serve as ex-officio members. The Committee meets at least once a year and reports to the board of directors on the overall implementation of information security.
- ii. To implement and improve information security risk management, Realtek has established the position of Chief Information Security Officer (CISO) to oversee the Information Security Center. This center comprises the Product Development Security Division, Industrial Network Security Division, IT/OT Security Division, and Information Security Education Group. In accordance with international information security standards, the CISO coordinates the formulation and execution of information security policies and implements various protective measures to ensure that information security management meets the goals of confidentiality, integrity, and availability.

Information Security Organizational Chart



(2) Continuous Improvement Framework for Information Security Risks

Since Realtek is an IC design company, its business involves IC research and development, manufacturing, sales, and offering of software applications and IP development for IC products. Through information technologies such as various communications, instrumentation, and information systems, it interacts with the upstream and downstream of the industry chain and working closely with customers on product development and delivery, Realtek maintains organizational information security by formulating and implementing information security management mechanisms.

With the expansion and complexity of enterprise operations, as well as the ever-changing information security threats and continuously evolving hacker technologies, although various information security protection measures have been implemented, there is no guarantee that serious

network attacks can be completely prevented from breaking through multiple protection mechanisms and impacting on our operations. Realtek actively manages and controls organizational information security risks, supports organizational operational development, assesses importance, risk impact and corresponding improvement benefits, builds a defense-in-depth mechanism, and adopts PDCA (Plan-Do-Check-Action) methods to continuously strengthen the organizational information security risk management mechanism. In 2023, Realtek implemented ISO27001 certification and TISAX assessment, successfully passing third-party reviews in 2024. This initiative aims to ensure the thorough implementation and continuous improvement of Realtek's information security management system, enhancing the effectiveness of its information security infrastructure.

Continuous Improvement Cycle	Execution Strategy	Implementation Direction
Plan	<ul style="list-style-type: none"> Information Security Risk Management In-Depth Defense 	<ul style="list-style-type: none"> Plan security control mechanisms based on international and industry information security standards. Assess information security requirements and risks, and plan mitigation methods. Formulate information security policies and regulations, and plan information security education and training.
Do	<ul style="list-style-type: none"> Information Security Management 	<ul style="list-style-type: none"> Establish an information security control mechanism. Implement risk improvement or mitigation based on risk assessment results. Evaluate information security solutions and implement them according to business needs. Assess and optimize network system architecture to enhance defense.
Check	<ul style="list-style-type: none"> Monitoring and Evaluation 	<ul style="list-style-type: none"> Monitor information security events. Perform information security audits. Perform information security inspections.
Action	<ul style="list-style-type: none"> Review and Continuous Improvement 	<ul style="list-style-type: none"> Handle information security incidents and violations. Improve information security control measures. Strengthen information security education, training, and promotion.

2. Information Security Policy

- (1) Strengthening Personnel Awareness: Conducting information and communication security education and training to enhance employees' awareness of the importance of information and communication security and the responsibility to maintain it.
- (2) Preventing Data Leakage or Tampering: Implementing multiple security measures to protect the Company's business information from unauthorized access and modification, ensuring its accuracy and completeness.
- (3) Implementing Daily Operations: Implementing daily operations and regularly conducting internal audits to ensure that relevant operations are properly executed.
- (4) Ensuring Service Availability: Ensuring that the Company's information and communication systems maintain a certain level of system availability, providing stable and reliable services.

3. Specific Management Plans and Resources Invested in Information Security Management

- (1) Specific Management Plan

Information Security Management Item	Risk Statement	Countermeasures	Results
Network management security	In the face of new and diverse external network attack threats, if protective measures are not perfect, it may cause the Company's important information system services to be interrupted, sensitive information to be leaked or stolen, and thus cause operational losses.	Firewall Control: 1. Control access behavior through the firewall and update the firewall firmware and backup. 2. Regularly review firewall policies and vulnerability risks. 3. Regularly back up firewall rules and settings, and update firewall firmware.	Strengthen the access security of internal and external networks and block malicious traffic in real time.
		Malicious Threat Defense: 1. Proactively identify threats and block inappropriate transmission behaviors such as external malware, phishing, and zombie computer command and server control. 2. Collect threat intelligence and convert them into defense policies.	Active deProductection and defense to reduce malicious program attacks.
Product Safety	Prevent the leakage and improper use of product development intellectual property or sensitive information.	Hold regular meetings to respond to known problems and prevent recurrences, propose improvement measures for risks with a high probability of occurrence, improve information security control of the product development environment, and comply with intellectual property requirements.	Product research and development network segment isolation and protection, and the correct use of core process control technologies to achieve goals such as information protection, authority control, contract compliance, flow records, software quality, and software security.
	Avoid product security vulnerabilities causing damage to customers and goodwill.	Following the Company's information security reporting process, initiate vulnerability correction and response procedures and report to superiors.	Improve product vulnerability management and processing efficiency.
	Protect customer confidential information to avoid damage to customers and goodwill	<ul style="list-style-type: none"> • Adopting a contract compliance system • Legal authorization process • Secured communication transmission • Account authorization control • Network segmentation • Dedicated storage area • Backup and recovery mechanism for important information systems 	Implement a customer sensitive information protection mechanism.
Computer security management	Computer viruses are changing with each passing day, and ransomware viruses are emerging in an endless stream. If the computer management and control configuration is not perfect, it will harm computer security and important data will be leaked, destroyed or encrypted, which will cause	Personal account password management: Password changes are mandatory on a regular basis, and password rules must be fairly complex.	Strengthen personal account passwords to reduce the risk of personal computer theft.
		Anti-virus software: Centrally controlled by the anti-virus server and automatically sends updated virus definition files to the user's computer.	Effectively block and prevent computer viruses and strengthen information service security.

Information Security Management Item	Risk Statement	Countermeasures	Results
	serious losses to the Company's operations.	Endpoint Detection and Response (EDR): 1. Real-time monitoring of endpoint computers through EDR, and risk detection of abnormal threats to endpoint computers. 2. Collect malicious programs and ransomware threat intelligence and convert it into defense policies.	Improve the understanding of security incident threats, and quickly identify and respond to security incidents to mitigate risks.
Information system management	Prevent improper use of sensitive, personal and business information.	<ul style="list-style-type: none"> • Legal authorization process • Use multi-factor authentication • Secure communication transmission • Access control management • Important information system backup and recovery mechanism 	Ensure authorization principles and availability to avoid data leakage.
File management	Prevent improper use of sensitive, personal and business information.	Adopt document management (DMS) and digital rights management (DRM)	Ensure the principle of minimum authorization and avoid data leakage.
Personnel security awareness and capabilities	Insufficient awareness of information security can easily lead to deception, misdirection, and malicious infringement, causing the Company to suffer losses.	<ul style="list-style-type: none"> • Conduct social engineering drills • Implement information security education training and learning effectiveness assessment • Execute information security promotion 	Strengthen personnel's vigilance and information security awareness and comply with information security regulations.
	Information security personnel need to continue to improve their professional skills to grasp threat trends and protect enterprises from reducing information security risks.	Encourage participation in expert seminars and information security certification exams	Continuously improve the professionalism of information security personnel and contribute to organizational information security work.

(2) Resources Invested in Information Security Management

Results of Information Security Measures Implementation:

Information security management	<ul style="list-style-type: none"> • Bring in ISO27001 to establish 62 information security specifications, and continue to improve in response to information security risks and practical implementation. • Monthly report of information security promotion and effectiveness to senior managers a total of 12 times. • Convene one Information Security Committee to review the formulation and implementation of information security policies. • One overview report of the overall information security governance to the board of directors. • 8 security drills. • 163 security checks. • Regular information security audits and completing 100% improvement items. • In 2024, there were no major information security incidents that impacted operations, reputation, or resulted in losses. Furthermore, there were no complaints from employees, suppliers, or customers regarding violations of information security.
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Strengthening personnel security awareness and capabilities	<ul style="list-style-type: none"> • Compulsory information security education and training for all new employees. • 5 information security education and training sessions in 2024. • 14 product safety education and training sessions to improve product safety development capabilities. • 23 information security measures promotion and announcement.
Product safety management	<ul style="list-style-type: none"> • Continuous optimization of the product security development process, including vulnerability scanning, penetration testing and patching mechanisms. • Implementation of product vulnerability reporting and reward procedures. • Introduce product sign-in and sign-off process mechanisms to enhance product quality and safety. • Establish product threat models to reduce security risks.

4. Major Information Security Incidents

In the most recent year and as of the publication date of this annual report, there have been no major information security incidents that have affected or damaged operations and goodwill, nor have employees, suppliers and customers complained to the Company due to information security violations.

VII. Significant Agreements

Agreement Type	Signatory	Contract Validity	Summary	Limitations
Rental Agreements 5 Items	Hsinchu Science Park Bureau	Jan, 2023~Dec, 2042 Mar, 2014~Dec, 2027 Sep, 2019~Dec, 2038 Feb, 2020~Dec, 2039 May, 2023~Dec, 2042	The lessee shall build a factory, warehouse, or laboratory or use the site for storage and delivery, loading and unloading, packaging, or repairs and maintenance.	The site must be used to build a factory, warehouse, or laboratory, or to conduct business-related tasks such as storage and delivery, loading and unloading, packaging, or repairs and maintenance.

Financial Status, Operating Results and Status of Risk Management

I. Financial Status

Unit: NT\$ thousands

Item \ Year	2024	2023	Changes	% of Changes
Current Assets	84,658,007	69,287,620	15,370,387	22.18%
Non-Current Assets	29,238,723	24,527,650	4,711,073	19.21%
Total Assets	113,896,730	93,815,270	20,081,460	21.41%
Current Liabilities	57,960,975	46,245,752	11,715,223	25.33%
Non-Current Liabilities	2,978,267	5,331,356	(2,353,089)	-44.14%
Total Liabilities	60,939,242	51,577,108	9,362,134	18.15%
Share Capital	5,128,636	5,128,636	0	0.00%
Capital Surplus	287,282	542,048	(254,766)	-47.00%
Retained Earnings	40,934,415	33,728,036	7,206,379	21.37%
Other Equity	6,597,430	2,829,740	3,767,690	133.15%
Non-Controlling Interest	9,725	9,702	23	0.24%
Total Equity	52,957,488	42,238,162	10,719,326	25.38%

Analysis of Changes equal to or over 20%

1. Increase in Current Assets: Mainly due to increase in financial assets at fair value through profit or loss and cash and cash equivalents.
2. Increase in Current Liabilities: Mainly due to increase in other payables and accounts payable.
3. Decrease in Non-Current Liabilities: Mainly due to decrease in long-term borrowings.
4. Decrease in Capital surplus: Mainly due to cash dividend.
5. Increase in Retained Earnings: Mainly due to increase in net income
6. Increase in Other Equity: Mainly due to increase in financial statements translation differences of foreign operations.

II. Operational Results

Unit: NT\$ thousands

Item \ Year	2024	2023	Changes	% of Changes
Operating Revenue	113,393,698	95,179,276	18,214,422	19.14%
Operating Costs	(56,231,862)	(54,431,219)	(1,800,643)	3.31%
Gross Profit	57,161,836	40,748,057	16,413,779	40.28%
Operating Expenses	(43,660,290)	(34,093,065)	(9,567,225)	28.06%
Operating Income	13,501,546	6,654,992	6,846,554	102.88%
Non-Operating Income and Expenses	2,839,664	2,889,643	(49,979)	-1.73%
Profit Before Income Tax, Net	16,341,210	9,544,635	6,796,575	71.21%
Income Tax Expense	(1,049,685)	(391,797)	(657,888)	167.92%
Net Income For The Year	15,291,525	9,152,838	6,138,687	67.07%

Analysis of Changes equal to or over 20%

1. Increase in Gross Profit: Mainly due to Increase in operating revenue and gross margin.
2. Increase in Operating Expenses: Mainly due to increase in research and development expenses.
3. Increase in Profit Before Income Tax, Net: Mainly due to increase in operating income
4. Increase in Income Tax Expense: Mainly due to the increase in income tax generated by current income.

III. Cash Flow Analysis

1. Analysis of the Change in Cash Flow in 2024

Unit: NT\$ thousands

The beginning of Cash Balance (1)	Net Cash Provided by Operating Activities (2)	Net Cash Used in Investing and Financing Activities (3)	The end of Cash Balance (1)+(2)-(3)	Remedy for Cash Shortage	
				Investment plan	Financial leverage plan
10,268,291	23,934,087	19,389,919	14,812,459	—	—

Analysis of the Change in Cash Flow:

- (1) Operating activities: Net cash inflow is mainly from operating profit.
- (2) Investing activities: Net cash inflow is mainly due to disposal of financial assets at amortised cost.
- (3) Financing activities: Net cash outflow is mainly due to distribution of cash dividends and decrease in short-term borrowings.

2. Cash Flow Projection for Next Year: Not applicable.

IV. Impact on Financial and Business associated with Major Capital Expenditures in recent years: None.

V. Investment Policies in recent years, the reasons for losses and plans to improve for next year:

Our investments are mainly strategic in nature. The investment losses accounted for under the equity method in 2024 were approximately NT\$40,813,000. We will continue to focus on strategic investment and prudently evaluate investment plans in the future.

VI. Risk Items

1. The effect upon the profits (or losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

Our exposure to interest rate risks arises from time deposits, short-term and long-term loans with floating rates, which are not significant and are normally incurred to support our operating activities. The Realtek Group is a multinational group in the Electronics industry. Currently, the majority of our revenues are denominated in USD. Management has set up a policy to require the Realtek Group to manage its foreign exchange risk against its functional currency, the natural hedge is used to reduce the foreign exchange risk. Inflation risk does not have a significant impact on the results of our operating activities.

2. The policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements and guarantees, and derivatives transactions, the main reasons for the profits/losses generated thereby, and response measures to be taken in the future:

The Realtek Group adopts a conservative investment policy and does not engage in high-risk investments or highly leveraged investments.

The Realtek Group has formulated its procedures for Loaning Funds to Others, Procedures for Endorsements and Guarantees, and Procedures for Financial Derivatives Transactions in compliance with these Regulations. These procedures are aimed at improving operational performance and reducing financial risk.

3. Future R&D plans and expected R&D spending:

We will continuously research in chips regarding the area of communication networks, computer peripherals, multimedia, connected media and smart interconnect. In addition, we will actively recruit outstanding R&D talents and invest best resource in R&D and develop key technologies or obtain necessary licensed technology. The expected R&D spending for next year will be approximately NT\$355 billion.

4. Impact on finance and business associated with changes in domestic and foreign regulations and laws, and corresponding reactions: None.

5. Impact on finance and business associated with new technology and industry changes, and corresponding reactions:

We pay attention to the trend of future technology at all times. We not only focus on timely launching new products, but also continuously enhance product functions and technical specifications in line with market trends and customer needs in order to strength our competitiveness and increase our market share.

6. Impact on Company's crisis management associated with changes in corporate image, and corresponding reactions:

Our corporate culture is 'self-confidence and trust in people'. Integrity is the central core of our corporate culture. We will maintain our good standing according to our corporate culture.

7. Risks and expected benefits associated with mergers and acquisitions, and corresponding reactions: None.
8. Risks and expected benefits associated with facility expansion, and corresponding reactions:

In order to meet the needs of future growth and operating development, we will assess the demand of plant expansion with its associated benefits and risks, then take necessary actions to achieve the Company's operational goals.

9. Risks associated with Purchase and sales Concentration and corresponding reactions:

The Company's raw material is wafer. We have maintained a good cooperative relationship with foundries. For wafer purchases, we have not concentrated on a single foundry. Moreover, we also have not concentrated on a single customer and the collection period is implemented in accordance with company policies and there is no abnormal situation.

10. Impact and risks to the Company associated with significant transfer of shares by the Company's Directors and major Shareholders who own 10% or more of the Company's outstanding shares, and corresponding reactions: None.

11. Impact to the Company associated with change in management, and corresponding reactions: None.

12. Litigious and non-litigious matters:

The company is currently in major litigation, non-litigation, or administrative disputes:

- (1) In 2020, DivX, LLC brought actions for patent infringement in United States International Trade Commission ("ITC") and United States District Court of Delaware against the Company's IC products. On July 4, 2021, DivX terminated the investigation against the Company in ITC. The case in the United States District Court of Delaware is on appeal, and the Company is unable to reliably determine the outcome of the case.
- (2) In 2020, KONINKLIJKE PHILIPS N.V. and PHILIPS NORTH AMERICA LLC brought actions for patent infringement in United States International Trade Commission ("ITC") and United States District Court of Delaware against the Company's IC products. On March 23, 2022, ITC issued the final determination finding non-infringement for the accused Company's IC products and non-existence of the required domestic industry. The case in the United States District Court of Delaware is still pending, and the Company is unable to reliably determine the outcome of the case.
- (3) In 2022, ParkerVision, Inc. brought an action for patent infringement in United States District Court for the Western District of Texas against the Company's IC products. The case is still pending, and the Company is unable to reliably determine the outcome of the case.
- (4) In 2023, the Company filed a complaint in the Northern District of California against MediaTek Inc., Future Link Systems LLC, and IPValue Management (Future Link's parent company) for violation of, including but not limited to, US anti-trust and unfair competition laws. The case is still pending, and the Company is unable to reliably determine the outcome of the case.
- (5) In 2023, ParkerVision, Inc. brought another action for patent infringement in United States District Court for the Western District of Texas against the Company's IC products. The case is still pending, and the Company is unable to reliably determine the outcome of the case.

13. Other important risks and measures: None

VII. Other Material Events: None.

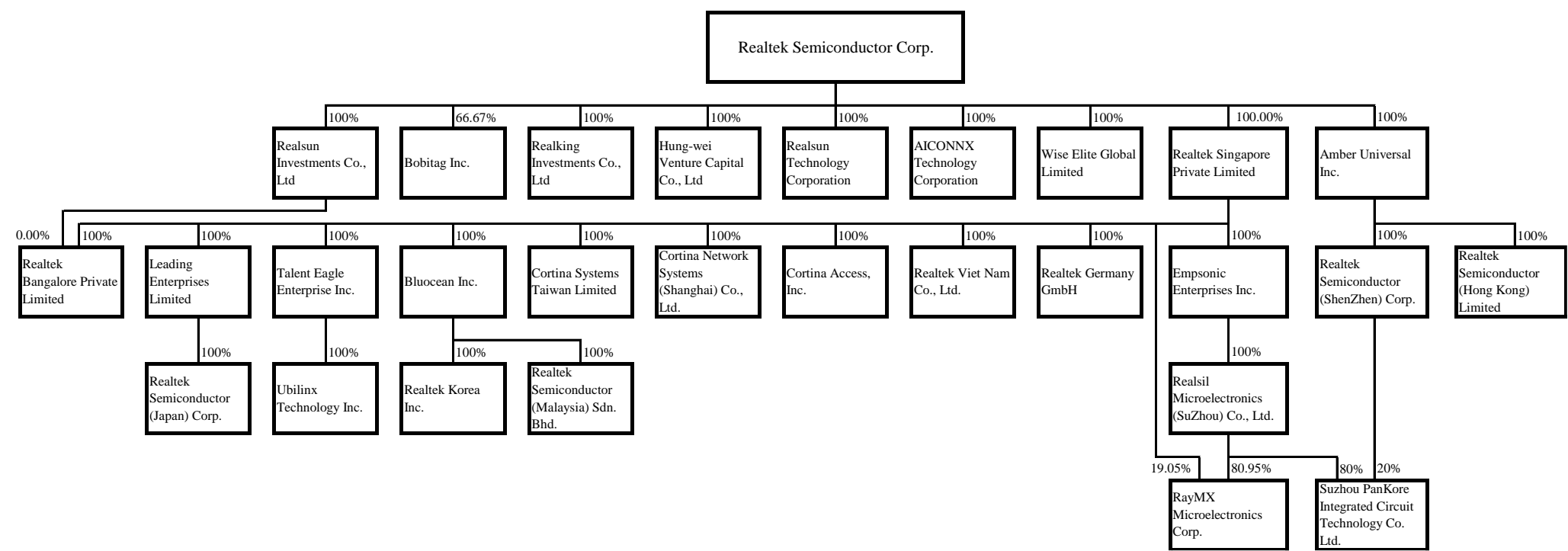
Special Items

I. Information of Affiliated Companies

1. Consolidated Business Report of the Affiliated Companies

1.1. Chart of the Affiliated Companies

Dec. 31, 2024



1.2. Basic information of the Affiliated Companies

Unit: dollars / Dec. 31, 2024

Company Name	Date of Incorporation	Place of Registration	Paid-in Capital	Main Business Activities
Leading Enterprises Limited	1998.04	British Virgin Islands	USD34,630,000	Investment holdings
Amber Universal Inc.	1998.10	British Virgin Islands	USD41,432,000	Investment holdings
Wise Elite Global Limited	2023.02	British Virgin Islands	USD1,000,000	Investment holdings
Empsonic Enterprises Inc.	2002.06	Mauritius	USD28,250,000	Investment holdings
Bluocean Inc.	2016.02	Cayman Islands	USD110,050,000	Investment holdings
Talent Eagle Enterprise Inc.	2016.02	Cayman Islands	USD114,100,000	Investment holdings
Realsun Investments Co., Ltd	1998.06	Taiwan	NTD280,000,000	Investment holdings
Hung-wei Venture Capital Co., Ltd	1999.12	Taiwan	NTD250,000,000	Investment holdings
Realking Investments Co., Ltd.	2000.04	Taiwan	NTD293,929,850	Investment holdings
Realsun Technology Corporation	2004.12	Taiwan	NTD5,000,000	ICs manufacturing, design, research, development, sales, and marketing
Bobitag Inc.	2012.12	Taiwan	NTD28,783,650	Manufacture and installation of computer equipment and wholesale, retail and related services of electronic materials and information/software
Cortina Systems Taiwan Limited	2015.04	Taiwan	NTD211,300,000	R&D and technical support
AICONNX Technology Corporation	2021.12	Taiwan	NTD20,000,000	ICs manufacturing, design, research, development, sales, and marketing
Realtek Semiconductor (Japan) Corp.	2001.12	Japan	JPY20,000,000	Information collection and technical support
Realtek Semiconductor (Hong Kong) Limited	1996.01	Hong Kong	HKD1,500,000	Information services and technical support
Realtek Semiconductor (ShenZhen) Corp.	2004.07	China	USD5,000,000	R&D and technical support
Cortina Network Systems (Shanghai) Co., Ltd.	2015.04	China	USD1,650,000	R&D and technical support
Realsil Microelectronics (SuZhou) Co., Ltd.	2001.12	China	USD28,000,000	R&D and technical support
RayMX Microelectronics Corporation	2018.12	China	CNY26,250,000	ICs manufacturing, design, research, development, sales, and marketing
Suzhou PanKore Integrated Circuit Technology Co. Ltd.	2020.07	China	CNY10,000,000	ICs manufacturing, design, research, development, sales, and marketing
Realtek Singapore Private Limited	2013.10	Singapore	USD116,059,638	ICs manufacturing, design, research, development, sales, and marketing
Cortina Access, Inc.	2015.04	United States	USD16,892	R&D and technical support
Ubilinx Technology Inc.	2016.08	United States	USD60,000,000	R&D and technical support
Realtek Viet Nam Co., Ltd.	2018.09	Vietnam	USD4,000,000	R&D and technical support
Realtek Semiconductor (Malaysia) Sdn. Bhd.	2020.06	Malaysia	USD2,500,000	R&D and technical support
Realtek Korea Inc.	2022.01	South Korea	KRW2,000,000,000	R&D and technical support
Realtek Germany GmbH	2023.08	Germany	EUR500,000	R&D and technical support
Realtek Bangalore Private Limited	2023.12	India	INR13,000,000	R&D and technical support

1.3. The shareholders in common of the Affiliates presumed to have a relationship of control and subordination: None.

1.4. The industries covered by the business operated by the affiliates overall

Dec. 31, 2024

Company Name	Main Business Activities	Division of Work Among the Affiliates
Leading Enterprises Limited	Investment holdings	Not applicable
Amber Universal Inc.	Investment holdings	Not applicable
Wise Elite Global Limited	Investment holdings	Not applicable
Empsonic Enterprises Inc.	Investment holdings	Not applicable
Bluocean Inc.	Investment holdings	Not applicable
Talent Eagle Enterprise Inc.	Investment holdings	Not applicable
Realsun Investments Co., Ltd	Investment holdings	Not applicable
Hung-wei Venture Capital Co., Ltd	Investment holdings	Not applicable
Realking Investments Co., Ltd	Investment holdings	Not applicable
Realsun Technology Corporation	ICs manufacturing, design, research, development, sales, and marketing	Not applicable
Bobitag Inc.	Manufacture and installation of computer equipment and wholesale, retail and related services of electronic materials and information/software	Not applicable
Cortina Systems Taiwan Limited	R&D and technical support	Provide R&D and technical services
AICONNX Technology Corporation	ICs manufacturing, design, research, development, sales, and marketing	Not applicable
Realtek Semiconductor (Japan) Corp.	Information collection and technical support	Provide information collection and technical services
Realtek Semiconductor (Hong Kong) Limited	Information services and technical support	Not applicable
Realtek Semiconductor (ShenZhen) Corp.	R&D and technical support	Provide R&D and technical services
Cortina Network Systems (Shanghai) Co., Ltd.	R&D and technical support	Provide R&D and technical services
Realsil Microelectronics (SuZhou) Co., Ltd.	R&D and technical support	Provide R&D and technical services
RayMX Microelectronics Corporation	ICs manufacturing, design, research, development, sales, and marketing	Not applicable
Suzhou Pankore Integrated Circuit Technology Co. Ltd.	ICs manufacturing, design, research, development, sales, and marketing	Not applicable
Realtek Singapore Private Limited	ICs manufacturing, design, research, development, sales, and marketing	Not applicable
Cortina Access, Inc.	R&D and technical support	Provide R&D and technical services
Ubilinx Technology Inc.	R&D and technical support	Provide R&D and technical services
Realtek Viet Nam Co., Ltd.	R&D and technical support	Provide R&D and technical services
Realtek Semiconductor (Malaysia) Sdn. Bhd.	R&D and technical support	Provide R&D and technical services
Realtek Korea Inc.	R&D and technical support	Provide R&D and technical services
Realtek Germany GmbH	R&D and technical support	Provide R&D and technical services
Realtek Bangalore Private Limited	R&D and technical support	Provide R&D and technical services

1.5. Directors, Supervisors, and Presidents of the Affiliates

Unit: shares/NT\$ thousands; %

Company Name	Title (note 1)	Name	Shareholding (note 2)	
			Shares/ Investment Amount	% of Investment Holding
Leading Enterprises Limited	Director	Realtek Semiconductor Corp. (Representative: Yeh, Po-Len)	34,630	100%
Amber Universal Inc.	Director	Realtek Semiconductor Corp (Representative: Yeh, Po-Len)	41,432	100%
Wise Elite Global Limited	Director	Realtek Semiconductor Corp. (Representative: Chiu, Sun-Chien)	1,000	100%
Empsonic Enterprises Inc.	Chairman	Realtek Singapore Private Limited (Representative: Huang, Yung-Fang)	2,825,000	100%
	Director	Realtek Singapore Private Limited (Representative: Yen, Kuang-Yu)	2,825,000	100%
	Director	Realtek Singapore Private Limited (Representative: Lin, Tsung-Ming)	2,825,000	100%
Bluocean Inc.	Director	Realtek Semiconductor Corp. (Representative: Chiu, Sun-Chien)	110,050,000	100%
Talent Eagle Enterprise Inc.	Director	Realtek Semiconductor Corp. (Representative: Chiu, Sun-Chien)	114,100,000	100%
Realsun Investments Co., Ltd	Chairman and President	Realtek Semiconductor Corp. (Representative: Huang, Yee-Wei)	28,000,000	100%
	Director	Realtek Semiconductor Corp. (Representative: Huang, Yung-Fang)	28,000,000	100%
	Director	Realtek Semiconductor Corp. (Representative: Chern, Kuo-Jong)	28,000,000	100%
	Supervisor	Realtek Semiconductor Corp. (Representative: Chiang, Ting-Chi)	28,000,000	100%
Hung-wei Venture Capital Co., Ltd	Chairman	Realtek Semiconductor Corp. (Representative: Yeh, Po-Len)	25,000,000	100%
	Director and President	Realtek Semiconductor Corp. (Representative: Chiu, Sun-Chien)	25,000,000	100%
	Director	Realtek Semiconductor Corp. (Representative: Huang, Yung-Fang)	25,000,000	100%
	Supervisor	Realtek Semiconductor Corp. (Representative: Chiang, Ting-Chi)	25,000,000	100%
Realking Investments Co., Ltd.	Chairman	Realtek Semiconductor Corp. (Representative: Yeh, Po-Len)	29,392,985	100%
	Director and President	Realtek Semiconductor Corp. (Representative: Chiu, Sun-Chien)	29,392,985	100%
	Director	Realtek Semiconductor Corp. (Representative: Huang, Yung-Fang)	29,392,985	100%
	Supervisor	Realtek Semiconductor Corp. (Representative: Chiang, Ting-Chi)	29,392,985	100%

Company Name	Title (note 1)	Name	Shareholding (note 2)	
			Shares/ Investment Amount	% of Investment Holding
Realsun Technology Corporation	Chairman	Realtek Semiconductor Corp. (Representative: Yeh, Po-Len)	500,000	100%
	Director	Realtek Semiconductor Corp. (Representative: Chiu, Sun-Chien)	500,000	100%
	Director	Realtek Semiconductor Corp. (Representative: Huang, Yung-Fang)	500,000	100%
	Supervisor	Realtek Semiconductor Corp. (Representative: Chern, Kuo-Jong)	500,000	100%
Bobitag Inc.	Chairman	Realtek Semiconductor Corp. (Representative: Chiang, Ting-Chi)	1,918,910	66.67%
	Director	Realtek Semiconductor Corp. (Representative: Lu, Shiu-Hung)	1,918,910	66.67%
	Director	Realtek Semiconductor Corp. (Representative: Chan, Te-Chuan)	1,918,910	66.67%
	Supervisor	Guo, Yu-zhi	—	—
Cortina Systems Taiwan Limited	Chairman	Realtek Singapore Private Limited (Representative: Huang, Yung-Fang)	21,130,000	100%
	Director	Realtek Singapore Private Limited (Representative: Yen, Kuang-Yu)	21,130,000	100%
	Director	Realtek Singapore Private Limited (Representative: Hsiao, Wang-Mien)	21,130,000	100%
	Supervisor	Realtek Singapore Private Limited (Representative: Fu, Ying-Chi)	21,130,000	100%
AICONNX Technology Corporation	Chairman	Realtek Semiconductor Corp. (Representative: Chiu, Sun-Chien)	2,000,000	100%
	Director	Realtek Semiconductor Corp. (Representative: Chern, Kuo-Jong)	2,000,000	100%
	Director	Realtek Semiconductor Corp. (Representative: Chang, Yi-Shu)	2,000,000	100%
	Supervisor	Realtek Semiconductor Corp. (Representative: Chang, Jr-Neng)	2,000,000	100%
Realtek Semiconductor (Japan) Corp.	Director and President	Cheng, Shu-Chien	—	—
	Director	Chiu, Sun-Chien	—	—
	Director	Huang, Yung-Fang	—	—
	Supervisor	Chiang, Ting-Chi	—	—
Realtek Semiconductor (Hong Kong) Limited	Director	Amber Universal Inc. (Representative: Yeh, Po-Len)	HK\$1,500,000	100%
	Director	Lin, Ying-Hsi	—	—
Realtek Semiconductor (ShenZhen) Corp.	Director and President	Chern, Kuo-Jong	—	—

Company Name	Title (note 1)	Name	Shareholding (note 2)	
			Shares/ Investment Amount	% of Investment Holding
Cortina Network Systems (Shanghai) Co., Ltd.	Director	Zeineddine Chair	—	—
	Supervisor	Ke, Chieh-Yuan	—	—
Realsil Microelectronics (SuZhou) Co., Ltd.	Chairman and President	Yeh, Ta-Hsun	—	—
	Director	Lin, Ying-Hsi	—	—
	Director	Chiou, Mhu-Hsiu	—	—
	Supervisor	Lu, Shiu-Hung	—	—
RayMX Microelectronics Corporation	Chairman	Tsai, Jon-Jinn	—	—
	Director and President	Zhu, Ying-hui	—	—
	Director	Su, Chu-Ting	—	—
	Director	Chen, Chih-Tung	—	—
	Director	Chien, Chih-Ching	—	—
	Supervisor	Chang, Jr-Neng	—	—
	Supervisor	Liu, Shuan-Ta	—	—
	Supervisor	Wu, Wen-Bin	—	—
Suzhou PanKore Integrated Circuit Technology Co. Ltd.	Chairman	Huang, Yung-Fang	—	—
	Director and President	Peng, Zuo-Hui	—	—
	Director	Yen, Kuang-Yu	—	—
	Director	Shen, Jia-Ching	—	—
	Director	Liu, Yong	—	—
	Supervisor	Lin, Hou-Wei	—	—
	Supervisor	Li, Chao-Ming	—	—
	Supervisor	Lu, Shiu-Hung	—	—
Realtek Singapore Private Limited	Chairman	Huang, Yung-Fang	—	—
	Director and President	Yen, Kuang-Yu	—	—

Company Name	Title (note 1)	Name	Shareholding (note 2)	
			Shares/ Investment Amount	% of Investment Holding
Realtek Singapore Private Limited	Director	Lin, Tsung-Ming	—	—
Cortina Access, Inc.	Director	Huang, Yung-Fang	—	—
	Director	Yen, Kuang-Yu	—	—
	Director	Zeineddine Chair	—	—
Ubilinx Technology Inc.	Director	Chiang, Ting-Chi	—	—
	Director	Fu, Ying-Chi	—	—
	Director	Lin, Chia-Liang	—	—
Realtek Viet Nam Co., Ltd.	Director	Soh Wei Kwek	—	—
	Director	Kao, Shu-Yi	—	—
	Director	Nguyen Phuoc Vinh Thang	—	—
Realtek Semiconductor (Malaysia) Sdn. Bhd.	Director	Chang, Yi-Shu	—	—
	Director	Fu, Ying-Chi	—	—
	Director	Lau Lai Li	—	—
Realtek Korea Inc.	Director and President	Chang, Yi-Shu	—	—
	Director	Chiang, Ting-Chi	—	—
	Director	Byung-gi Park	—	—
	Supervisor	Fu, Ying-Chi	—	—
Realtek Germany GmbH	Director	Kuo, Hsieh-Hsing	—	—
Realtek Bangalore Private Limited	Director	Shen, Jia-Ching	—	—
	Director	Hsue, Hong-June	—	—
	Director	Ranjit Dash	—	—

Note 1: If the affiliates are foreign companies, list the same positions as domestic.

Note 2: The shares are the total of shareholdings directly or indirectly held; if the affiliates do not issue shares, the shareholdings are presented by the investment amount.

1.6. Operation Highlights of the Affiliates

Unit: NT\$ thousands / Dec. 31, 2024

Company	Paid in Capital	Assets	Liabilities	Equity	Operating revenue	Operation Income	Net Income for the year (After Taxes)	EPS (After Taxes)
Leading Enterprises Limited	1,135,206	18,250,013	1,448,605	16,801,408	0	(150,178)	699,592	—
Amber Universal Inc.	1,358,182	1,127,129	240,222	886,907	0	(15,162)	25,766	—
Wise Elite Global Limited	32,781	35,662	0	35,662	0	(80)	1,722	—
Empsonic Enterprises Inc.	926,063	2,568,212	0	2,568,212	0	(128)	207,437	—
Bluocean Inc.	3,607,549	3,946,740	0	3,946,740	0	(21,864)	163,121	—
Talent Eagle Enterprise Inc.	3,740,312	2,843,247	0	2,843,247	0	(7,402)	157,341	—
Realsun Investments Co., Ltd	280,000	743,144	46	743,098	0	(109)	(8,960)	(0.32)
Hung-wei Venture Capital Co., Ltd	250,000	568,171	554	567,617	0	(546)	1,038	0.04
Realking Investments Co., Ltd.	293,930	199,353	248	199,105	0	(50)	(27,935)	(0.95)
Realsun Technology Corporation	5,000	4,936	0	4,936	0	(111)	(47)	(0.10)
Bobitag Inc.	28,784	29,210	35	29,175	0	(172)	249	0.09
Cortina Systems Taiwan Limited	211,300	185,687	49,026	136,661	184,570	11,192	18,751	0.89
AICONNX Technology Corporation	20,000	120,772	60,895	59,877	119,264	39,371	37,925	18.96
Realtek Semiconductor (Japan) Corp.	4,197	8,205	5,963	2,242	73,183	(834)	316	—
Realtek Semiconductor (Hong Kong) Limited	6,334	1,155	0	1,155	0	(53)	(46)	—
Realtek Semiconductor (ShenZhen) Corp.	163,905	569,801	160,329	409,472	650,900	31,996	51,865	—
Cortina Network Systems (Shanghai) Co., Ltd.	54,089	243,638	29,180	214,458	167,351	9,307	13,922	—
Realsil Microelectronics (SuZhou) Co., Ltd.	917,868	3,460,013	896,516	2,563,497	3,522,272	206,286	206,444	—
RayMX Microelectronics Corporation	117,896	570,413	444,015	126,398	946,946	(154,065)	(145,800)	—
Suzhou PanKore Integrated Circuit Technology Co. Ltd.	44,913	5,890	163,879	(157,989)	0	(2,578)	(3,115)	—
Realtek Singapore Private Limited	3,804,551	64,745,836	7,971,352	56,774,484	36,911,741	13,230,463	15,352,429	—
Cortina Access, Inc.	554	1,066,309	75,207	991,102	244,081	15,968	61,282	—
Ubilinx Technology Inc.	1,966,860	524,544	111,554	412,990	735,611	48,124	31,461	—
Realtek Viet Nam Co., Ltd.	131,124	112,926	18,509	94,417	63,890	3,042	6,545	—
Realtek Semiconductor (Malaysia) Sdn. Bhd.	81,953	77,346	1,710	75,636	18,401	1,204	1,015	—
Realtek Korea Inc.	44,530	92,389	21,016	71,373	186,072	12,166	13,880	—
Realtek Germany GmbH	17,066	19,052	1,335	17,717	5,253	401	251	—
Realtek Bangalore Private Limited	4,980	6,676	5,349	1,327	1,362	(3,045)	(3,662)	—

II. Significant events with impact on shareholders' rights or stock price regulated in Article 36-3-2 of the Securities and Exchange Act happened during last year to the date of the annual report printed: None

III. Acquisition or disposal of Realtek shares by subsidiaries during last year to the date of the annual report printed: None

IV. Issuance of private placement securities: None

V. Other Necessary Supplements: None