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2024 ANNUAL REPORT

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MICRO-STAR INTERNATIONAL CO., LTD.

2024 ANNUAL REPORT

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https://www.msi.com
Printed on April 30, 2025

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

I. SPOKESPERSON & DEPUTY SPOKESPERSON

Spokesperson:Hung,Pao-Yu
Title:Chief Financial Officer
Tel.:+886 2 32345599
E-mail:080419861@msi.com

DEPUTY SPOKESPERSON:

Deputy Spokesperson:Chang,Ju-Ting
Title:Assistant Vice President of Finance Center Global Finance Division
Tel.:+886 2 32345599
E-mail:080419862@msi.com

II. HEADQUARTERS AND PLANTS

Address:No.69, Lide St., Zhonghe District, New Taipei City 235, Taiwan, R.O.C
Tel.:+886 2 32345599

Zhonghe No.3 Factory
Address:No. 488, Bannan Rd., Zhonghe District, New Taipei City 235, Taiwan, R.O.C.
Tel.:+886 2 32345599

Taoyuan Site
Address：5F, No. 23, Xinghua Road, Taoyuan District, Taoyuan City 330, Taiwan, R.O.C
Tel.:+886 2 32345599

Ⅲ.SECURITIES DEALING INSTITUTE

Name :Chinatrust Transfer Agent
Address :5F, No.83, Sec. 1, Chung-Chin S. Rd., Zhongzheng Dist., Taipei City
Tel. :+886 2 66365566
Website :https://www.ctbcbank.com

IV. AUDITORS

Name : CPA: Yu, Chih-Fan & Huang, Shih-Chun
CPA Firm :PricewaterhouseCoopers, Taiwan
Address :27F, No.333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110
Tel. :+886 2 27296666
website:https://www.pwc.com

V. NAME OF TRADING SITE FOR LISTED SECURITIES OVERSEAS:

None

VI. COMPANY WEBSITE

https://www.msi.com

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Ⅰ.Letter to Shareholders

Dear Shareholders:

In 2024, the global political and economic landscape will still be influenced by multiple factors such as geopolitical conflicts, international trade frictions, and the economic recovery in the post-pandemic era. However, major economies continue to promote digital transformation and infrastructure investment, increasing investments in AI applications and green energy, which injects stable growth momentum into the overall technology and PC industries. Despite potential short-term fluctuations in raw material and key component supplies, and the financial markets entering a cycle of interest rate cuts, MSI is consolidating its leading advantage in the eSports market through a diversified supply chain layout and robust financial strategies. The company is also actively expanding into the consumer market, enterprise solutions, and AIoT applications, ensuring a solid foundation for overall operations in 2024. In response to potential tariff policies, MSI is accelerating its diversified and regional supply chain strategies while carefully evaluating investment returns and sustainable operational capabilities.

Looking ahead to 2025, as geopolitical risks are expected to ease and supply chain dynamics become clearer, the demand from enterprises and consumers for high-performance computing, intelligent applications, and edge computing continues to rise. The PC market is expected to grow further driven by a new wave of technological and product innovations. Additionally, it is anticipated that major countries may gradually ease or lower interest rates as the economy warms up, which will facilitate overall capital flow and corporate financing, providing more momentum for consumer spending, industrial investment, and expansion. MSI will align with this trend by strengthening its existing core products and increasing R&D investments in areas such as AI, cloud computing, and green design, while continuously expanding its marketing and service networks to enhance market penetration. With the dual benefits of favorable interest rate trends and industry demand, MSI expects to further expand its market share and profit margins in 2025, while maintaining its commitment to sustainable operations and corporate social responsibility, steadily moving towards long-term growth objectives.

I. Operating Performance in 2024

1. Consolidated financial results

Unit: NT$ thousands

Year / Item	2024	2023	Growth amount	Growth rate
Sales revenue	197,871,915	182,965,688	14,906,227	8.15%
Gross profit	24,195,185	22,845,651	1,349,534	5.91%
Profit after tax	6,792,772	7,532,896	(740,124)	(9.83%)
Basic earnings per share (After-tax) (in NT dollars)	8.04	8.92	(0.88)	(9.87%)
Diluted earnings per share (After-tax) (in NT dollars)	8.00	8.87	(0.87)	(9.81%)

According to the “Regulations Governing the Publication of Financial Forecasts of Public Companies,” MSI is not required to prepare its financial forecasts for the year of 2024.

2. Profitability analysis

Item	Year	Financial Analysis for the Last Two-Years	
		2024	2023
Financial structure (%)	Debt to asset ratio (%)	45.28	44.57
	Long-term capital to property, plant and equipment (%)	826.24	975.38
Solvency (%)	Current ratio (%)	204.45	208.42
	Quick ratio (%)	112.44	118.09
	Interest earned ratio (times) (%)	19,310.80	33,280.34
Profitability (%)	Return on assets (%)	7.30	8.52
	Return on shareholders' equity (%)	13.18	15.28
	Profit ratio (%)	3.43	4.12
	Basic after-tax EPS(NT$)	8.04	8.92

3. Research and Development Status

MSI is a leading global brand in the fields of AI PCs, eSports, creators, business, and AIoT. With advanced R&D as its foundation and customer satisfaction as its driving force, MSI markets its products in over 120 countries worldwide. The entire product line, including laptops, graphics cards, monitors, motherboards, desktops, peripherals, servers, industrial computers, service robots, automotive electronics, and charging station hardware and software solutions, has received unanimous love and praise from consumers and clients. MSI is committed to creating digital products that combine excellent quality, user-friendly design, and stylish aesthetics, continuously innovating user value to become a comprehensive technology leader.

II. Operating Plan for 2025

In facing the future environment, the company plans to adopt the following operational policies, expected goals, and important production and sales policies:

1. Operational Policies
   (1) Marketing Aspect: Actively explore new markets and new customers, and establish long-term trustful relationships with potential and financially sound clients to create profits together.
   (2) Product Development Aspect: Develop products that meet user needs and benefits.
   (3) Manufacturing, Quality, and Service Aspect: Continuously introduce automation and intelligent manufacturing to enhance quality and efficiency, using customer satisfaction as a benchmark to strengthen maintenance and service.
   (4) Management Aspect: Continuously improve operational efficiency.
   (5) Financial Aspect: Operate with a sound financial principle, controlling various financial risks.
2. Sales forecast and the basis

   The company's product range is extensive. In addition to continuing to cultivate the high-end product market for stable growth across various products, efforts will also be made in new product development and marketing to increase shipment volumes. This includes products such as graphics cards, desktops, motherboards, monitors, computer peripherals, laptops, servers, industrial computers, automotive electronics, and

charging stations. The market is expected to have growth potential, and the company aims to enhance overall profitability by actively increasing the market share of various products.

3. Important production and sales Policies
   (1) Production Policy: Continuously monitor global major political and economic trends, respond to potential market demands and changes in supplier capacity, plan material reserves to increase capacity utilization, adopt flexible production to reduce inventory, and meet customer order demand in a timely manner while managing supply chain dynamics and focusing on people, machines, materials, and methods to achieve effective output.
   (2) Sales Policy: Provide products of good quality that meet customer needs, pursuing a win-win sales goal for both the company and customers.

III. Future Company Development Strategy

MSI has been in the ICT industry for over 30 years and will continue to invest in the R&D of high-end motherboards, graphics cards, gaming laptops, and monitors in the future. Coupled with marketing for gaming brands and cross-industry collaboration, it aims to solidify its global leadership position in eSports.

In the commercial market solutions and AIoT field, the company will continue to strengthen its layout, actively entering enterprise users and commercial markets, providing comprehensive solutions based on high-performance and stable desktop computers and laptops. In response to the rapid growth of high-performance computing and cloud service demands, MSI has also launched advanced AI servers that offer flexibility and provide solutions tailored for AI, HPC, and large-scale language models (LLM).

MSI is also expanding into the AIoT (Artificial Intelligence of Things) field, integrating technologies such as sensors, edge computing, and cloud analytics to provide comprehensive solutions for applications in smart homes, smart manufacturing, smart retail, and smart cities.

In recent years, generative AI and big data analytics have become increasingly popular in industrial applications. MSI will enhance its internal AI R&D capabilities, strengthen the development of AI algorithms and software platforms, and introduce AI technology into gaming, content creation, commercial products, and cloud services to accelerate market penetration. At the same time, customized AI solutions will be launched for vertical industries to create higher added value for enterprise users.

IV. Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment

Since its establishment, MSI has faced continuous changes in communication technology, intense competition from peers, and the unpredictable global market. The company has always focused on user needs, continuously innovating and investing in R&D and production resources, collaborating with suppliers and customers to develop high-end products that lead the market. In the future, it will continue to uphold its original intention in product development to address external challenges.

MSI adheres to its responsibilities and obligations as a corporate citizen. It complies with all regulatory requirements regarding securities trading supervision, finance, and accounting in its global operations. In terms of mitigating climate change impacts, MSI is also committed to actively investing in smart innovation and green product design, promoting carbon reduction, applying for various environmental certifications, and implementing these into supply chain management, moving towards a new generation of sustainable value chains

Regarding the overall business environment, MSI actively prepares for potential operational changes while complying with the regulatory environments of various countries. This includes flexible adjustments in the supply chain, product R&D design, business marketing promotion, and after-sales service, all of which can respond appropriately to changes in the overall economy while adhering to regulatory compliance.

On behalf of the MSI management team, I would like to thank all shareholders, customers, and partners for their support, as well as all employees and directors for their hard work over the past year. We hope that shareholders will continue to provide us with support and encouragement. All MSI colleagues will work even harder to create greater corporate value and share it with all shareholders.

Sincerely yours,

Chairman: Hsu, Hsiang

Ⅱ.Corporate governance report

(Ⅰ) Directors, Supervisors, President, Vice President, Assistant VP, and department heads

1. Directors

As of: April 12, 2025 Unit: Shares

Title	Nationality/ Country of Origin	Name	Gender Age	Date elected	Term (Years)	Date of first elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Executives, Directors or Supervisors who are spouses or within two degrees			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%	Title	Name	Relation	
Chairman.	R.O.C	Hsu,Hsiang	Male 61-70	2024.06.14	3	1986.07.23	46,883,151	5.55%	46,883,151	5.55%	18,508,517	2.19%	9,376,328	1.11%	—	—	—	
Vice Chairman		Huang,Chin-Ching	Male 61-70	2024.06.14	3	1986.07.23	20,937,377	2.48%	20,937,377	2.48%	2,148,564	0.25%	7,521,761	0.89%	Director	Liao,Chun-Keng	2nd consanguinity	
Director		Lin,Wen-Tung	Male 61-70	2024.06.14	3	1986.07.23	25,672,499	3.04%	25,672,499	3.04%	62,895	0.01%	–	–	—	—	—	
Director		Kuo,Hsu-Kuang	Male 51-60	2024.06.14	3	2018.06.15	100,000	0.01%	100,000	0.01%	0	0.00%	–	–	—	—	—	
Director		Liao,Chun-Keng	Male 61-70	2024.06.14	3	2018.06.15	70,000	0.01%	75,000	0.01%	0	0.00%	–	–	Vice Chairman	Huang,Chin-Ching	2nd consanguinity	
Director		Hung,Yu-Sheng	Male 51-60	2024.06.14	3	2018.06.15	306,660	0.04%	306,660	0.04%	0	0.00%	–	–	—	—	—	
Director		Chen,Te-Ling	Female 41-50	2024.06.14	3	2021.07.16	10,000	0.00%	18,000	0.00%	0	0.00%	–	–	—	—	—	
Director		Li,Chao-Ming	Male 51-60	2024.06.14	3	2024.06.14	11,498	0.00%	11,498	0.00%	0	0.00%	–	–	—	—	—	
Independent Director (Note)		Hsu,Jun-Shyan	Male 61-70	2024.06.14	3	1997.04.19	490,415	0.06%	490,415	0.06%	476,000	0.06%	–	–	—	—	—	
Independent Director (Note)		Hsu,Kao-Shan	Male 61-70	2024.06.14	3	1998.02.28	418,686	0.05%	418,686	0.05%	220,924	0.03%	–	–	—	—	—	
Independent Director (Note)		Wang,Sung-Chou	Male 61-70	2024.06.14	3	2003.5.28	0	0.00%	0	0.00%	0	0.00%	–	–	—	—	—	

Note ：Mr. Hsu, Jun-Shyan served as a supervisor from April 19, 1997, to June 15, 2018, and as an independent director from July 16, 2021, to June 14, 2024, and on June 14, 2024;Mr. Hsu, Kao-Shan served as a supervisor from February 28, 1998, to May 28, 2003, as a director from May 28, 2003, to June 14, 2006, as a supervisor from June 14, 2006, to May 20, 2016, and as an independent director from June 15, 2018, to June 14, 2024, and on June 14, 2024;Mr. Wang, Sung-Chou served as a director from May 28, 2003, to June 14, 2006, and as an independent director from June 14, 2006, to June 16, 2009, from June 15, 2012, to July 16, 2021, and on June 14, 2024.

Title	Name	Education Experience	Current Job Title	Representative
Chairman	Hsu,Hsiang	The electronic engineering from National Cheng Kung University. The engineer of Sony Industries Taiwan Co., Ltd.	The Chairman of MSI Director & President of MICRO-STAR NETHERLANDS HOLDING B. V.	 MICRO STAR INTERNATIONAL CO., LTD.
Vice Chairman	Huang,Chin-Ching	The electronics from Chung Yuan Christian University. The engineer of Sony Industries Taiwan Co., Ltd.	The Vice Chairman and president of MSI **Director & President of the following companies:** MSI COMPUTER CAYMAN CO., LTD. MSI COMPUTER (AUSTRALIA) PTY. LTD. **Director of the following company:** MSI COMPUTER CORP. MSI ELECTRONIC (KUNSHAN) CO., LTD.	 MICRO STAR INTERNATIONAL CO., LTD. MICRO STAR INTERNATIONAL CO., LTD. MICRO STAR INTERNATIONAL CO., LTD. MICRO ELECTRONICS
Director	Lin,Wen-Tung	The electronic engineering from the Lien Ho Industrial and Technological Junior College. The engineer of Sony Industries Taiwan Co., Ltd.	The Senior Vice President of MSI **Director & President of** MSI COMPUTER JAPAN CO., LTD. **Director of the following company:** MSI COMPUTER (AUSTRALIA) PTY. LTD.	 MICRO STAR INTERNATIONAL CO., LTD. MICRO STAR INTERNATIONAL CO., LTD.
Director	Kuo,Hsu-Kuang	The master of business administration from University of Southern Queensland The manager of Chun-Sheng Computer	The Executive Vice President & NB BU GM of MSI	
Director	Liao,Chun-Keng	The master of business administration from University of South Australia The sales manager of Magic Systech Inc	The Executive Vice President & GNP BU GM of MSI	
Director	Hung,Yu-Sheng	ITI International Business Administration Program Shih Chien College of Design and Management MA of Pou Chen Group	The Executive Vice President & CND BU GM of MSI	
Director	Chen,Te-Ling	Department of Foreign Languages and Literatures, National Taiwan University. D-Link Corporation Administrator	VicePresident of MSI Corp. Supply Chain	
Director	Li,Chao-Ming	The master of mechanical system from University of Liverpool ACER INCORPORATED Manager	**President of the following companies:** MSI COMPUTER (SHENZHEN) CO., LTD. MSI ELECTRONICS (KUNSHAN) CO., LTD. SHENZHEN MEGA INFORMATION CO., LTD.	
Independent Director	Hsu,Jun-Shyan	The master of accounting from National Taipei University. Supervisor of MSI Tung Shing & Co. C.P.A.	Accountnat of Chung Feng Accounting Firm	
Independent Director	Hsu,Kao-Shan	Criminal investigation of Central Police University Supervisor of Micro Star International Co., Ltd. Attorney of Yung Jan Attorneys-At-Law	Li Tsai Attorneys-At-Law	
Independent Director	Wang,Sung-Chou	The master of business administration from National Chengchi University. Director of Administration Division of Micro Star International Co., Ltd. Director of the KGI INVESTMENT ADVISORY CORPORATION China Securities Co., Ltd.(now KGI Securities Co., Ltd.) Supervisor of the GARND PACIFIC PETROCHEMICAL CORPORATION	Independent Director of MICRO STAR INTERNATIONAL CO., LTD. **Director of the following company:** Kae Lee Investment Co., Ltd. Hai Shen Investment Co., Ltd. Rui Hui Food Co., Ltd. Chen Ho Co., Ltd. **Supervisor of the following companies:** Chien Ta Investment Co., Ltd. KK Enterprise Co., Ltd. Taiwan Sports Lottery Co., Ltd.	

(1)Disclosure of Information about Professional Qualifications of Directors and Independence of Independent Directors:

A. Professional Qualifications of Directors

Qualification / Name	Professional Qualifications and Experiences	Professional Specializations of Board Members	Diversity of Board of Directors
Hsu, Hsiang	39 years of experience being Board director, one of the founders of the Company. Current chairman and former president. Familiar with the technological development of the ICT industrial chain. Having the management skills of research and development, corporate governance, financial accounting, commerce, and marketing, professionalism of industrial development and insights of technical application. Developing the operational guidelines and management strategies for the Company.	Operational judgement/operations management/risk handling/industrial knowledge/international market vision/leadership and decision-making/ finance/accounting/law	Policy of diversity, targets, and achievements: 1.The Company has the "Corporate Governance Principles" in place and diversified policies are established with regard to the composition of members of the Board of Directors. The directors (including independent directors) are nominated. The Board of Directors members are nominated according to law by shareholders and elected during a shareholders' meeting. 2.According to Article 20 of the Company's "Rules of Corporate Governance": Member diversification is considered by the Board members. Factors taken into account include, but are not limited to gender, age, cultures, educational background, race, professional experience, skills, knowledge and terms of service. 3.The members of board of directors possess a diveres range of expertise in the fields of Operational Decision Making, Operations Management, Crisis Management, Industy Knowledge, International Market Outlook, Leadership Decision Making, Finance& Accounting and law, can adequately fulfill the Company's future development needs. 4.The Company's Board members are specialists of technology industry, sales, commerce, finance and accounting, and law. The policy of diversity is complied with. 5.Currently, the board consists of 10 male members and 1 female member (representing 91% and 9% of the total board members, respectively); there are 8 seats held by employees and 3 by non-employees (representing 73% and 27% of the total board members, respectively). In terms of educational background, 55% of the board members hold an associate or bachelor's degree, while 45% hold a graduate degree. The ages of the board members range from 49 to 68 years, with an average age of 61 years. All independent directors have not served more than three consecutive terms. 6. On July 16, 2021, during the board re-election, we achieved the specific goals of increasing the number of female directors by one and promoting a younger board. The representation of either gender on the board has not reached one-third due to a lack of female professionals with relevant backgrounds. In the future, if suitable talent and opportunities arise, they will be included in the nomination for board members to enhance gender diversity on the board. 7. More diverse courses will be made available to Board members for building cross-disciplinary expertise and knowledge.
Huang, Chin-Ching	39 years of experience being Board director one of the founders of the Company. Current Former vice chairman and president. Former Senior Vice President of Management Committee, president of laptop business department, senior vice president of research and development headquarters. Having the professionalism of research and development, corporate governance, commerce, and marketing. Leading the management team to execute the operational plans.	Operational judgement/operations management/risk handling/industrial knowledge/international market vision/leadership and decision-making	
Lin, Wen-Tung	39years of experience being Board director, one of the founders of the Company. Current Senior Vice President of Management Committee, and former vice president of procurement headquarters. Specialized in research and development, procurement, and supply chain management.	Operational judgement/operations management/risk handling/industrial knowledge/international market vision/leadership and decision-making	
Kuo, Hsu-Kuang	7 years of experience being Board director. Former sales manager of sales headquarters, vice sales president of laptop business department. Current vice executive president and president of laptop business headquarters. Specialized in international marketing, and sales management.	Operational judgement/operations management/risk handling/industrial knowledge/international market vision/leadership and decision-making	
Liao, Chun-Keng	7 years of experience being Board director. Former sales manager of sales headquarters, vice sales president of multimedia business department. Current vice executive president and president of image processing and peripheral integration business headquarters. Specialized in international marketing, and sales management.	Operational judgement/operations management/risk handling/industrial knowledge/international market vision/leadership and decision-making	
Hung, Yu-Sheng	7 years of experience being Board director. Former Europe regional president of sales headquarters, vice president of sales headquarters. Current vice sales president and president of computer processing and display business headquarters. Specialized in international marketing, and sales management.	Operational judgement/operations management/risk handling/industrial knowledge/international market vision/leadership and decision-making	
Chen, Te-Ling	4 year of experience being Board director. Current vice president of procurement headquarters. Specialized in procurement, and supply chain management.	Operational judgement/operations management/risk handling/industrial knowledge/international market vision/leadership and decision-making	
Li, Chao-Ming	1 year of experience being Board director. Served as Vice President of Factory Operations and Quality Assurance, specializing in factory operations and quality management.	Operational judgement/operations management/risk handling/industrial knowledge/international market vision/leadership and decision-making	
Hsu, Jun-Shyan	25 years of experience being Board director and supervisor. A CPA with 33 years of experience. Strong experiences in tax, accounting, and audit.	Operations management/ industrial knowledge/international market vision/accounting	
Hsu, Kao-Shan	23 years of experience being Board director (supervisor), and 35 years of experience being attorney. Currently working as attorney, commissioner of the Taipei Bar Association Civil Law Committee. With lots of legal experiences.	Operations management/ industrial knowledge/international market vision/law	
Wang, Sung-Chou	26 years of experience as a director (supervisor) and holds a CPA qualification for 30 years, with substantial experience in tax and accounting.	Operations management/ industrial knowledge/international market vision/accounting	

B. Independence of Independent Directors

Qualification / Name	Professional Qualifications and Experiences	Accounting or finance background, and work experience of Audit Committee member with accounting and finance background	Independence	Also an independent director of other public company
Hsu, Jun-Shyan	Chief coordinator of Audit Committee Commissioner of Renumeration Committee	33 years of experience working as CPA. Currently working as CPA. Has lots of tax, accounting, and audit experience.	All independent directors meet the qualifications set forth in Article 2, and paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" 1.Not an employee of the company or its affiliate. 2.Not a director or supervisor of the company or its affiliate (except for independent directors appointed in accordance with the Act or the local laws by, and concurrently serving as such at, the company, its parent company, subsidiaries, or a subsidiary under the same parent company). 3.Not the person himself, spouse or minor child, or individual shareholder holding more than 1% of the company's outstanding shares in the name of a third party, or top 10 shareholder. 4.Not the spouse, relative within the second degree of consanguinity, or direct blood relative within the third degree of consanguinity of a manager, a person under (2) or (3). 5.Not directly holding more than 5% of the company's outstanding shares, top 5 shareholder, or a director, supervisor or employee of a corporate shareholder appointing its representative as the director or supervisor of the company pursuant to Article 27 paragraphs 1 or 2 of the Company Act (except for independent directors appointed in accordance with the Act or the local laws by, and concurrently serving as such at, the company, its parent company, subsidiaries, or a subsidiary under the same parent company). 6.Not a director, supervisor, or employee of a company controlled by the same person holding the majority of the Board or the voting shares of the company and the other company (except for independent directors appointed in accordance with the Act or the local laws by, and concurrently serving as such at, the company, its parent company, subsidiaries, or a subsidiary under the same parent company). 7.Not a director (governor), supervisor, or employee of a company or institution whose chairman, president, or a person holding an equivalent position is the same person or the spouse of the chairman, president, or a person holding an equivalent position at the company (except for independent directors appointed in accordance with the Act or the local laws by, and concurrently serving as such at, the company, its parent company, subsidiaries, or a subsidiary under the same parent company). 8.Not a director (governor), supervisor, manager, or shareholder with more than 5% shareholding of a specific company or institution having financial or business relationship with the company (except for independent directors appointed in accordance with the Act or the local laws by, and concurrently serving as such at, the company, its parent company, subsidiaries, or a subsidiary under the same parent company). 9.Not a professional individual, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution, or their spouses, who provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider has received cumulative compensation exceeding NT$500,000 in the past 2 years; provided however that this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act. 10.Not a spouse or relative within the second degree of consanguinity of any other director. 11.No circumstances as specified in Article 30 of the Company Act. 12.Not a government, corporate or its representative elected pursuant to Article 27 of the Company Act.	0
Hsu, Kao-Shan	Commissioner of Audit Committee Chief coordinator of Renumeration Committee			0
Wang,Sung-Chou	Commissioner of Audit Committee Commissioner of Renumeration Committee -	30 years experience as an accountant and has solid tax and accounting qualifications.		0

(2) Board Independence: The company's board of directors meets the independence standards.

A.The board consists of 11 seats, including 8 general directors (73%) and 3 independent directors (27%). There are 8 employee representatives (73%) and 3 non-employee representatives (27%). Except for Directors AA and BB, who are second-degree relatives (18%), the remaining 9 directors and independent directors (82%) have no familial relationships and do not violate the provisions of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

B. All independent directors, their spouses, and relatives within the second degree hold a total of 2,662,934 shares in the company, accounting for 0.32%.

C. All independent directors, including themselves, their spouses, and relatives within the second degree, have not served as directors, supervisors, or employees of companies with specific relationships to the company (as per Article 3, Paragraphs 1-5 to 8 of the Guidelines for the Establishment and Compliance of Independent Directors in Publicly Listed Companies).

D. All independent directors, including themselves, their spouses, and relatives within the second degree, have not provided business, legal, financial, or accounting services to the company or its affiliates in the past two years and have not received any remuneration. (Note: Employee compensation amounts are calculated based on the actual distribution amount for the year 112 and the proposed distribution amount for the year 113.)

2. Information of the management

Base Date: April 12, 2025 Unit: Shares

Title	Nationality/Origin	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Shareholding Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Hsu,Hsiang	Male	1994.4	46,883,151	5.55%	18,508,517	2.19%	9,376,328	1.11%	The electronic engineering from National Cheng Kung University. The engineer of Sony Industries Taiwan Co., Ltd.	Refer to page **6**		—	—	
President		Huang,Chin-Ching (Note)	Male	2001.7	20,937,377	2.48%	2,148,564	0.25%	7,521,761	0.89%	The electronics from Chung Yuan Christian University. The engineer of Sony Industries Taiwan co., Ltd.	Refer to page **6**	EVP & GNP BU GM	Liao, Chun-Keng	Note	
Senior Vice President of Management Committee		Lin,Wen-Tung	Male	2001.7	25,672,499	3.04%	62,895	0.01%	—	—	The electronic engineering from the Lien Ho Industrial and Technological Junior College. The engineer of Sony Industries Taiwan co., Ltd.	Refer to page **6**				
Senior Vice President of Management Committee		Yu,Hsien-Neng	Male	2001.7	17,892,824	2.12%	184,922	0.02%	—	—	The electronics from Feng Chia University. The engineer of Sony Industries Taiwan co., Ltd.	**Director & President of the following companies:** MICRO-STAR INTERNATIONAL (B.V.I) HOLDING CO., LTD.(Representative:MSI PACIFIC) MSI POLSKA SP. Z O.O (Representative:MSI HOLDING) **Director of the following company** MSI COMPUTER CORP. (Representative:MICRO STAR INTERNATIONAL CO., LTD.) MSI COMPUTER (SHENZHEN) CO., LTD. (Representative:MSI(B.V.I.)) SHENZHEN MEGA INFORMATION CO., LTD. (Representative:MSI PACIFIC)				
Senior Vice President of Management Committee		Lu,Chi-Long	Male	2001.7	18,650,835	2.21%	975	0.00%	—	—	The electronics from National Taiwan University of Science and Technology. The engineer of Sony Industries Taiwan co., Ltd.	None				
Executive Vice President & NB BU GM		Kuo,Hsu-Kuang	Male	2013.4	100,000	0.01%	0	0.00%	—	—	The master of business administration from University of Southern Queensland The manager of Chun-Sheng Computer	None				
Executive Vice President & GNP BU GM		Liao,Chun-Keng (Note)	Male	2014.4	75,000	0.01%	0	0.00%	—	—	The master of business administration from University of South Australia The Sales Manager of Magic Systech Inc.	None	Presider	Huang, Chin-Ching	Note	
Executive Vice President & CND BU GM		Hung,Yu-Sheng	Male	2012.4	306,660	0.04%	0	0.00%	—	—	ITI International Business Administration Program Shih Chien College of Design and Management MA of Pou Chen Group	None				
Vice President of Corp. Supply Chain		Chen,Te-Ling	Female	2019.1	18,000	0.00%	0	0.00%	—	—	Department of Foreign Languages and Literatures,National Taiwan University . D-LINK CORPORATION Administrator	None				
Vice President of Corp. Manufacture & Quality Assurance		Li,Chao-Ming	Male	2010.2	11,498	0.00%	0	0.00%	—	—	The master of mechanical system from University of Liverpo ACER INCORPORATED Manager	**President of the following companies:** MSI COMPUTER (SHENZHEN) CO., LTD. MSI ELECTRONICS (KUNSHAN) CO., LTD. SHENZHEN MEGA INFORMATION CO., LTD.				

ACS BU GM	R.O.C	Huang,Wen-Shan	Male	2019.12	723	0.00%	0	0.00%	—	—	The electronics from National Taiwan University of Science and Technology. Twinhead International Corp. Assistant Manager	None				
Vice President & CPS BU GM		Wu,Ta-Hsin	Male	2019.1	0	0.00%	0	0.00%	—	—	Communications, University of the Pacific. FIC Sales Director	None				
EPS BU GM		Hsu,Yen-Wen	Male	2023.7	0	0.00%	0	0.00%	—	—	University of Kansas Computer Science Mitac Computing Gm/Vp	None				
Vice President of EPS BU		Hsieh,Cheng-Wei	Male	2025.2	0	0.00%	0	0.00%	—	—	International Technological University Dell Technologies (TDC) Director	None	—	—	—	
Vice President of Corp. R&D		Teng,Chi-Hung	Male	2010.2	543,183	0.06%	1,124	0.00%	—	—	The institute of electronics from National Chiao Tung University. Ali Corporation Technical Manager	None	—	—	—	
Vice President of NB BU R&D Division		Lin,Chin-Kuan	Male	2014.4	363,375	0.04%	0	0.00%	—	—	Institute of Electrical and Control Engineering from National Chiao Tung University Wistron Corporation Manager	None	—	—	—	
Vice President of NB BU R&D Division		Lu,Kuo-Huang	Male	2017.4	0	0.00%	0	0.00%	—	—	Hwa Hsia Institute of Agricultural Technology	None	—	—	—	
Vice President of NB Product Mgt. Division		Peng,Jen-Fang	Male	2017.4	159,671	0.02%	0	0.00%	—	—	National Taiwan University of Science and Technology	None	—	—	—	
Vice President of NB Operations Mgt. Division		Pan,Tsai-Yu	Male	2019.4	0	0.00%	0	0.00%	—	—	National Taiwan Unversity Of Science and Technology Askey Computer Corporation. Manager	None	—	—	—	
Vice President of NB Sales Division		Chen,Li-Chun	Male	2023.4	0	0.00%	1,400	0.00%	—	—	The master of Business Administration from University of Illinois at Chicago MiTAC Holdings Corporation. Product manager	None	—	—	—	
Vice President of NB OEM sales Division		Huang,Wen-Hui	Female	2021.4	200	0.00%	0	0.00%	—	—	The master of business administration from University of South Australia The Purchasing Manager of Fujitsu Technology	None	—	—	—	
Vice President of CND BU		Yeh,Chun-Te	Male	2020.4	10,000	0.00%	3,155	0.00%	—	—	Szehai Institute of Technology and Commerce First International Computer Supervisor	None	—	—	—	
Vice President of CND BU		Yang,Tzu-Ying	Female	2025.4	130,000	0.02%	0	0.00%	—	—	Providence University Microtek International Inc.. Manager	None	—	—	—	
Vice President of CND BU		Tsui,Ching-Hsien	Male	2025.4	0	0.00%	2,000	0.00%	—	—	University of languages DEPO AUTO PARTS IND. CO., LTD.Business Specialist	None	—	—	—	
Vice President of Corp. Sales & Marketing		Chiu,Chih-Keng	Male	2015.4	152,925	0.02%	0	0.00%	—	—	Institute of Technology and Industrial Engineering from St. John's & St. Mary's College DTK Computer M.D.	**Director on behalf of MSI HOLDING & President of the following companies:** MSI COMPUTER SARL MSI COMPUTER EUROPE B.V. MYSTAR COMPUTER B.V. MSI COMPUTER (UK) LTD. MSI ITLAY S.R.L. LLC (MSI COMPUTER) MSI IBERIA S.L. (MICRO-STAR NETHERLANDS HOLDING B.V. representative) MSI SEE TURKEY DOMESTIC AND FOREIGN TRADE LIMITED COMPANY (MSI COMPUTER EUROPE B.V. representative)	—	—	—	

Vice President of Corp. Sales & Marketing	R.O.C	Tung,Ti-Chun	Male	2019.4	24,000	0.00%	0	0.00%	—	—	University of Phoenix DFI-ITOX Inc. Tech Support & MIS	Director & President of MSI COMPUTER CORP. and MICRO-STAR CANADA LTD. (MICRO-STAR INTERNATIONAL CO., LTD. representative)	—	—	—	
Vice President of Corp. Sales & Marketing		Wang,Yu-Po	Male	2025.4	0	0.00%	0	0.00%	—	—	National Taiwan University of Science and Technology Xunqiang Communication Technology CO., LTD. Project Manager	Director & President of MSI (Shanghai) Co., Ltd. (MSI PACIFIC Representative)	—	—	—	
Vice President of Corp. Marketing Division		Cheng,Hui-Cheng	Male	2019.4	1,000	0.00%	0	0.00%	—	—	Fu Jen Catholic University Wistron Corporation. Product manager	None	—	—	—	
Vice President of Global Management Center		Tsai,Wei-Hsin	Male	2020.1	77	0.00%	0	0.00%	—	—	Chinese Culture University Department of International Business Administration LITE-ON TECHNOLOGY CORP. Communications Group Accounting Department Assistant Vice President	None	—	—	—	
Vice President of Information Technology (Chief Information Security Officer)		Lin,Hsi-Lung	Male	2024.4	1,000	0.00%	0	0.00%	—	—	Institute of Business Automation and Management ,National Taipei University of Technology MiTAC information Technology Corp. Director	None	—	—	—	
Vice President of Finance Center (Chief financial officer & Corporate Governance Officer)		Hung,Pao-Yu	Female	2016.4	343,218	0.04%	0	0.00%	—	—	Finance MBA, National Taiwan University President Securities Corp. Underwriting Department Manager	**Supervisor of the following companies:** MSI COMPUTER (SHENZHEN) CO., LTD. MSI(B.V.I.) Representative) SHENZHEN MEGA INFORMATION CO., LTD. (MSI PACIFIC Representative) MSI (Shanghai) Co., Ltd. (MSI PACIFIC Representative) **Director on behalf of MICRO STAR of the following company:** MSI PACIFIC INTERNATIONAL HOLDING CO., LTD. INDOMSI COMPUTERS PRIVATE LTD. **Director on behalf of MSI PACIFIC of the following companies:** MICRO ELECTRONICS HOLDING CO., LTD. MEGA TECHNOLOGY HOLDING CO., LTD. MEGA COMPUTER CO., LTD. MHK INTERNATIONAL CO., LTD. RAIDEALS INC.	—	—	—	
Assistant Vice President of Internal Auditing Office		Liu,Chu-Hao	Male	2010.2	10,000	0.00%	14,609	0.00%	—	—	Department of Accounting, Tamkang University Mag Technology Co., Ltd. Audit Assistant Manager	Supervisor of MSI ELECTRONIC (KUNSHAN) CO., LTD (MICRO ELECTRONICS Representative) Supervisor of MSI KOREA CO., LTD.(MSI PACIFIC Representative) Supervisor of MSI COMPUTER JAPAN CO., LTD. (MICRO STAR Representative)	—	—	—	

Note：Mr. Huang,Chin-Ching and Mr. Liao,Chun-Keng are 2nd consanguinity

3.The Chairman, president, or equivalent officer (the most senior manager) is the same person, are spouses, or relatives within the first degree of consanguinity:None.

(Ⅱ)Remuneration paid during the most recent fiscal year to directors, supervisors, president and vice presidents

1. Remuneration of Directors and independent Directors

Unit：NT$

Title	Name	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration received by Directors who are also employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation(A)		Severance Pay(B)		Remuneration to Directors (C)		Allowances(D)				Salary, Bonuses, and Allowances(E)		Severance Pay (F)		Remuneration to Employee(G)(Note)						
																MSI		Companies in the consolidated Financial statements				
		MSI	Companies in the consolidated financial statements	MSI	Companies in the consolidated financial statements	MSI	Companies in the consolidated financial statements	MSI	Companies in the consolidated financial statements	MSI	Companies in the consolidate financial statements	MSI	Companies in the consolidate financial statements	MSI	Companies in the consolidated financial statements	Cash amount	Stock amount	Cash amount	Stock amount	MSI	Companies in the consolidated financial statements	
Chairman	Hsu,Hsiang	0	0	0	0	44,800,000	44,800,000	0	0	44,800,000 0.66%	44,800,000 0.66%	110,544,000	110,544,000	48,900	48,900	50,700,000	0	50,700,000	0	206,092,900 3.03%	206,092,900 3.03%	無
Vice Chairman	Huang,Chin-Ching																					
Director	Lin,Wen-Tung																					
Director	Kuo,Hsu-Kuang																					
Director	Liao,Chun-Keng																					
Director	Hung,Yu-Sheng																					
Director	Chen,Te-Ling																					
Director	Li,Chao-Ming																					
Independent Director	Hsu,Jun-Shyan	0	0	0	0	16,800,000	16,800,000	0	0	16,800,000 0.25%	16,800,0000 0.25%	0	0	0	0	0	0	0	0	16,800,000 0.25%	16,800,000 0.25%	無
Independent Director	Hsu,Kao-Shan																					
Independent Director	Wang,Sung-Chou																					

1.Please describe the payment policy, system, standard and structure of the independent director remuneration, and the relevance between the amount of the remuneration and the responsibilities, risks, contributed time, and other factors: Pursuant to Article 16-4 of the company's bylaws, and based on the company's operational performance, director's performance, and payment standard of the same industry, the remuneration committee will propose the recommendations to the Board of Directors to decide the remuneration of the company's independent directors

2.Remuneration received in the most recent year by the director of the company for rendering services (If working as a consultant not employed with the parent Company/all companies listed in the financial reports/ affliated companies) to any company listed in the Financial Report：None.

Note:The amount of employee remuneration is an estimate of the proposed distribution amount in 2024 based on the actual distribution amount in 2023.

Remuneration Bracket

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	MSI	Companies in the consolidated financial statements H	MSI	Companies in the consolidated financial statements (Ⅰ)
Below 1,000,000				
1,000,000(included)～2,000,000(excluded)				
2,000,000(included)～3,500,000(excluded)				
3,500,000(included)～5,000,000(excluded)				
5,000,000(included)～10,000,000(excluded)	Hsu,Hsiang、Huang,Chin-Ching、Lin,Wen-Tung、Kuo,Hsu-Kuang、Liao,Chun-Keng、Hung,Yu-Sheng、Chen,Te-Ling、Li,Chao-Ming Hsu,Jun-Shyan、Hsu,Kao-Shan、Wang,Sung-Chou	Hsu,Hsiang、Huang,Chin-Ching、Lin,Wen-Tung、Kuo,Hsu-Kuang、Liao,Chun-Keng、Hung,Yu-Sheng、Chen,Te-Ling、Li,Chao-Ming Hsu,Jun-Shyan、Hsu,Kao-Shan、Wang,Sung-Chou	Hsu,Jun-Shyan、Hsu,Kao-Shan、Wang,Sung-Chou	Hsu,Jun-Shyan、Hsu,Kao-Shan、Wang,Sung-Chou
10,000,000(included)～15,000,000(excluded)				
15,000,000(included)～30,000,000(excluded)			Hsu,Hsiang、Huang,Chin-Ching、Lin,Wen-Tung、Kuo,Hsu-Kuang、Liao,Chun-Keng、Hung,Yu-Sheng、Chen,Te-Ling、Li,Chao-Ming	Hsu,Hsiang、Huang,Chin-Ching、Lin,Wen-Tung、Kuo,Hsu-Kuang、Liao,Chun-Keng、Hung,Yu-Sheng、Chen,Te-Ling、Li,Chao-Ming
30,000,000(included)～50,000,000(excluded)				
50,000,000(included)～100,000,000(excluded)				
Over $100,000,000				
Total	61,600,000	61,600,000	222,892,900	222,892,900

2. Remuneration of President and Vice Presidents

Unit：NT$

Title	Name	Salary(A)		Severance Pay(B)		Bonuses and Allowances (C)		Remuneration to Employee(D)(Note)				Ratio of total compensation (A+B+C+D) to net income (%)		**Compensation** paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary
		MSI	Companies in the consolidated financial statements	MSI	Companies in the consolidated financial statements	MSI	Companies in the consolidated financial statements	MSI		Companies in the consolidated financial statements		MSI	Companies in the consolidated financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Hsu,Hsiang	93,103,532	93,103,532	2,208,900	2,208,900	200,549,500	200,549,500	113,800,000	0	113,800,000	0	409,661,932 6.03%	409,661,932 6.03%	無
President	Huang,Chin-Ching													
Senior Vice President of Management Committee	Lin,Wen-Tung													
Senior Vice President of Management Committee	Yu,Hsien-Neng													
Senior Vice President of Management Committee	Lu,Chi-Long													
Executive Vice President & NB BU GM	Kuo,Hsu-Kuang													
Executive Vice President & GNP BU GM	Liao,Chun-Keng													
Executive Vice President & CND BU GM	Hung,Yu-Sheng													
Vice President of Corp. Supply Chain	Chen,Te-Ling													
Vice President of Corp. Manufacture & Quality Assurance	Li,Chao-Ming													
ACS BU GM	Huang,Wen-Shan													
Vice President & CPS BU GM	Wu,Ta-Hsin													
EPS BU GM	Hsu,Yen-Wen													
Vice President of EPS BU	Hsieh,Cheng-Wei													
Vice President of Corp. R&D	Teng,Chi-Hung													
Vice President of NB BU R&D Division	Lin,Chin-Kuan													
Vice President of NB BU R&D Division	Lu,Kuo-Huang													
Vice President of NB Product Mgt. Division	Peng,Jen-Fang													
Vice President of NB Operations Mgt. Division	Pan,Tsai-Yu													
Vice President of NB Sales Division	Chen,Li-Chun													
Vice President of NB OEM sales Division	Huang,Wen-Hui													
Vice President of CND BU	Yeh,Chun-Te													
Vice President of CND BU	Yang,Tzu-Ying													
Vice President of CND BU	Tsui,Ching-Hsien													
Vice President of Corp. Sales & Marketing	Chiu,Chih-Keng													
Vice President of Corp. Sales & Marketing	Tung,Ti-Chun													
Vice President of Corp. Sales & Marketing	Wang,Yu-Po													
Vice President of Corp. Marketing Division	Cheng,Hui-Cheng													
Vice President of Global Management Center	Tsai,Wei-Hsin													
Vice President of Information Technology (Chief Information Security Officer)	Lin,Hsi-Lung													
Vice President of Finance Center (Chief financial officer & Corporate Governance Officer)	Hung,Pao-Yu													

Remuneration Bracket

Range of Remuneration	Name of President and Vice President	
	MSI	Companies in the consolidated financial statements E
Below 1,000,000		
1,000,000(included)～2,000,000(excluded)	Hsieh,Cheng-Wei	Hsieh,Cheng-Wei
2,000,000(included)～3,500,000(excluded)		
3,500,000(included)～5,000,000(excluded)		
5,000,000(included)～10,000,000(excluded)	Huang,Wen-Hui、Yang,Tzu-Ying、Tsui,Ching-Hsien、Wang,Yu-Po、Cheng,Hui-Cheng、Lin,Hsi-Lung	Huang,Wen-Hui、Yang,Tzu-Ying、Tsui,Ching-Hsien、Wang,Yu-Po、Cheng,Hui-Cheng、Lin,Hsi-Lung
10,000,000(included)～15,000,000(excluded)	Yu, Hsien-Neng、Lu,Chi-Long、Li,Chao-Ming、Huang,Wen-Shan、Wu,Ta-Hsin、Hsu,Yen-Wen、Lu,Kuo-Huang、Peng,Jen-Fang、Pan,Tsai-Yu、Yeh,Chun-Te、Chen,Li-Chun、Chiu,Chih-Keng、Tsai,Wei-Hsin、Hung,Pao-Yu	Yu, Hsien-Neng、Lu,Chi-Long、Li,Chao-Ming、Huang,Wen-Shan、Wu,Ta-Hsin、Hsu,Yen-Wen、Lu,Kuo-Huang、Peng,Jen-Fang、Pan,Tsai-Yu、Yeh,Chun-Te、Chen,Li-Chun、Chiu,Chih-Keng、Tsai,Wei-Hsin、Hung,Pao-Yu
15,000,000(included)～30,000,000(excluded)	Hsu,Hsiang、Huang,Chin-Ching、Lin,Wen-Tung、Kuo,Hsu-Kuang、Liao,Chun-Keng、Hung,Yu-Shen、Chen,Te-Ling、Tung,Ti-Chun、Teng,Chi-Hung、Lin,Chin-Kuan	Hsu,Hsiang、Huang,Chin-Ching、Lin,Wen-Tung、Kuo,Hsu-Kuang、Liao,Chun-Keng、Hung,Yu-Shen、Chen,Te-Ling、Tung,Ti-Chun、Teng,Chi-Hung、Lin,Chin-Kuan
30,000,000(included)～50,000,000(excluded)		
50,000,000(included)～100,000,000(excluded)		
Over $100,000,000		
Total	409,661,932	409,661,932

Note ：The amount of employee remuneration is an estimate of the proposed distribution amount in 2024 based on the actual distribution amount in 2023.

Names of managers receiving remuneration to employees, and status of allocation thereof

April 30, 2025 Unit:NT$

	Title	Name	Stock Amount	Cash Amount	Total	Ratio of Total Amount to Net Income (%)
Managers	Chairman	Hsu,Hsiang	0	115,200,000	115,200,000	1.7%
	President	Huang,Chin-Ching				
	Senior Vice President of Management Committee	Lin,Wen-Tung				
	Senior Vice President of Management Committee	Yu, Hsien-Neng				
	Senior Vice President of Management Committee	Lu,Chi-Long				
	Executive Vice President & NB BU GM	Kuo,Hsu-Kuang				
	Executive Vice President & GNP BU GM	Liao,Chun-Keng				
	Executive Vice President & CND BU GM	Hung,Yu-Sheng				
	Vice President of Corp. Supply Chain	Chen,Te-Ling				
	Vice President of Corp.Manufacture & Quality Assurance	Li,Chao-Ming				
	ACS BU GM	Huang,Wen-Shan				
	Vice President & CPS BU GM	Wu,Ta-Hsin				
	EPS BU GM	Hsu,Yen-Wen				
	Vice President of EPS BU	Hsieh,Cheng-Wei				
	Vice President of Corp. R&D	Teng,Chi-Hung				
	Vice President of NB BU R&D Division	Lin,Chin-Kuan				
	Vice President of NB BU R&D Division	Lu,Kuo-Huang				
	Vice President of NB Product Mgt. Division	Peng,Jen-Fang				
	Vice President of NB Operations Mgt. Division	Pan,Tsai-Yu				
	Vice President of NB Sales Division	Chen,Li-Chun				
	Vice President of NB OEM sales Division	Huang,Wen-Hui				
	Vice President of CND BU	Yeh,Chun-Te				
	Vice President of CND BU	Yang,Tzu-Ying				
	Vice President of CND BU	Tsui,Ching-Hsien				
	Vice President of Corp. Sales & Marketing	Chiu,Chih-Keng				
	Vice President of Corp. Sales & Marketing	Tung,Ti-Chun				
	Vice President of Corp. Sales & Marketing	Wang,Yu-Po				
	Vice President of Corp. Marketing Division	Cheng,Hui-Cheng				
	Vice President of Global Management Center	Tsai,Wei-Hsin				
	Vice President of Information Technology (Chief Information Security Officer)	Lin,Hsi-Lung				
	Vice President of Finance Center (Chief financial officer & Corporate Governance Officer)	Hung,Pao-Yu				
	Assistant Vice President of Internal Auditing Office	Liu,Chu-Hao				

3.The Company is in any situation under Article 10, paragraph 1, subparagraph 3, subsections 2-1 or 2-5 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: No

4. Compare and state the ratio of total remuneration paid to the company's Directors, Supervisors, President, and V.P. by the company and the companies in the consolidated financial statements to net income in the last two years; also, describe the policy, standard, and combination of remuneration paid; moreover, the procedure of defining remuneration and its relation to business performance and future risks

(1)Analyze the ratio of the total remuneration paid to the company's Directors, Supervisors, President, and V.P. in the last two years to net income:

Year / Item	Directors & Supervisors		President and Vice President	
	Ratio of the total remuneration paid to the company's Directors, Supervisors in the last two years to net income		Ratio of the total remuneration paid to the President, and V.P. in the last two years to net income	
	2024	2023	2024	2023
	0.91%	0.91%	6.03%	4.77%
1.Policies of remuneration	Articles 19-1 of Incorporation of Micro-Star International Co., Ltd. The pre-tax income of the current fiscal year shall first offset the accumulated deficits. If the balance is positive, then the Company shall allocate the remuneration to be distributed to employees, directors and supervisors in accordance with the following ratio. Employee remuneration in the percentage of 6% to 10%. Individuals eligible for employee remuneration include the Company's employees and the employees of the Company's subsidiaries meeting certain requirements. Such requirements are to be set by the Board of Directors. Remuneration to be distributed to directors and supervisors shall not exceed 1%. The decision of the percentage of remuneration to be distributed to employees, directors and supervisors set forth in the preceding Paragraph, the forms of distribution (cash or stock dividends) and the amounts and shares thereof shall be made through the special resolutions of the Board of Directors and reported to the shareholders' meeting. (The Company established an Audit Committee to replace supervisors on June 15, 2018)		Carried out in accordance with the "Company's Remuneration Management Regulations"," Performance Review Regulation","Employee Bonus Evaluation and Distribution Rules".	
2.Criteria and composition of remuneration	The directors' remunerations are distributed based on the number of directors, and taking into account each director's performance, contribution to the Company, and the self (or peer) evaluation of the Board of that year.		Includes base salary, Duty allowance and performance bonuses, bonus, and employee compensations	
3.Procedures to fix remuneration	Resolved by the board meeting, and approved by the general meeting of shareholders.		Based on their educational and professional backgrounds.	
4.Interrelationship with MSI business	The evaluation criteria of directors' remunerations include the Company's financial performance (such as revenue, contribution to the profits) and non-financial performance (such as corporate governance, regulatory compliance)		The evaluation criteria of managers' remunerations are achievement rate of performance, contribution to the profits, and operation managerial ability.	
5. Policies for linking senior managers' remunerations to ESG-related performance evaluations	Specific goals: For example, the ESG performance evaluation of the carbon reduction target ratio between 2022 and 2030 will be used as a link between a strategic indicator and the salaries and remunerations of senior management. This ESG performance evaluation is included in the results of the ESG performance indicators as a reference for approving the bonuses of the Company's seniormanagement. Adoption of ESG key indicators: such as the achievement of the Group's greenhouse gas target, labor rights, anti-corruption and anti-unfair competition, and sustainable supply chain management, as indicators for adding points to remuneration.			

(2) Except for the Company, all the other companies included in the Consolidated Statement did not pay remunerations for the directors, supervisors, president, and vice presidents of the Company.

(Ⅲ) Corporate governance

1.Board of Directors

The Board had 11 (A) meetings in 2024 and up to date till the Annual Report printed:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Hsu,Hsiang	11	0	100.00%	
Vice Chairman	Huang,Chin-Ching	9	2	81.82%	
Director	Lin,Wen-Tung	11	0	100.00%	
Director	Kuo,Hsu-Kuang	10	1	90.91%	
Director	Liao,Chun-Keng	9	2	81.82%	
Director	Hung,Yu-Sheng	10	1	90.91%	
Director	Chen,Te-Ling	11	0	100.00%	
Director	Li,Chao-Ming	6	1	85.71%	2024.6.14 new appointment
Director	Yu, Hsien-Neng	3	1	75.00%	2024.6.14 dismissal
Independent Director	Hsu,Jun-Shyan	11	0	100.00%	
Independent Director	Hsu,Kao-Shan	11	0	100.00%	
Independent Director	Wang,Sung-Chou	7	0	100.00%	2024.6.14 new appointment
Independent Director	Liu,Cheng-Yi	4	0	100.00%	2024.6.14 dismissal

Note:Independent directors attended in person in 2024 and up to date till the Annual Report printed (with an attendance rate of 100%).

Other matters that require to be recorded:

1. Should any of the following take place in a board meeting, the date and number of the meeting, the content of the proposal, opinions of all Independent Directors and the Company's response to such opinions shall be recorded:
   (1) For details of the date and number of the board meeting, the content of the proposal, opinions of all Independent Directors and the Company's response to such opinions, please see pages **48 ~51.**
   (2) Items specified in Article 14-3 of the Securities and Exchange Act: No dissenting or qualified opinion.
   (3) Aside from the above matters, other resolutions adopted by the Board of Directors to which an Independent Director has a dissenting or qualified opinion that is on record or stated in a written statement: None.
2. For execution status of Directors' recusals from the resolutions due to conflicts of interests, the names of the Directors, content of the proposals and reasons for recusals as well as the participation in voting shall be recorded:
   Date: 2024/1/26、2024/3/14
   Name of the Director: Hsu,Hsiang. Huang,Chin-Ching. Lin,Wen-Tung. Yu,Hsien-Neng.Kuo,Hsu-Kuang. Liao,Chun-Keng. Hung,Yu-Sheng. Chen,Te-Ling.
   Date: 2024/8/9
   Name of the Director: Hsu,Hsiang. Huang,Chin-Ching. Lin,Wen-Tung. Kuo,Hsu-Kuang. Liao,Chun-Keng. Hung,Yu-Sheng. Chen,Te-Ling. Li,Chao-Ming、Hsu,Jun-Shyan、Hsu,Kao-Shan
   Date: 2024/10/4、2025/1/17、2025/3/12
   Name of the Director: Hsu,Hsiang. Huang,Chin-Ching. Lin,Wen-Tung. Kuo,Hsu-Kuang. Liao,Chun-Keng. Hung,Yu-Sheng. Chen,Te-Ling. Li,Chao-Ming
   Agenda item: Proposal of the Remuneration committee.
   Reason for recusal and participation in voting: The Board of Directors reminded the Directors to pay attention to recusal due to conflict of interests and did not provide each Director's own remuneration details.
   Directors Hsu,Hsiang. Huang,Chin-Ching. Lin,Wen-Tung. Yu,Hsien-Neng. Kuo,Hsu-Kuang. Liao,Chun-Keng. Hung,Yu-Sheng. Chen,Te-Ling. Li,Chao-Ming、Hsu,Jun-Shyan、Hsu,Kao-Shan. recused themselves from discussing and voting on the part of the proposal involving their own remuneration.
3. Board of Director Self (Peer) Evaluation Cycle and Period, Scope, Method, and Topic are as below:

Implementation of Board of Director Evaluation

Cycle	Period	Scope	Method
Once per year	January 1, 2024 to December 31, 2024	Board of Directors, individual director and functional committees	Internal self-evaluation questionnaire for the Board (Audit Committee and Remuneration Committee) and each director

Topic

The performance evaluation of the Board of Directors, directors, functional committees of 2024 was completed on January 17, 2025. The evaluation topics of each scope include the following:

(1) Board of Directors performance evaluation: The performance evaluation of the Board of Directors includes the level of participation in the company's operation, decision quality of the Board of Directors, body and structure of the Board of Directors, selection of directors and continuing study, internal control. (45 items)
(2) Individual director performance evaluation: The performance evaluation of individual directors includes the knowledge of the company's objectives and tasks, understanding of the responsibilities of directors, level of participation in the company's operation, internal relationship cultivation and communication, continuing study of the director's profession, internal control. (23 items)
(3) Functional committee's performance evaluation(Audit Committee(22 items)、Commissioner of Renumeration Committee(19 items): Including the level of participation in the company's operation, understanding of the responsibilities of the functional committee, decision quality of the functional committee, body of the functional committee and selection of members, internal control.
(4) The evaluation of 2024 is completed on January 17, 2025, and reported to the Board of Directors. In addition to the filing on the Market Observation Post System https://mops.twse.com.tw, and on the Company's website https://tw.msi.com, the results will be used as references for each director's remuneration and nomination of reelection.

4、The goals of the year and the most recent year on the strengthening of the board of directors' functions：

(1) Voluntarily to establish Independent directors in 2012.
(2) To accommodate electronic voting during shareholders' meetings, the Articles of Incorporation were revised on June 17, 2014, and the nomination system is adopted for the election of Board members.
(3) Since 2014, the Company's shareholders' meetings have adopted voting by poll, and the result of shareholders' votes for and against and the number of abstentions of each proposal are recorded in the minutes.
(4) In compliance with the competent authority's promotion of corporate governance, a position adjustment was carried out on January 1, 2019,

and the Chairman and President positions are not held by the same person.

(5) In alignment with the regulatory authorities' efforts to promote corporate governance, a comprehensive board re-election was conducted on July 16, 2021, resulting in the appointment of one female director..

(6) The average attendance rate of all Directors actually attending the Board meetings of the current Board of Directors (June 14, 2024 ~ as of the publication date of this Annual Report):94.81%.

The Board meeting attendance rate from all board members during 2024 as of the printing date of the annual report: 93.39%.

2.Audit Committee or Attendance of Supervisors at Board Meetings:

(1)Attendance of Supervisors at Board Meetings:The Company established an Audit Committee to replace supervisors on June 15, 2018 and the supervisors are relieved of the position starting on that day.

(2)Operation of the Audit Committee:

8 meetings (A) held by Audit Committee in 2024 and up to date till the Annual Report printed, the attendance of the independent directors is as follows:

Title	Name	Attendance in Person (B)		By Proxy		Attendance Rate (%)【B/A】		Remarks
		2025	2024	2025	2024	2025	20254	
Independent director a (Chief coordinator of Audit Committee)	Hsu,Jun-Shyan	3	5	0	0	100%	100%	
Independent director b	Hsu,Kao-Shan	3	5	0	0	100%	100%	
Independent director c	Wang,Sung-Chou	3	2	0	0	100%	100%	2024.6.14 new appointment
Independent director d	Liu,Cheng-Yi	-	3	-	0	-	100%	2024.6.14 dismissal

Other items that shall be recorded:

1. If any of the following applies to the operations of the Audit Committee , the meeting date of the Audit committee and session of the Board of Directors' Meeting, as well as the resolutions, resolutions of the Audit Committee ,Objections, reserved opinions, or critical advices of independent directors and the corporation's actions in response to the opinions of the Audit Committee should be stated.
   (1)Items listed in Article 14(5) of the Securities and Exchange Act.
   (2)Except the items in the preceding issues, other resolutions approved by two-thirds of all directors but yet to be approved by the Audit Committee:None
2. Execution process where the independent director abstain from begin a stakeholder, the name of the director, the content of proposal, the reson of abstinence and the results of the voting should be stated: None

Audit Committee Meeting Date	Agenda	Audit Committee Resolution Results	Objections, reserved opinions, or critical advices of independent directors				Corporation's responses to the comments of the Audit Committee	Execution process where the independent director abstain from begin a stakeholder	
			Hsu, Jun-Shyan	Hsu, Kao-Shan	Wang, Sung-Chou	Liu, Cheng-Yi		The reson of abstinence	The results of the voting should be stated
2024.01.10 (2024/1)	(1)This Company Resolution of Acquisition of Land and Buildings	Proposal approved	None	None	-	None	None	None	None
2024.03.14 (2024/2)	(1)2023 Financial Statement of this Company. (2)The Statement on Internal Control System of 2023 of this Company. (3)Approved amendments to"Internal Control System" , "Implementation Rules for Internal Auditing". (4) CPA engagement and Evaluation of external auditor's independence and qualification.	Proposal approved	None	None	-	None	None	None	None
2024.05.13 (2024/3)	(1)Approved the Financial Statement. First Quarter 2024	Proposal approved	None	None	-	None	None	None	None
2024.8.09 (2024/4)	(1) Approved the Financial Statement of second quarter, 2024.	Proposal approved	None	None	None	-	None	None	None
2024.11.12 (2024/5)	(1) Financial Report of third quarter, 2023 (2) Risk management report. (3) Approved amendments to"Internal Control System" , "Implementation Rules for Internal Auditing". (4 Approved amendments to" Audit committee charter"	Proposal approved	None	None	None	-	None	None	None
2025.01.17 (2025/1)	(1) Approval of the construction project for the company's plant building in the Taoyuan Guishan Industrial Zone.	Proposal approved	None	None	None	-	None	None	None
2025.03.12 (2025/2)	(1)2024 Financial Statement of this Company. (2)The Statement on Internal Control System of 2024 of this Company. (3)Approval of compliance with Article 14, Paragraph 6 of the Securities and	Proposal approved	None	None	None	-	None	None	None

	Exchange Act. (4)Approved amendments to"Internal Control System" , "Implementation Rules for Internal Auditing". (5)Approved amendments to the "Operational Procedures for Acquisition or Disposal of Assets"、" Operational Procedures for Trading Derivatives". (6)CPA engagement and Evaluation of external auditor's independence and qualification.								
2025.04.15 (2025/3)	(1)Approval of the capital increase for the U.S. subsidiary MSI Computer Corp.	Proposal approved	None	None	None	-	None	None	None

3.Communication between Independent Directors and Internal Audit Supervisors and Accountants (including significant matters of communication regarding th company's financial and business conditions, methods, and results):

(1) The internal audit supervisor submits an audit summary report to the Audit Committee on a monthly basis in accordance with the annual audit plan.

(2) The Company convenes an audit committee, and invites the accounting and auditing supervisors attend and invites relevant supervisors as needed.

(3)The independent directors and the internal audit office, and the CPA have the direct channel to communicate with each other, by phone, written correspondence, or face-to-face meeting. The communication is smooth.

(4)Independent directors communicate with accountants at least once a year and hold communication meetings with internal audit supervisors at least once a quarter. Communication details are disclosed on the company's website: https://tw.msi.com/about/company/

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

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Y</th><th>N</th><th>Abstract Illustration</th></tr>
<tr><td>1. If the Company established and disclosed Corporate Governance Principles in accordance with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?</td><td>V</td><td></td><td>The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles has been disclosed on the Company's website.</td><td>None</td></tr>
<tr><td>2. Shareholding Structure & Shareholders' Rights
(1) If the Company established internal procedures to handle shareholder suggestions, proposals, complaints and litigation and execute accordingly?</td><td>V</td><td></td><td>In addition to the existing hotline and email channels, the Company has established an internal operating procedure, and has designated appropriate departments, such as Investor Relations, Public Relations, Legal Department, to handle shareholders' suggestions, doubts, disputes and litigation.</td><td>None</td></tr>
<tr><td>(2) If the Company maintained of a list of major shareholders and a list of ultimate owners of these major shareholders?</td><td>V</td><td></td><td>The Stock affairs office is responsible, ask Taiwan Depository and Clearing Corps to provide the list of major shareholders every quarter, for collecting the updated information of major shareholdersand the list of ultimate owners of those shares.</td><td>None</td></tr>
<tr><td>(3) If risk management mechanism and "firewall" between the Company and its affiliates are in place?</td><td>V</td><td></td><td>「Group business management regulations」 are made to strictly regulate the activities of trading, endorsement and loans between the Company and its affiliates. In addition, the "Criteria of Internal Control Mechanism for a Public Company", outlined by the Financial Supervisory Commission when drafting the guidelines for the "Supervision and Governance of Subsidiaries", was followed in order to implement total risk control with espect to subsidiaries.</td><td>None</td></tr>
<tr><td>(4) If the Company established internal policies that forbid insiders from trading based on non-disclosed information?</td><td>V</td><td></td><td>To protect shareholders' rights and fairly treat shareholders, the Company has established the internal rules to forbid insiders trading on undisclosed information. The Company has also strongly advocated these rules in order to prevent any violations, and hold promotion and lectures from time to time and has been disclosed on the Company's website. https://tw.msi.com/about/corporateGovernance</td><td>None</td></tr>
<tr><td>3.Structure of Board of Directors and its responsibility
(1)Does the Board develop the diversity policy, substantive management goals, and implement the same?</td><td>V</td><td></td><td>The Company has the "Corporate Governance Principles" in place and diversified policies are established with regard to the composition of members of the Board of Directors. The directors (including independent directors) are nominated. The Board of Directors members are nominated according to law by shareholders and naturally elected during a shareholders' meeting.
Member diversification is considered by the Board members. Factors taken into account include, but are not limited to gender, age, cultures, educational background, race, professional experience, skills, knowledge and terms of service. The members of board of directors possess a diveres range of expertise in the fields of Operational Decision
Making, Operations Management, Crisis Management, Industy Knowledge, International Market Outlook, Leadership Decision Making, Finance& Accounting and law, can adequately fulfill the Company's future development needs.
<table>
<tr><th>Name</th><th>Gender</th><th>Age range</th><th>Operational Decision Making</th><th>Operation Management</th><th>Crisis Management</th><th>Industry Knowledge</th><th>International Market Outlook</th><th>Leadership Decision Making</th><th>Finance& Accounting</th><th>law</th><th>Term length of independent directors.</th></tr>
<tr><td>Hsu,Hsiang</td><td>Male</td><td>61~70</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td></tr>
<tr><td>Huang,Chin-Ching</td><td>Male</td><td>61~70</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td><td></td><td></td></tr>
<tr><td>Lin,Wen-Tung</td><td>Male</td><td>61~70</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td><td></td><td></td></tr>
<tr><td>Kuo,Hsu-Kuang</td><td>Male</td><td>51~60</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td><td></td><td></td></tr>
</table></td><td>None</td></tr>
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<table>
<tr><th>Name</th><th>Gender</th><th>Age range</th><th>Operational Decision Making</th><th>Operation Management</th><th>Crisis Management</th><th>Industry Knowledge</th><th>International Market Outlook</th><th>Leadership Decision Making</th><th>Finance& Accounting</th><th>law</th><th>Term length of independent directors</th></tr>
<tr><td>Liao,Chun-Keng</td><td>Male</td><td>61~70</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td><td></td><td></td></tr>
<tr><td>Hung,Yu-Sheng</td><td>Male</td><td>51~60</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td><td></td><td></td></tr>
<tr><td>Chen,Te-Ling</td><td>Female</td><td>41~50</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td><td></td><td></td></tr>
<tr><td>Li,Chao-Ming</td><td>Male</td><td>61~70</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td><td></td><td></td></tr>
<tr><td>Hsu,Jun-Shyan</td><td>Male</td><td>61~70</td><td></td><td>√</td><td></td><td>√</td><td>√</td><td></td><td>√</td><td></td><td>4</td></tr>
<tr><td>Hsu,Kao-Shan</td><td>Male</td><td>61~70</td><td></td><td>√</td><td></td><td>√</td><td>√</td><td></td><td></td><td>√</td><td>7</td></tr>
<tr><td>Wang,Sung-Chou</td><td>Male</td><td>61~70</td><td></td><td>√</td><td></td><td>√</td><td>√</td><td></td><td>√</td><td></td><td>1</td></tr>
</table>
The Company’s Board members are specialists of technology industry, sales, commerce, finance and accounting, and law. The policy of diversity is complied with the company regulations.
There are 10 (91%) male members and 1(9%) female members on the Board 8 (73%) of them are employees and 3 (27%) are non-employees. The directors are between 49 and 68 years old and average age is 61, The continuous term of all independent directors has not exceeded three terms.
The reelection of directors of the current term of office 2021/7/16 is completed. The goals of adding one female director and lowering the age of directors are achieved. The future goal is to introduce courses of diversity learning to help the directors establish cross-field professional knowledge.
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<td>(2) If the Company established any other functional committee in addition to Compensation Committee, Audit Committee as required by law?</td>
<td></td>
<td>V</td>
<td>In order for the sound supervision and reinforcement of management, the Company established the Remuneration Committee and Audit Committee. The functional committees shall be responsibilities for the Board of Directors.</td>
<td>The company has not yet established other functional committee.Scheduled to radually establish according to the laws and regulations as well as the practical requirement of the company.</td>
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<tr>
<td>(3) Does the company specify the process and method of the performance evaluation of the Board of Directors, conduct the annual evaluation, and report the evaluation results to the Board of Directors and use such for considering the remuneration and re-appointment of each director?</td>
<td>V</td>
<td></td>
<td>According to the Company’s policy of Board performance evaluation, the self-evaluation shall be conducted at least once a year.
<table>
<tr><th>Evaluation recipients</th><th>The Board</th><th>Individual board member</th><th colspan="2">Functional committee</th></tr>
<tr><td>Evaluation scope</td><td>Including but not limited to the level of participation in the Company’s operation, increase of quality of the Board’s decisions, composition and structure of the Board, election of the directors, and continuing education, a total of 45 items</td><td>Including but not limited to the understanding of the Company’s goals and missions, the understanding of a director’s duties, the level of participation in the Company’s operation, internal relationship cultivation and communication, the director’s professionalism and continuing education, internal control</td><td colspan="2">Including but not limited to the level of participation in the Company’s operation, the understanding of the functional committee’s duties, the quality of the functional committee’s decisions, the composition of the functional committee and the election of members, internal control</td></tr>
<tr><td rowspan="2">Evaluation items</td><td rowspan="2">45 items</td><td rowspan="2">23 items</td><td>Audit Committee</td><td>Remuneration Committee</td></tr>
<tr><td>22 items</td><td>19 items</td></tr>
<tr><td>Number of evaluators (including both former and new terms)</td><td>13 people</td><td>13 people</td><td>4 people</td><td>4people</td></tr>
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<td>None</td>
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<tr><td>Evaluation method</td><td>Collect the answers from each director’s self-evaluation for the Chairman, who will evaluate their performance</td><td>The directors will receive the questionnaire for self-evaluation</td><td>The commissioners will receive the questionnaire for self-evaluation</td></tr>
<tr><td>Evaluation results</td><td colspan="3">The evaluation of 2024 are completed on January 17, 2025, and reported to the Board of Directors. In addition to the filing on the Market Observation Post System https://mops.twse.com.tw, and on the Company’s website https://tw.msi.com, the results will be used as references for each director’s remuneration and nomination of reelection.</td></tr>
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<tr>
<td>(4) If the Company assess the independence of CPA periodically?</td>
<td>V</td>
<td></td>
<td>The Audit Committee and the board members convene one meeting or more each year, using Audit Quality Indicators “AQIs,” including “firm level” and “audit case level,” separated into five aspects (professionalism, quality control, independency, supervision, and innovation capabilities) and 13 indicators (audit experience, training hours, turnover rate, professional support, accountant loading, review dedication, case quality control, verification, quality control support, non-audit service fee, client familiarity, flaw of external check and discipline, improvement letters from the authority, and innovation planning or suggestions) to assess the independency and qualifications of the external auditor. The latest assessment was approved by the Audit Committee on March 12, 2025, and later reported to the Board on the same day. The assessment found there was no violation of independence or qualification of the external auditors or other related personnel based on AOIs.
The Company and the external auditors are not related in any aspects to violate their independence as listed in the independence declaration below.
<table>
<tr><th>Assessment</th><th>assessment result(Y/N)</th><th>Independence (Y/N)</th></tr>
<tr><td>The designated accountant does not have direct or indirect financial interest relationship with the Company.</td><td>N</td><td>Y</td></tr>
<tr><td>The designated accountant does not have a financing or guarantee relationship with the Company or any director of the Company.</td><td>N</td><td>Y</td></tr>
<tr><td>The designated accountant does not have close business relationship or potential employment relationship with the Company.</td><td>N</td><td>Y</td></tr>
<tr><td>The designated accountant does/did not currently/ in the recent two years serve as a director, supervisor, or manager of the Company or play a role having significant influence on the audit case.</td><td>N</td><td>Y</td></tr>
<tr><td>The designated accountant does not promote or act as an intermediate for the shares or other securities issued by the Company.</td><td>N</td><td>Y</td></tr>
<tr><td>The designated accountant does not serve as the advocate of the Company nor as the representative of the Company to mediate the dispute between the Company and any third party.</td><td>N</td><td>Y</td></tr>
</table>
The designated accountant does not have a family relationship with the company’s directors, managers or persons who have significant influence on the audit case.</td>
<td>None</td>
</tr>
<tr>
<td>4. Does the public (OTC) company appoint the adequate number of competent corporate governance staff, and a corporate governance manager to be responsible for handling corporate governance scheme (including but not limited to providing information to the directors and supervisors necessary to perform their duties, assisting the directors and supervisors in legal compliance, processing the Board meetings and shareholders meetings according to the laws, processing company registration and registration of changes, and producing minutes of the Board meetings and shareholders meetings)?</td>
<td>V</td>
<td></td>
<td>The Financial Department of the Company is set up with dedicated corporate governance personnel who have more than 3 years of experience in the managerial work such as corporate finance, stock affairs and meeting proceedings with the scope of duties as follows: providing the information required by the directors to conduct business, propagating the regulations related to the operation, assisting the directors with compliance with laws and regulations, arranging for directors for further study, handling matters related to the board of directors and shareholders' meeting, changing registration and corporate governance, etc. The board of directors pass the resolution on March 21, 2019 to have these personnel supervised by a corporate governance supervisor who is qualified as a manager and reports the implementation to the board of directors at least once a year.
Business execution in the most recent year is as follows: (1) Corporate governance and securities-related acts promotion (2) Assistance with the convening of Board of Directors and Shareholders Meetings (3) Preparation of the Board's agenda, provision of meeting materials and delivery of notices, reminding of avoidance of conflict of interests, production and mailing of the proceedings (4) Publication of the Company’s major news (5) Arrangement of the annual training of the directors (6) Registration of the shareholders' meeting, and production of the meetings notice, the annual report, the handbooks within the statutory time limit (7) Change registration with the Ministry of Economic Affairs after amendment of the by-laws or re-election of directors. (8)Review whether the qualifications of independent directors during the nomination, selection, and tenure periods comply with relevant laws and regulations (9)The educational programs provided</td>
<td>None</td>
</tr>
</table>

			for the first-time corporate governance staff were completed as required. Please see Page 24.	
5. If the Company established communication channel with interested parties (Including but not limited to shareholders, employees, customers and suppliers, etc.) and disclosed key corporate social responsibility issues frequently enquired by stakeholders on the designated area of the corporate website?	V		The Company's website has a “Stakeholder Section” under Corporate Social Responsibility, which provides information including investors/shareholders, customers/consumers, suppliers/contractors, employees, government agencies and the media to the stakeholders who are responsible for verification. The information is compiled through public information observatories, the Company’s website, financial reports, corporate social responsibility reports and online questionnaires to confirm the issues concerned by the stakeholders on MSI and degree and importance of the concerns, and prioritize or incorporate the issues of concern into the Company’s annual goals. In addition, the company's website discloses the information of the "Stakeholders' Complaints Channel" and provides the information to the responsible units through the contact window as the communication channel for the stakeholders and the Company responds to the important issues of concern to stakeholders by meetings, phone calls and emails to protect the rights and interests of all stakeholders. Relevant chapters on stakeholder concerns, communication methods and frequency, and information on topics of concern are disclosed at https://tw.msi.com/Corporate Governance/Corporate Social Responsibility/Corporate Social Responsibility Report. The information is reported to the Board of Directors at least once a year. In addition, the “Stakeholders” section provides the contact windows for each stakeholder, the “stakeholder complaint submission” is disclosed on the company’s website. Stakeholders may contact through meeting, phone, or e-mail. The critical issues which the stakeholders are concerned about will be answered properly to maintain the interests of each stakeholder. The critical issues which the stakeholders are concerned about, communication method and frequency, and concerned issues are disclosed on https://tw.msi.com/corporate governance/CSR/CSR report. The Board of Directors receives the report at least once per year. The 2024 report has been presented to the Board on November 12, 2024.	None
6. If the Company engaged professional transfer agent to host annual general shareholders’ meeting?	V		The Company has delegated the share administrations agency of Chinatrust Commercial Bank to handle shareholder meetings and related services.	None
7. Information Disclosure (1) If the Company set up a corporate website to disclose information regarding the Company’s finance, business and corporate governance?	V		The Company has a section on its website to disclose related information of its finance, operation, and corporate governance. Investors may also obtain information about the Company through the Market Observation Post System https://mops.twse.com.tw.	None
(2) If the Company adopted any other information disclosure channels (e.g., maintaining an English-language website, appointing designated personnel to handle information collection and disclosure, appointing spokespersons, webcasting investors conference, etc)?	V		The Company has websites in 20 languages, including Chinese and English, such as https://tw.msi.com/(Chinese) and https://www.msi.com/about/investor (English) and dedicated employees to take charge of the Company’s information collection and disclosure. The spokesperson system isestablished and implemented.	None
(3) Does the company publish and file the annual financial report within two months after the end of the fiscal year, and make early publication and filing of the financial reports of the first, second, and third quarters, as well as the monthly operation reports?	V		The company publishes and files the annual financial report, and financial reports of the first, second, and third quarters, as well as the monthly operation reports, within the statutory period.	Early publication/filing is subject to evaluation based on actual need.
8. If the Company had other important information to facilitate 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 insurance for directors and supervisors)? (1) Employee rights	V		1. Employees’ remuneration policy is regulated the distribution ratio in the Company’s Articles of Incorporation and is handled according to the “Remuneration Guidelines”, “the Employee Performance Regulations”, and “the Employee Remuneration Distribution and Stock Option Regulations”. Operation profits are shared with employees according to the fulfillment rate of business target, performance, and contribution. 2. The Company has an Employee Welfare Committee with steady funds coming from the Company holding events and providing benefit programs for employees. 3. Besides having employees covered by Labor Insurance and National Health Insurance as required by law so that they can be assured safety while at work, the Company also offers the group insurance for extra protection to employees and their family.	None

(2) Employee care employee wellness	V		1.The Company was certified by OHSAS18001 (Occupation Health and Safety Assessment Series Certification) in December 2003 and received the “health promotion symbol for spontaneous healthy workplace certification”. (ISO 45001:2018 renewed in 2018), In 2022, the company passed the "Health Workplace Self-Certification Health Promotion Mark," valid for three years. On December 6, 2024, the certification mark was renewed, valid from 2025 to 2027. 2. Besides periodical employee health examinations, the Company has a employee clinic, nursing room, various health-related tests, workshops, and training from time to time, there are also diversified society events and employees are provided with related consultation services and help solutions on issues such as career, workplace inter-person relationship, emotions at work, work management, physical and mental stress, communications between husband and wife, child care and education, gender relations, laws in life, wealth management, and tax reduction so that the health of employees in all aspects, physical, mental, and spiritual, is taken well care of.	None
(3) Investor relations	V		The Company discloses information from time to time through the Market Observation Post System and the Company’s website, and has the “Investor Relations Contact Window” available for the shareholders to contact by phone or through email in order to maintain the investor relationship.	No Deviation
(4) Supplier Relations	V		1. In order to protect the rights of suppliers, as long as not against regulatory requirements and damage to our shareholders’ rights, financial information required by the suppliers for the Company’s creditline evaluation will be provided. 2. In order to accomplish sustainable management for the Company and for all suppliers, suppliers continue to be asked to promise compliance with regulations concerning health and safety, the environment, labor, and ethics as well as guidelines for the management system and risk control and suppliers will receive Self-assessment survey, educational training and periodic audits, among other related auxiliary measures, to help them keep enforcing and improving the said regulations and guidelines.	None
(5) Stakeholder rights	V		1. The Company discloses on its website information on corporate governance, finance, sustainability, and products and also related information on the Market Observation Post System for the stakeholders’ reference. 2. The Company has a section “Contact MSI” on website. If stakeholders have issues about economy, environment, and society, they can communicate the issues with the Company through the said channel; this helps protect the rights of respective stakeholders.	None
(6) Further education status of directors and supervisors	V		The Company’s directors and high-ranking managers receive continuing education as required by “the Directions for the Implementation of Continuing Education for Directors and Supervisors” of TWSE Listed and TPEx Listed Companies on a yearly basis. The continuing education programs are listed below.	None
(7) Risk management policy and risk measurement measures	V		The Company’s policy towards risk management is to set various rules and regulations in order to weigh and evaluate possible impacts of the various risk matters on the profits and losses of the Company and to stipulate respective response policies accordingly. For the analysis and evaluation of risk matters, other important risks and response measures, please refer to Page **94~99** and Webside.	None
(8) Implementation of customer policy	V		Regulations to be followed are established in the Company’s internal control system to ensure fulfillment of customer service and product protection and the responsible unit is available for real-time communication during transaction with customers in order to ensure that customers’ rights are protected.	None
(9) Purchase of liability insurance for directors and supervisors	V		Directors are covered by the Company’s D&O insurance. (And disclosed in the Market Observation Post System https://mops.twse.com.tw)	None

9. Please describe the improvements of the corporate governance evaluation results released by the corporate governance center of the Taiwan Stock Exchange Corporation in the last year, and propose priority matters or measures to strengthen areas yet unimproved.

Reasons for failure to get scores during corporate governance rating:

(1)To enhance the disclosure of information in English, an English version of the meeting notice and agenda for the shareholders' annual meeting was prepared in 2017. Starting from 2018, the English version of the meeting notice, agenda, and annual report has been prepared for the shareholders' annual meetings and uploaded within the stipulated timeframe.

(2)The Company set up the Audit Committees to replace the responsibilities of the supervisors.

(3) In alignment with the regulatory authorities' efforts to promote corporate governance, our company implemented a position adjustment on January 1, 2019, to achieve the goal of having the roles of Chairman and General Manager held by different individuals.

(4) In accordance with the regulatory authorities' initiatives to promote corporate governance, a comprehensive board re-election was conducted on July 16, 2021, resulting in the addition of one female director.

(5)The company has established "Related Party Transaction Management Guidelines" (disclosed on the company's website: https://tw.msi.com/about/investor), regulating transactions between the company and its subsidiaries, as well as transactions with other related parties. When transactions reach the stipulated standards, they must be reported to the board of directors. Significant transactions with related parties that have been approved by the board must be reported at the most recent shareholders' meeting at the end of the fiscal year.

Continuing Education/Training of Directors、Supervisors and Managements

Year	Training Course	Host by	Duration	Attendees
2023	2023 Forbid Insider Trading Promotion Meeting	Securities & Futures Institute	3 hours	Corporate Governance Officer
2023	Artificial intelligence accelerates and charging pile technology	Corporate Governance Professionals Association	3 hours	All Directors、Managements and Corporate Governance Officer
2023	GlobalEconomic Outlook and Future Trends	Corporate Governance Professionals Association	3 hours	All Directors、Managements and Corporate Governance Officer
2023	Civil liability and damages for false financial statements	GOVERNANCE PROFESSIONALS INSTITUTE OF TAIWAN	3 hours	Corporate Governance Officer
2024	Sustainable Knowledge Empowerment Advocacy Course	Business Council forSustainable Development OF TAIWAN	6 hours	Corporate Governance Officer
2024	Challenges and opportunities of generative AI	Corporate Governance Professionals Association	3 hours	All Directors、Managements and Corporate Governance Officer
2024	New thinking behind the semiconductor industry revolution behind artificial intelligence	Corporate Governance Professionals Association	3 hours	All Directors、Managements and Corporate Governance Officer
2024	2024 wiw Forum "Digital Finance and Sustainable Finance Concerto under the AI Boom" Special Lecture	Taiwan Stock Exchange Corporation	3 hours	Li,Chao-Ming、Wang,Sung-Chou
2024	2024 Forbid Insider Trading Promotion Meeting	Securities & Futures Institute	3 hours	Li,Chao-Ming、Wang,Sung-Chou

(Note: The training status prior to the year 2022 is disclosed on the company's website and the Public Information Observatory.)

4.If the Company has set up the remuneration committee or nomination committee, the structure, responsibility, and operation of such committee(s):

(1)Established of Remuneration Committee：The Borad of directors of the company set up the Remuneration Committee on December 28, 2011.

A.Remuneration Committee members information：

2025.4.12

Criteria / Title		Name	Professional Qualifications and Experiences	Independence		Also an independent director of other public company
Independent Director	Chief coordinator of Renumeration Committee	Hsu, Kao-Shan	Refer to page **7**	All members of the Remuneration Committee meet the qualifications set forth in subsections 1 to 9, paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange. 1.Not an employee of the company or its affiliate. 2.Not a director or supervisor of the company or its affiliate (except for independent directors appointed in accordance with the Act or the local laws by, and concurrently serving as such at, the company, its parent company, subsidiaries, or a subsidiary under the same parent company). 3.Not the person himself, spouse or minor child, or individual shareholder holding more than 1% of the company's outstanding shares in the name of a third party, or top 10 shareholder. 4.Not the spouse, relative within the second degree of consanguinity, or direct blood relative within the third degree of consanguinity of a manager, a person under (2) or (3). 5.Not directly holding more than 5% of the company's outstanding shares, top 5 shareholder, or a director, supervisor or employee of a corporate shareholder appointing its representative as the director or supervisor of the company pursuant to Article 27 paragraphs 1 or 2 of the Company Act (except for independent directors appointed in accordance with the Act or the local laws by, and concurrently serving as such at, the company, its parent company, subsidiaries, or a subsidiary under the same parent company).	All members of the Remuneration Committee, their spouses, and relatives within two degrees have met and meet the requirements of independence during the terms of office and two years before the election. 1.All members of the Remuneration Committee, their spouses, and relatives within two degrees owns 2,662,934 shares, or 0.32% of the Company's shares (by themselves or under others' names). 2.No members of the Remuneration Committee, their spouses, or relatives within two degrees are directors, supervisors or employees of any related companies of the Company (pursuant to subsections 5 to 8, subparagraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public	0
Independent Director	Commissioner of Renumeration Committee	Hsu, Jun-Shyan	Refer to page **7**			0

Independent Director	Commissioner of Renumeration Committee	Wang,Sung-Chou	Refer to page **7**	6.Not a director, supervisor, or employee of a company controlled by the same person holding the majority of the Board or the voting shares of the company and the other company (except for independent directors appointed in accordance with the Act or the local laws by, and concurrently serving as such at, the company, its parent company, subsidiaries, or a subsidiary under the same parent company). 7.Not a director (governor), supervisor, or employee of a company or institution whose chairman, president, or a person holding an equivalent position is the same person or the spouse of the chairman, president, or a person holding an equivalent position at the company (except for independent directors appointed in accordance with the Act or the local laws by, and concurrently serving as such at, the company, its parent company, subsidiaries, or a subsidiary under the same parent company). 8.Not a director (governor), supervisor, manager, or shareholder with more than 5% shareholding of a specific company or institution having financial or business relationship with the company (except for independent directors appointed in accordance with the Act or the local laws by, and concurrently serving as such at, the company, its parent company, subsidiaries, or a subsidiary under the same parent company). 9.Not a professional individual, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution, or their spouses, who provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider has received cumulative compensation exceeding NT$500,000 in the past 2 years; provided however that this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act.	Companies. 3.No members of the Remuneration Committee, their spouses, or relatives within two degrees have provided commercial, legal, financial, or accounting services to the Company or its affiliates within the last two years, and did not receive any remuneration.	0

B. Attendance of Members at Remuneration Committee Meetings

① There are 3 members in the Remuneration Committee.

② Tenure of the current of Remuneration committee is from June 14, 2024 to June 13, 2027. A total of 6 (A) meetings (4 times in 2024，2 times in 2025) and up to date till the Annual Report printed, The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)		By Proxy		Attendance Rate (%)B/A		Remarks
		2025	2024	2025	2024	2025	2024	
Convener	Hsu,Kao-Shan	2	4	0	0	100%	100%	
Member	Hsu,Jun-Shyan	2	4	0	0	100%	100%	
Member	Wang,Sung-Chou	2	2	0	0	100%	100%	2024.6.14 new appointment
Member	Liu,Cheng-Yi	-	2	-	0	-	100%	2024.6.14 dismissal

Other mentionable items:

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

(2) Scope of duties and Excution in the most recent year:

A. Scope of duties

①Establishing and periodically reviewing the annual and long-term performance goals for the directors and managerial officers of this Corporation and the policies, systems, standards, and structure for their compensation.

②Periodically assessing the degree to which performance goals for the directors and managerial officers of this Corporation have been achieved, and setting the types and amounts of their individual compensation.

B. Execution in 2024 and up to date till the Annual Report printed

Remuneration Committee Meeting Date	Session	Agenda	Remuneration Committee Resolution Results	Opinions of the Compensation Committee				Corporation's responses to the comments of the Remuneration Committee
				Hsu, Kao-Shan	Hsu, Jun-Shyan	Wang, Sung-Chou	Liu, Cheng-Yi	
2024.01.26	2024/1	(1)The ratification of managers' distribution of year-end bonus.	Proposal approved	None	None	-	None	None
2024.03.14	2024/2	(1) Proposed distribution of 2023 compensation of employees and direcotrs. (2) Proposed the adjustment of the managers' salary and distribution of their performance bonus.	Proposal approved Proposal approved	None	None	-	None	None
2024.08.09	2024/3	(1)Distribution of 2023 compensation for the Company's managers, directors.	Proposal approved	None	None	None	-	None
2024.10.04	2024/4	(1)The Company's managers and distribution of their performance bonus.	Proposal approved	None	None	None	-	None

2025.01.17	2025/1	(1)The ratification of managers' performance bonuses and distribution of year-end bonus.	Proposal approved	None	None	None	-	None
2025.03.12	2025/2	(1) Proposed distribution of 2024 compensation of employees and directors. (2)Adjustment of the salary of the Company's managers and distribution of their performance bonus.	Proposal approved Proposal approved	None	None	None	-	None

(3)Nomination committee：None.

5. Execution of sustainable development promotion, gaps between the execution result and the standards of Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons:

<table>
<tr><th>Promoted items</th><th>Y</th><th>N</th><th>Execution results</th><th>Gaps between the execution result and the standards of Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons</th></tr>
<tr><td>1.Does the Company establish the governance structure for promoting sustainable development, and set up the ad hoc (designated) commission for promoting sustainable development, and does the Board authorize high-level management to handle the project, and supervise the execution process?</td><td>V</td><td></td><td>The Company initiated an operation structure to advocate corporate social responsibility. Through the Board's approval, the General Manager will dictate each responsible unit to stipulate and review the associated policies and execution result. In addition, the green center, created in 2008, was renamed the Sustainability Office in 2011 for the matters associated with sustainable development. Our ESG (Environmental, Social, and Governance) Committee, chaired by the General Manager, worked to establish various plans goals including long-term carbon reduction, supply chain management and environmental badges for our products. Several task squads covering environmental, social and corporate governance issues, have formed cross-department. Each quarter, the vice president will convene meetings to report the operation execution and results to the General Manager, including reviewing goals and progress based on the sustainability issues to make plans for the following year. A report will also be made to the Board each year. The 2023 reporting was made on November 12, 2024. Please refer to the Sustainability Report from https://tw.msi.com/about/company/.
For greenhouse gas (GHG) inventory and certification of our consolidated subsidiaries, the results are sent to Board meetings for discussion, starting from the first quarter in 2023. Other than supervising the progress, the Board also suggested make reference to the international trends and industrial practices to meet the requirements from Corporate Governance 3.0 and the related regulations.</td><td>None</td></tr>
<tr><td>2.If the Company set up a unit exclusively or concurrently to execute CSR policies and if the Board appointed member(s) of management team to supervise and report its implementation status to the Board?</td><td>V</td><td></td><td>Other than the "Risk Management Policy and Procedures" established, the Company continues paying attention to key operational risks based on the Business Continuity Plan, BCP, with the necessary investment for the related control and counteractions.
<table>
<tr><td colspan="3">To answer the Double materiality principle promoted by EU, in our sustainability report we adopted the impact materiality concerned by the stakeholders and as the main focus, supported by the financial materiality principle using GRI Standards. Actual practices for identifying the material issues are as follows：</td></tr>
<tr><td rowspan="4">Identification</td><td>Economy and Governance</td><td>Operation Performance, Ethical Corporate Management and Good Governance, Legal Compliance, Supplier Management and Customer Management</td></tr>
<tr><td>Environmental Issues</td><td>Product liabilities, energy management, climate change, pollution prevention and water resource management</td></tr>
<tr><td>Social Issues</td><td>Human resources development, occupational health and safety, human right management and labor–management relation, employee right and friendly workplace and social engagement</td></tr>
<tr><td>Stakeholders</td><td>We have adopted the principles from AA1000 Stakeholder Engagement Standard (AA1000 SES), including influence, tension, responsibility, dependence, diverse perspective as the judgement standards, while factoring into the global trend of sustainability and operation needs and defining seven stakeholders, covering investors/shareholders, customers, suppliers, employees, media, governments and none-profit organization.</td></tr>
<tr><td>Assessment Standard</td><td colspan="2">According to the GRI Standards (2021) and the GRI Perspective, the assessment of sustainability issues requires an assessment of the significance of the impact, meaning applying risk management to identify the severity and likelihood of negative impacts, as well as the scale, scope and likelihood of positive impacts.</td></tr>
<tr><td>Procedures</td><td colspan="2">Through our internal discussion with the consideration of information from the stakeholders communication over the year and the managers approvals from the governance and sustainability development units, our reporting issues by the order of importance are as follows:
1. Economy and Governance: Operation performance and supply chain management.
2. Environment: Product liability and climate change.
3. Society: Human resources development and human right management and labor–management relation.</td></tr>
</table></td><td>None</td></tr>
</table>

			Results: All management approaches and results have been disclosed in the sustainability reports with details. There were still many topics of concern deserving the attention of MSI in the course of sustainable development. To satisfy the specific stakeholders or the material topics of their indirect impacts, MSI appropriately disclosed the impacts with SDGs in the report. MSI reviews the effort they made in sustainable development through the publication of the Sustainability Report, and establishes a diversity of channels for communication with the stakeholders and responds to topics of their concern to fulfill the expectation and concern of the stakeholders from MSI. MSI will review the topics covered under the sustainable development in each reporting period depending on the design of the topic content and stakeholder communication to ensure the needs of adjustment of the topics. The risk boundary covers factories in Taiwan and China, The scope of risk management covers the major risks in the operational processes, which are financial risk, regulatory risk, strategy and operational risk, information security risk, climate risk. Please read pages 77~86 & 94~99 of this annual report, and visit the Company's sustainable development report https://tw.msi.com for related management policies and strategies.	
3. Environmental Topics (1)If the Company established proper environment management system based on the characteristics of the industry where the Company belongs to?	V		The Company establishes the environmental management system and policies under the PDCA cycle according to the characteristics of the operation and production. Since the Company is not in the petrochemical industry, semiconductor industry or other more polluting industries, industries related to fossil fuel or high carbon emission, the Company is not subject to regulatory requirements. However, the Company observes the philosophy of sustainability, and applies for third-party certifications every year (ISO 14001 Environmental management system certification, QC 080000 Hazardous Substance Process Management (HSPM) system) to ensure the validity of the certificates, and continue to carry out ISO 14064-1 investigation of greenhouse gas at the organization level, ISO 14006 Guidelines for incorporating ecodesign, ISO 14072 Life cycle assessment and declaration of the organization. For relevant certification criteria and the scope, please visit the Company's website: https://csr.msi.com/tw/Management-System-Certificate	None
(2)Is the Company committed to increase the efficiency of energy utilization, and use reclaimed materials which cause less environmental impact?	V		With reference to international guidelines, and in compliance with environmental regulations, the Company is committed to increase the efficiency of energy utilization of every resource during its operating activities, We will continue our efforts in energy conservation transformation and facility replacement.The original goal was to reduce greenhouse gas emissions by 60% (Scope 1 + Scope 2) with 2%. In addition to the goal of energy-saving during business operations, the designs of products and packaging are also based on environmental friendliness. With technology and cost feasibility, we establish rigorous requirements for design management and implement them on product life cycle by considering resource conservation, recycling and reuse, energy saving, pollution prevention and other environmental impacts. 1. The packaging materials are designed in a way that they can be decomposed by hand without using tools for reduced consumption of composite materials. 2. The instruction manuals are electronized to realize paperless product publications for reduced use of pulp. 3. Modular design is adopted for products to improve recycling efficiency. 4.Soy ink is used for packaging and printing pigments to improve the recycling rate of packaging materials when discarded. 5. When planning a marketing campaign, quality services and environmental strategies are considered at the same time. The high percentage of online internet virtual community reduces costs, increases effectiveness, and reduces papers and materials any offline physical campaign would need. Also, close and immediate interaction with the consumers help us understand the consumers' needs and provide the most heartwarming services. Achievements and goals: 1.MSI products come in designs that allows users to disassemble the plastic parts with common tools. For metal parts, they are easy to be separated without special tools. 2. Paper packaging materials are 100% recyclable and can be repurposed, of which 90% is made from recycled materials, to ensure the requirements from various international environmental badges. 3.Power consumption of the system products during the lowest consumption is <0.50W. 4. MSI Kunshan and MSI Shenzhen Achieved Over 95% Use of Renewable Energy. 5. Motherboards, graphics cards, and some desktop and laptop products use packaging certified by the Forest Stewardship Council (FSC).	None

<table>
<tr>
<td>(3) Does the company evaluate the current and future potential risks and opportunities due to climate change, and take measures in response to climate change topics?</td>
<td>V</td>
<td></td>
<td>Our company refers to the recommendations for climate-related financial disclosures published by the Financial Stability Board (FSB) and the Task Force on Climate-Related Financial Disclosures (TCFD). We identify risks and opportunities related to climate and environmental changes using the disclosure framework of "Governance," "Strategy," "Risk Management," and "Metrics and Targets." This assessment facilitates risk management and helps us seek potential development opportunities.
In addition to actively declaring our commitment to controlling greenhouse gas emissions and formulating and signing relevant commitments, we are also developing strategies to reduce greenhouse gas emissions. We evaluate the environmental impacts, operational impacts, and the likelihood and severity of natural disasters caused by climate change. We manage risks that may affect the company's production and operations, including capacity constraints, operational challenges, rising equipment and investment costs, and inefficiencies, by establishing management policies and actions
MSI Group is committed to achieving net-zero carbon emissions by 2050, with a short-term goal of reducing Scope 1+2 emissions by 80% from the 2022 baseline by 2030 and Scope 3 emissions by 30% from the 2023 baseline by 2030. In addition to including climate change as the issue of risk management for corporate sustainable operation, MSI keeps paying attention to the evolution of local and foreign regulations after the Paris Agreement to evaluate the responsive measures in the Company. For example (1) Periodically check and update the organization’s carbon emission investigation to achieve the goal of reducing the greenhouse gas.(2)Evaluate feasible technologies and materials for product design and reduce energy loss of products. (3)Save water, improve the reuse rate of rainwater and wastewater, and establish emergency measures for water resources.</td>
<td>None</td>
</tr>
<tr>
<td>(4) Does the company calculate the emissions of greenhouse gas, water usage, and total weight of wastes in the past two years, and specify the policies for energy saving, carbon reduction, greenhouse gas emission reduction, water-saving, or other waste management?</td>
<td>V</td>
<td></td>
<td>MSI’s use, emission and reduction of energy and resources are based on environmental management systems. MSI sets the management goals for executing the environmental policies and management, and keeps implementing audit and improvements. Please refer to the MSI sustainability report https://csr.msi.com/tw/form.
1. There are three major categories of emission based on the sources of greenhouse gas. The data covers our factories in Taiwan and China.
(1)-1 Greenhouse gas emission (Uni:tCO2e)
<table>
<tr><th>Item/Year</th><th>2024</th><th>2023</th></tr>
<tr><td>Scope 1 emission</td><td>2,009</td><td>1,533</td></tr>
<tr><td>Scope 2 emission</td><td>11,602</td><td>37,521</td></tr>
<tr><td>Scope 3* emission</td><td>2,179,086</td><td>1,403,962</td></tr>
</table>
*Scope 3: Starting this year, we will comprehensively assess Scope 3 greenhouse gas emissions based on the Greenhouse Gas Protocol, covering 15 categories of emissions.
*MSI completed third-party verification of greenhouse gases in April 114 and expects to obtain the verification statement in May. In case of discrepancies between annual report data and the official website, the official website shall prevail.
(1)-2 Greenhouse gas intensity (Unit: tCO2e/per million revenue)
<table>
<tr><th>Item/Year</th><th>2024</th><th>2023</th></tr>
<tr><td>Scope 1 emission intensity</td><td>0.010</td><td>0.006</td></tr>
<tr><td>Scope 2 emission intensity</td><td>0.059</td><td>0.249</td></tr>
</table>
(2) Water consumption
<table>
<tr><th>Item/Year</th><th>2024</th><th>2023</th></tr>
<tr><td>Total water consumption (Unit: million liter)</td><td>593.24</td><td>661.288</td></tr>
<tr><td>Water intensity (Unit: million liter/million revenue)</td><td>3.00</td><td>3.61</td></tr>
</table>
(3) Wastes (Unit: kg)
<table>
<tr><th colspan="2">Item/Year</th><th>2024</th><th>2023</th></tr>
<tr><td rowspan="2">Nonrecyclable wastes</td><td>Hazardous industrial wastes</td><td>182,543</td><td>208,281</td></tr>
<tr><td>Regular industrial wastes</td><td>3,030,400</td><td>2,481,800</td></tr>
<tr><td colspan="2">Recyclable wastes</td><td>4,341,971</td><td>6,024,878</td></tr>
</table></td>
<td>None</td>
</tr>
</table>

2. Environmental policy

Based on the responsibilities of environmental protection, pollution prevention, green production, and other good practice of corporates, MSI complies with the environmental and energy regulations, introduced the international environmental management system and occupational safety and health management system, and actively implements environmentally friendly measures. From 2020, MSI establishes the Environmental Protection and Corporate Social Responsibility Committee, which reviews the regulatory compliance and execution results, to effectively promote and maintain the environmental management system. Furthermore, MSI conducts internal and external audit certification to ensure that our environmental management is consistent with the planning, execution, audit and action and the goal of sustainable improvement will be achieved.

(1)Greenhouse gas management:

In August 2023, MSI committed to the Science-Based Targets initiative (SBTi) 1.5°C pathway, setting a target to reduce Scope 1+2 emissions by 80% from the 2022 baseline by 2030, and to reduce upstream procurement products and sold products by 30% from the 2023 Scope 3 emissions baseline by 2030. At the same time, MSI also pledged in 2025 to achieve net-zero carbon emissions by 2050 and expects to complete the SBTi review by early 2026.

(2)Waste management:

While developing high-quality gaming products, the Company works hard in reducing the pollution from the operating activities and raising environmental quality. Our measures of pollution prevention are improving production technology, optimizing processing steps, reducing processing costs, and complying with environmental regulations. Based on the reduction of pollution, manufacturer's responsibility, and satisfaction with international environmental requirements, MSI has considered the usage, disassembly, recycle, low toxicity when designing the products to reduce the amount of wastes, reduce the difficulty of recycling, and improve the environmental performance. When the disposal of wastes is subcontracted, MSI selects qualified subcontractors at the factories' locations to handle regular and hazardous industrial wastes generated from the operation, and properly manage and document the generation, categorization and collection, recycling and transportation of wastes according to the environmental management systems.

(3)Water resource policy:

For clean production and environmental protection, every factory adopts a non-rinsing process for the products. Water is mostly used for employees' daily use, which only generates domestic sewage. Domestic water comes 100% from the city government's supply (tap water) and is not obtained from any river, lake or groundwater. There is no significant impact to the water source and community water supply. The Company promises to keep monitoring the use of water resources, and improve the quality of sewage disposal, Increase the usage of recycled water to cut down the reliance on raw water, avoid waste in water and impact to water resources. Meanwhile, the Company pursues the optimization of water consumption efficiency, optimizes the measures of water resource management, considers the water saving equipment first when changing any equipment, and educates the employees to reduce wastes in water resources

(4)The goals of each environmental performance are:

① Greenhouse gas emissions: Based on 2022 (46,724 metric tons of CO_2e), we will reduce our emissions by 80% by 2030.

②Water consumption and wastes are respectively reduced by 1% compared to the previous reporting year.

3. Below are the environmental certifications:

Accreditation, certification or audit	Effective term of certificates at each factory during the reporting term			
	Taipei	Taoyuan	MSI Shenzhen	MSI Kunshan
Environmental management ISO 14001	2025/10/7	2025/10/27	2025/11/01	2025/11/03
Energy management ISO 50001	2027/03/28	-	2025/12/07	2028/02/13
Reporting of greenhouse gas at the organization level ISO 14064-1	Conducted annually. Declaration of conformity is issued every April.			

<table>
<tr>
<td>4. Social Topics
(1)If the Company followed relevant labor laws, and internationally recognized human rights principal, and established appropriate management policies and procedures?</td>
<td>V</td>
<td></td>
<td>Created “MSI Declaration of Human Rights” and “MSI Modern Slavery Act Transparency Statement.” The measures include no discrimination, no forced or compulsory labor, no child labor, and the complaint procedures. MSI holds training and educational propaganda about anti-discrimination, ethics (anti-corruption), employee welfare (including human rights), force labor and sexual harassment for its management team, employee, and new hires (239.1 hours in 2023). Furthermore, Therefore, we treat employees in the same way without distinction of any kind, such as race, color, sex, age, religion, political or other opinions, national or social origins, or other status. All the employees are treated equally with regard to their opportunities in employment, appraisal, promotion, salary, benefits and training to ensure equality of their rights.
We ensure to respect labor rights and the implementation of equal treatment.</td>
<td>None</td>
</tr>
<tr>
<td>(2) Does the company specify and implement reasonable employee welfare measures (including compensation, leave, and other benefits), and properly reflect the management performance or achievements in the employee compensation?</td>
<td>V</td>
<td></td>
<td>The Company’s “Work Rules” set up the basis of employee conducts and welfares, including salary, leave, and other benefits. Employee salary and bonus will be paid reasonably through the performance evaluation based on the employee’s job duties and contribution pursuant to the Articles of Incorporation, Compensation Management Policy, Employee Performance Evaluation Policy, and Employee Compensation Distribution and Stock Option Policy. The operational achievements or success will be properly reflected in the employees’ salary.
Please refer to pages 80-85 of this annual report for employee welfare measures. Information of Employee benefit expense、.workplace diversity and equal employment is as below:
1. Employee benefit expense
Expressed in thousands of NTD
<table>
<tr><th>Employee benefit expense</th><th>2024</th><th>2023</th></tr>
<tr><td>Wages and salaries</td><td>9,403,273</td><td>8,926,309</td></tr>
<tr><td>Labor and health insurance fees</td><td>642,036</td><td>574,150</td></tr>
<tr><td>Pension costs</td><td>482,244</td><td>416,730</td></tr>
<tr><td>Other personnel expenses</td><td>425,484</td><td>386,255</td></tr>
<tr><td>Total</td><td>10,953,037</td><td>10,303,444</td></tr>
</table>
(1) In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees’compensation and directors’remuneration. The ratio shall be 6%~10% for employees compensation and shall not be higher than 1% for directors’remuneration.
(2) For the years ended December 31, 2024 and 2023, employees’ remuneration were accrued at $639,500 and $665,300, respectively; while directors’ remuneration were accrued at $61,600 and $68,200, respectively. The aforementioned amounts were recognised in salary expenses.
The employees’ compensation and directors’ remuneration were estimated and accrued based on the historical distribution ratio and the profit of the current year for the year ended December 31, 2024.
Employees’ compensation and directors’ remuneration of 2024 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.
Information about employees’ compensation and directors’ remuneration of the Company as resolved by the Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.
2. Workplace diversity and equal employment
<table>
<tr><th rowspan="2">Item</th><th rowspan="2">Percentage of number of people</th><th colspan="3">Education level</th><th colspan="3">Title</th><th colspan="3">Age</th><th rowspan="2">Minority group employee</th><th rowspan="2">Foreign employee</th></tr>
<tr><th>Master’s degree and above</th><th>Bachelor’s degree/ associate degree</th><th>Others</th><th>High level manager</th><th>Mid-level manager</th><th>General employee</th><th>Below 30 years old</th><th>30 – 50 years old</th><th>Above 50 years old</th></tr>
<tr><td>Female</td><td>37.80</td><td>8.28</td><td>23.44</td><td>5.13</td><td>0.22</td><td>4.94</td><td>32.59</td><td>10.35</td><td>43.19</td><td>8.71</td><td>0.31</td><td>0.19</td></tr>
<tr><td>Male</td><td>62.20</td><td>18.94</td><td>36.21</td><td>8.00</td><td>1.54</td><td>12.02</td><td>48.69</td><td>7.48</td><td>26.50</td><td>3.77</td><td>0.56</td><td>0.34</td></tr>
<tr><td>Total</td><td>100.00</td><td>27.22</td><td>59.65</td><td>13.13</td><td>1.76</td><td>16.96</td><td>81.28</td><td>17.83</td><td>69.69</td><td>12.48</td><td>0.87</td><td>0.53</td></tr>
</table>
</td>
<td>None</td>
</tr>
</table>

<table>
<tr>
<td>(3)If the Company provided safe and healthy working environment to employees and conducted relevant training on safety and health management to employees periodicall?</td>
<td>V</td>
<td></td>
<td>The company has set up the Occupational Safety and Health management entities, Occupational Safety and Health committee, Meal Committee and medical care office, conducted regular safety and health training for employees and contractors to provide a safe workplace and ensure employee’s physical and mental health (10,478 hours in 2024).
<table>
<tr><th>2024 training program</th><th></th></tr>
<tr><td>Subcontractor safety and health educational training</td><td>207 hours</td></tr>
<tr><td>Health promotion workshop/campaign, health information session</td><td>9,162 hours</td></tr>
<tr><td>Disaster prevention education and training</td><td>553 hours</td></tr>
<tr><td>Environmental education</td><td>520hours</td></tr>
<tr><td>On-site subcontractor training/central kitchen self-training/meal and food safety environmental training (including audit method)/employee diet and health & pandemic prevention campaign</td><td>36hours</td></tr>
</table>
The company has received the ISO 45001 Occupational Safety and Health Management System Certification.(On December 6, 2024, the certification mark was renewed, valid from 2025 to 2027). The company received the 13th New Taipei City Occupational Safety Award and obtained the Sustainable Health and Safety Award and the Excellent Personnel Award. In order to promote the safety of the working environment and physical protection of employees, the company continues to carry out related equipment maintenance and safety testing.
<table>
<tr><th>Item</th><th>Equipment Maintenance (Safety Test)</th></tr>
<tr><td>Firefighting (fire extinguisher, smoke detector、Evacuation equipment)</td><td>Once/Monthly, quarterly,yearly</td></tr>
<tr><td>Air conditioning (heat dissipation, blower, ice water host)</td><td>Once/Monthly, quarterly,yearly</td></tr>
<tr><td>Electricity (generator, power outage maintenance、power supply equipment)</td><td>Once/Monthly, quarterly,yearly</td></tr>
<tr><td>Carbon dioxide</td><td>Once/Biannually (Test)</td></tr>
<tr><td>Noise</td><td>Once/Biannually (Test)</td></tr>
<tr><td>Illuminance</td><td>Once/Annually (Test)</td></tr>
<tr><td>Wind speed control (laboratory local exhaust)</td><td>Once/ Annually (Test)</td></tr>
<tr><td>Organic solvent (isopropyl alcohol, methanol, n-hexane)</td><td>Once/Biannually (Test)</td></tr>
<tr><td>Lead, tin</td><td>Once/Biannually (Test)</td></tr>
<tr><td>Drinking water</td><td>Once/Monthly(Test)</td></tr>
<tr><td>Employee cafeteria food ingredients and tableware</td><td>Once/Monthly (Sampling test)</td></tr>
</table>
To provide employees with a safer and healthier working environment, the company continues to strengthen and improve various facilities and benefits, including increasing meal subsidies, replacing old water dispensers and pipes, repairing air conditioning pipes, toiletredecoration, constructing anti-slip parking lot floors and ramps, and installing weatherproof corridor curtain walls, wall surfaces, elevators, maintaining the employee health center, providing disaster prevention education and training, and conducting two emergency drills each year to familiarize employees with firefighting notifications, rescue operations, emergency evacuations, evacuation procedures, and equipment operations (fire extinguishers, hydrants) to improve personnel response capabilities and reduce disasters.
Total occupational accidentcases, percentage of total employee number in 2024, and the relatedimprovement actions: None.</td>
<td>None</td>
</tr>
</table>

(4)If the Company provided career planning, relevant training and skill development for employees?	V		The Company highly values training and career developments for its employees. In order to continue promoting quality talent cultivation and key skills management, there are the Regulations Governing Educational Training that address continuing education and training for employees. Meanwhile, budget is appropriated on a yearly basis to facilitate organization of various types of educational training. Lecturers are hired periodically or from time to time to hold workshops. Reflective of the different rankings and levels of professionalism, internal or external educational training is provided to help employees form complete professional skills and inspire them to seek self-growth.(page 82) The 2024 training roadmap is based on the senior manager's development direction for the company, and diversified talent management. The ultimate goal is to increase the overall organizational performance, enhance managers' leadership, and develop the key talent needed for the company's future development, raise the company's competitiveness. In 2024, 881 physical courses or online internal training courses were held. The total length of employee training, internally and externally, reached 83,134 hours. The total cost of employee training is NT$4.90 million.	None
(5)Regarding the health and safety of customers of products and services, customer privacy, marketing and labeling, does the Company comply with the regulations and international guidelines, and establish the policies of consumer or client protection, and the complaint procedures	V		We ask the suppliers and vendors to strictly comply with the MSI "Green Product Regulations," which specifies that any product or service provided by the suppliers should meet the environmental requirements; implement the hazardous substance management, urge the supply chain to comply with the regulations together, reduce the impact to the environmental ecology, and provide safe, healthy, environmentally friendly products to the consumers. MSI product marketing and labeling are compliant with the regulations and industrial standards. Designated departments enforce such compliance based on internal processing documentation. We ensure that product marketing and labeling meet the standards through product certification, quality control, and third-party testing. The Company has purchased proper product liability insurance to protect clients and consumers' rights. We also set up a global service system in Taiwan, Europe, the U.S., Japan, Korea, China and other countries, including company-run or subcontracted repair locations and customer service centers to provide maintenance and after-sale services. The website provides different language versions for the consumers to download technical support and update. MSI establishes the "Privacy Policy" https://www.msi.com/page/privacy-policy to prevent unauthorized disclosure of client privacy or personal data and protect clients' interests. Consumers can file complaint and dispute to the stakeholder email address 080419864@msi.com for resolution, or through the Company's reporting system: audit@msi.com. Please refer to MSI sustainability report https://tw.msi.com/about/Company/ for more information.	None

(6) Does the company specify any supplier management policy to request the suppliers to comply with the regulations regarding environmental protection, occupational health and safety, or worker' rights, and how is the enforcement status?	V		**1.Supplier evaluation and investigation:** The company conducts comprehensive evaluations of new suppliers based on the "New Supplier Evaluation Management Guidelines," including occupational safety, environmental protection, labor rights conditions, and social responsibility. If the evaluation results meet the standards, they are included in the qualified supplier list; if not, they are required to improve and re-evaluate, or the evaluation process may be terminated depending on the situation. Additionally, the company identifies suppliers based on industry type, performance, market performance, and demand, conducting comprehensive evaluations of key suppliers in areas such as environmental protection, quality management, service levels, willingness to cooperate, and supply stability. To ensure sustainable development in the supply chain, the company explicitly states in supplier procurement contracts the "Supplier Code of Conduct Compliance Commitment" and requires suppliers to sign it to urge them to actively assume corporate social responsibility and comply with relevant regulations and environmental protection requirements. In 2023, the company conducted sustainability surveys covering environmental and social aspects for all suppliers, including greenhouse gas inventories, verified greenhouse gas emissions, carbon reduction commitments, renewable energy usage, and occupational safety and health management systems. Looking ahead to 2025, the company will continue to maintain close communication with key suppliers, and for partners with higher carbon reduction risks, it will develop guidance plans to assist them in completing greenhouse gas emissions inventories and provide suggestions for energy equipment improvements. At the same time, it will jointly set short-term and medium-term carbon reduction targets with suppliers to work together to mitigate climate change. **2.Supplier audit:** According to the "Supplier Management Regulations," "Supplier Assessment Management Guidelines," and "Supplier Risk Management Procedures" and the subsidiary's supplier regulations, procedures, and operating guidelines, suppliers are divided into four grades, A, B, C and D based on the monthly/quarterly/annual audit scores. High risk suppliers are audited or reviewed regularly and irregularly to record the location, item, and cause of defects. Corrective and preventive measures are provided, and continuous counseling and follow-up for improvements are executed to reduce supplier management risks. **3.Supplier training:** Supplier Training: On January 23 and November 21, 2024, the company held an ESG conference for suppliers, with a total of 1,037 participants, introducing suppliers to "Responsible Business Alliance (RBA) organization and certification practices," "Introduction to Responsible Minerals," and "Introduction to the company's GPM system." In addition to conveying MSI's sustainability philosophy and vision, MSI's climate commitments and actions, promoting net-zero carbon targets, and revealing ESG management and goals for suppliers, including conducting conflict minerals CMRT and EMRT surveys for suppliers and requiring RBA and ISO certifications to be included in supplier evaluations (for example, completing ISO 14064-1 verification for suppliers in Scope 1+2 by mid-2025 and obtaining ISO 50001 for key suppliers), which will serve as reference indicators for future continued cooperation, aiming to work with supplier partners to build a low-carbon value chain. **4.Recognition of suppliers:** Supplier Recognition: At the end of each year, the company conducts an annual evaluation of excellent suppliers and publicly recognizes those rated as A-level.	None
5. Does the company prepare the corporate social responsibility reports according to the internationally accepted guidelines or instructions to disclose the company's non-financial information? Has any third-party verification agency provided affirmed or certified opinion for such report?	V		The content structure of MSI's ESG report is prepared in accordance with GRI Standards of the Global Reporting Initiative (GRI) and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, and certified by an independent third party (BSI Pacific Limited, Taiwan Branch) in accordance with the AA1000AP (AA1000 AccountAbility Principles) guarantee standard, and obtain the GRI Standard verification statement. MSI continues to publish the sustainability report every year (2025 sustainability report is expected to be completed by June 30, 2025. It is expected to report to the Board of Directors in the latest period). The report will be uploaded to the Market Observation Post System within the statutory deadline.	None
6. If the Company established any guideline of corporate social responsibility in accordance with "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX-Listed Companies" and please state the implementation status of the guideline and any reasons for non-implementation: None. Pursuant to the "Listed Company Corporate Governance Best Practice Principles" and passed by the Board of Directors, the Company has established the "MSI Corporate Governance Best Practice Principles", of which the Board of Directors.				

7. Other important information that helps to understand the execution of sustainable development: The Company has set up a page on its website to disclose all information related to corporate social responsibility (https://tw.msi.com/Corporate Social Responsibility)

MSI continues to engage the community and participate in education, charity auction and environmental protection activities through sponsorship and employee volunteers. In Taiwan, we not only get involved in public services through investment of our internal resources, but also joined in the activities of charity groups. Through the process of service to and in the communities, we expand our love and care into the world and unify our employees' values and commitment towards MSI's corporate social responsibilities. MSI will continue to make its presence in services for the rural areas and disadvantaged groups.

(1) Education and care

A. School lunch: This year, we sponsored the school lunch at remote schools in New Taipei City. 70 schools and about 15,492 families benefited.

B. After-school programs: We launched the after-school program “MSI Guide Student Aspire” for disadvantaged students to raise their basic learning ability, their confidence despite of an inferior family background, develop their potential, and build a caring, warm society with mutual support. We opened 199 after-school programs at 55 elementary and junior high schools in New Taipei City, and about3,170 families benefited.

C. Technological creation: We sponsored the summer camps in elementary and junior high schools in New Taipei City, established the on-campus PowerTech club and participated in the New Taipei City contests and national competition. We promoted the PowerTech Youth Technological Creation Contest to every school, increased students’ craft skills and general science knowledge. 22 elementary and junior high schools in New Taipei City, and about 1,665 students benefited.

D. Sponsored children from intensive and special education classes at elementary schools in New Taipei City, and integrated the vehicle resources of Taiwan Taxi Lohas Club. Went to Wugu Zun Leisure Park to feed animals, learn about plants, and experience a warm and sustainable ecological journey. Benefited about 500 members from 80 households.

E. Sistema Taiwan sponsorship: We sponsored Sistema Taiwan, a charitable program for music education, and supported the music education for disadvantaged kids to expand the possibility of life by learning music. A total of 2,520 courses were held, benefiting about 6,750 children from 60 schools in New Taipei City, Taoyuan, Hsinchu and Miaoli.

(2) Care for Vulnerable Groups

A. Dream-Come-True fund: We supported diligent and hardworking students who come from underprivileged families or experience family crisis to complete school education through the "Implementation Plan for Educational Aid to Realize Dream Fund" We hope that these kids can commit themselves to learning without worrying about their family or personal hardship with the support from the DCT fund, a total of 200 outstanding students under poverty line were benefited.

B. High-risk caregiver support program: We sponsored Hondao Senior Citizen’s Welfare Foundation MSI Program – providing the all-in-one services, family care services, respite care, and value-added services to high-risk families，A total of 2,839 people were served.

C. Youth Self-Sufficiency Cultivation Program: Funding the Taoyuan City Social Bureau's "Self-Sufficiency Service Youth Wings Cultivation Program," assisting low- and middle-income youth in academic and employment preparation to successfully complete their studies and transition to the workforce. This program has held 20 courses and workshops, serving a total of 1,600 participants.

D. Eagle Cultivation Program: Sponsoring the Andre Charity Association's "Eagle Cultivation Program" to guide students in suitable development, encouraging them to complete their education and cultivate various talents and skills to enhance their competitiveness. Over 150 students have benefited from this program.

E. Hearing Loss Children's Speech Training: Supporting a total of 600 hearing-impaired children in speech rehabilitation, providing 17,000 hours of speech training services, and offering consultations related to hearing management to 3,000 participants.

F. Happy Works Association: Support the care of people with disabilities, provide training in diverse talents, contract production, self-care training and stable development, benefiting a total of 35 families

G. Green Energy Public Welfare Program: MSI sponsors the construction of a solar power generation system for the Jingren Disabled Care Institute, which not only helps them obtain fixed income but also creates sustainable environmental and win-win value, with an expected annual revenue of approximately NT$160,000 for the institution.

(3) Corporate Volunteering

A. Volunteers participated in the Beledi Mental Disability Cheerleading Competition.

B. Volunteers participated in the Northern Region Yate Cup Mental Disability Sports Meet.

C. Collected second-hand toys donated to a toy library, ultimately raising 96 kilograms of toys, equivalent to a reduction of 23 kilograms of carbon, achieving a cycle of good and sustainability

D. Tree Planting: A total of 100 people joint the event with more than 1,000 tree plants, or a carbon cut by more than 10,000 kg.

E.Pet Loving Club: Organized 12 pet volunteer activities, assisted in the care of dogs at animal shelters, helped rescue dogs in parks, and collected second-hand towels and supplies to achieve a cycle of love and sustainability

(4) Medical Support

Blood donation: MSI invites the blood donation center to hold the blood donation event "Spread the Love Blood Donation Event" at the company every year. Department managers and colleagues join the blood donation, show care, and help patients to survive. This is a kind behavior with mutual benefits. 231 people donated 379 bags in 2024.

(5) Giving Back to the Community

A. Fire Department, New Taipei City Government Seventh Rescue Unit: Donation of resecue supplies.

B. 1st Disaster Rescue Squadron, Taoyuan Fire Department: Donation of firefighting training gears.

C. Zhonghe Precinct, New Taipei City Police Department: Donation of service gears.

D. Taoyuan Precinct, Taoyuan Fire Department: Donation of death gratuity.

E. Police Department, New Taipei City: Donation to comfort the injuries or deaths.

(6) Computer Donation

We gave support to various institutions to assist the disadvantaged groups for better living and education, The funds have been donated to 1. Zhonghe Tzu Chi 2. Social Affairs Bureau, New Taipei City, 3. Education Bureau, New Taipei City, 4. Taoyuan Social Affairs Bureau 5. Keelung Social Affairs Division, 6. Green Miracle , etc. to assist disadvantaged groups, children living in remote areas, and disadvantaged children in attending classes, further education, distance learning, e-learning and after-school tutoring.

(7) Environmental Protection Activities

A. Good Rice Action sponsorship: Sponsored the rice growing on 0.5 Jia agricultural land in Nan'ao. Donation of 2,112 kg of organic brown rice to the disadvantaged through a charity platform, managed by the Social Welfare Department, New Taipei City.

B. Tea sponsoring: We care about the concept of sustainable global environment and ecological conservation, protect water resources in Pinglin area, maintain the Feitsui Reservoir and take care of the health and life of tea growers in Pinglin area. We sponsor the New Taipei City Organic Agricultural Products Marketing Cooperative to promote organic tea cultivation and promotion project in Pinglin area. Tea leaves (equivalent to 10,000 tea bags), once picked, will be provided to the disadvantaged elderly through a charity platform, managed by the Social Welfare Department, New Taipei City.

C. Tree planting with Tse-Xin Organic Agriculture Foundation:Participated in the public welfare tree planting project of Shimen Reservoir to improve the ecological habitat function and biodiversity of water sources around the reservoir and hillsides. This action increases the adaptability to environmental and climate changes, strengthens natural carbon sink, and achieves the goal of ecological sustainability. 106 people took part in the project and planted 1,000 trees, which is expected to reduce 10,000 kilograms of carbon emissions each year.

D. Toy Library Association: We supported second-hand toys for environmental protection, society sharing, child-friendliness, and fun for all ages, while achieving the indicators of SDG 4, sound education, SDG 11, sustainable city, and SDG 12, responsible consumption and productions.

(8) Culture Development

A. God of Land Culture Festival, Zhonghe District: MSI gave sponsorship to the culture event to honor the God of Land in the area.

(9) Industry–Academia Cooperation

A. MSI Computer Science Talent Pool Cultivation Center: We helped schools and the disadvantaged groups to learn better with fun without limit through our resource sharing program. A total of 35 pieces of equipment were donated.

B. Chung Yuan Christian University: We donated computer facilities to the research labs in Chung Yuan Christian University for AI algorithm operation to support a campus creativity competition under an industry–academia cooperation project.

8. If the company's CSR report passes the inspection standards of any verification institution, please describe such situation: <MSI 2025 ESG Report> is based on the GRI Standard published by the Global Reporting Initiative (GRI), and verified by British Standards Institution (BSI) Taiwan Branch in accordance with AccountAbility1000 (AA1000) Guarantee Standards, and receives the GRI Standard: Core Option Verification Statement.

9. Climate-related information for TWSE/TPEx-listed companies：

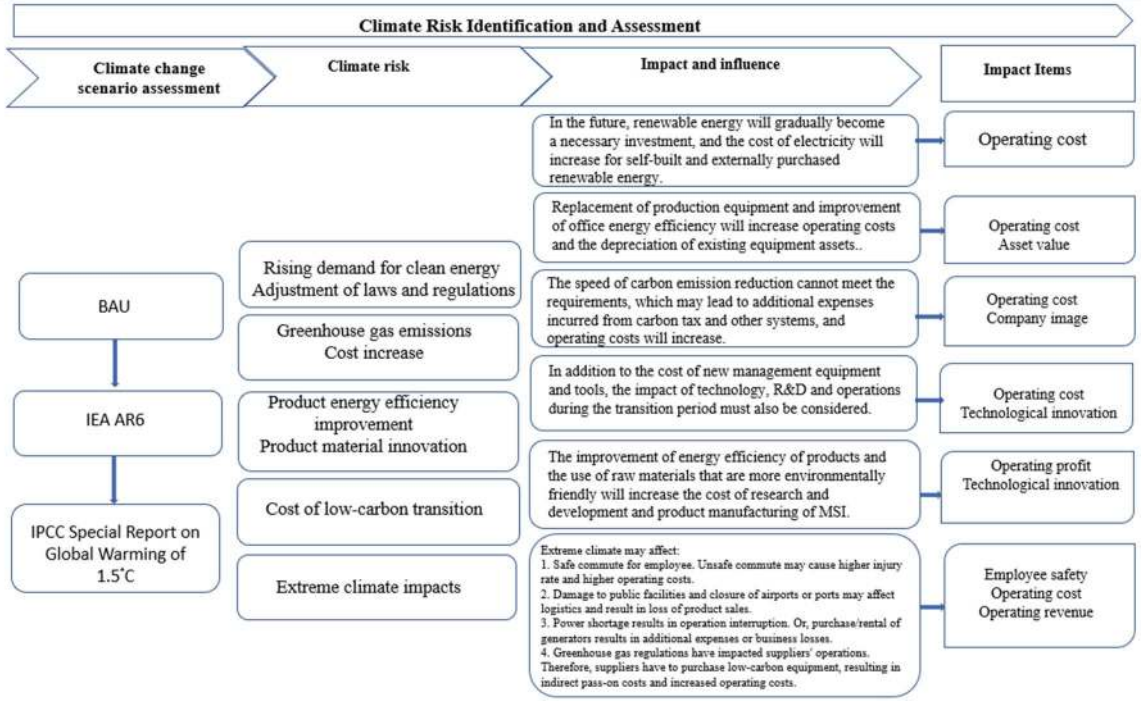
(1) Implementation of climate-related information

Item	Status of implementation
A. Describe the monitoring and governance of climate-related risks and opportunities executed by the board of directors and the management.	The possible risks caused by climate change have been included in the scope of corporate risk management. The organizational structure of the Company's risk management is under the overall direction of the President, who directs the promotion and operation of risk management plans. The subordinate businesses and management units are responsible for risk control evaluation such as operational risks, production risks, environmental, safety, and health risks, information security risks, and climate change, and implement daily risk management. The Audit Committee is authorized to supervise the operation and implementation of the Company's risk management, and report to the Board of Directors at least once a year. In addition, the Company has established the ESG Committee (Environmental Protection and Corporate Social Responsibility Committee) as the highest management unit for the management of climate change. The President serves as the chairman and directs all the full-time (and part-time) units to communicate on issues, and supervise and review the goals and progress of all aspects of ESG, including the current condition of promotion of climate change topics. The Vice President of the Operation and Management Center will convene quarterly meetings and report the implementation status and results of related issues to the President during the regular meetings. The outcomes of the implementation of climate change-related issues are disclosed in the Sustainability Report and reported to the Board of Directors at least once a year.
B. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	Considering that it may take longer for the organization to be affected by climate-related risks, when MSI determines the schedule for climate change management goal, it defines the short-term goal as within five years, medium-term between 5 and 10 years, and long-term as over 10 years.
C. Describe the financial impact of extreme climate events and transformation actions.	At present, the financial impacts of extreme climate events and transition actions are divided into physical risks and transition risks: (1) Physical risk: The impact of natural disasters on plant and business operations may result in property damage, loss and compensation incurred from operational interruption, employee workplace safety, or expenses derived from commuting and industrial accidents. Corporations raise requirements for indoor air-conditioning and factory temperature control due to long-term temperature rise. Therefore, it is important to introduce intelligent energy management in each factory. (2) Transition risk: It mainly comes from the requirements of the market and laws and regulations on enterprises. The most common requirements are the use of renewable energy and the introduction of green labels, which in turn increases the manufacturing cost.

Risk considerations	Risk		Opportunity	
	Impact description	Schedule	Explanation of impacts	Schedule
Total carbon emissions	Limited production capacity	Mid-term	Slow down industrial expansion and improve industry nature	Short-term
Carbon economy (carbon tax/carbon fee, etc.)	Rising operating costs	Mid-term	Reduce the carbon footprint of products, promote the development of the green energy industry, and upgrade corporate energy-saving technologies	Long-term
Voluntary reduction agreement	Rising equipment investment costs	Mid-term	Accelerate enterprises to reduce carbon emissions and strive for carbon credits	Short-term
Product performance standard	Inability to meet corporate commitments and requirements	Short-term	Satisfy customers' demand for energy-saving products and increase revenue	Short-term
Drought	The probability and severity of natural disasters that affect production and operations	Mid-term	Can increase the production demand of highly adaptive factories.	Mid-term
Haze hazard		Short-term		Short-term
Snow disaster		Long-term		Long-term
High temperatures/heat waves		Short-term		Short-term
Typhoon/Heavy rainfall		Short-term	Improve the protection of production sites to reduce the probability of operation interruption and possible losses.	Short-term

Earthquake/Tsunami		Short-term		Short-term
Energy price increase	The use of energy and resources will be affected by the pressure from energy prices and equipment performance improvement.	Mid-term	Improve equipment production efficiency and reduce operating cost pressure	Mid-term
Supply chain management	Poor mitigation and adaptation capabilities lead to increase of operating costs	Short-term	Slow down industrial expansion, improve industry nature, promote the growth of the value chain, and enhance the corporate image.	Short-term
Political and economic attention	Political and economic changes affect corporate profitability	Long-term	Pay attention to the development of climate change and climate justice in the operating regions, and make early operational responses and adjustments to reduce the impact on corporate operations.	Long-term

D. Describe how identification, assessment, and management processes of climate risk are integrated into the overall risk management system.



E. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used, and main financial impacts, shall be described.	MSI uses various climate-related risk indicators to assess the overall electricity intensity of product development and major production sites, direct and indirect energy consumption intensity, water usage intensity, and waste generation. Currently, it also references the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) published in August 2021 to assess various physical risks under a 1.5°C scenario. At the same time, we continue to monitor global government or regional reduction targets, policies, and regulations to assess their impact on MSI's operations
F. If there is a transition plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	Currently in planning, with further results expected in the year 2025, and will be publicly disclosed in 2026.

G. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.	MSI has evaluated the internal carbon pricing method and it will not implement the method for the time being.
H. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained. If using carbon offsets or renewable energy certificates (RECs) to achieve the goals, the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs) shall be explained.	In August 2023, MSI committed to the Science-Based Targets initiative (SBTi) 1.5°C pathway, setting a target to reduce Scope 1+2 emissions by 80% from the 2022 baseline by 2030 and to reduce upstream procurement products and sold products by 30% from the 2023 Scope 3 emissions baseline by 2030. At the same time, MSI also pledged in 2025 to achieve net-zero carbon emissions by 2050 and expects to complete the SBTi review by early 2026. Currently, MSI's carbon reduction targets cover four major manufacturing areas, including Taiwan and mainland China, and it is expected that by 2026, the global group will be included in the carbon reduction targets
I. Greenhouse gas inventory and assurance, and reduction goals, strategies, and concrete action plans.	See Table 1-1 and 1-2.

1-1 The Company's Greenhouse Gas Inventory and Assurance in the Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

State the greenhouse gas emission volume (metric ton CO2e), intensity (metric ton CO2e/NTD million) and data coverage for the most recent two years.

The emission scope of greenhouse gas inventory covers the plants areas in Taiwan and Mainland China. The greenhouse gas emission volume and intensity of Scope 1 and Scope 2 in the last two years are as follows:
Unit: Emission: Ton CO2e; Intensity: Ton CO2e/Revenue in NTD million

Item/Year	Emissions in 2024	Intensity in 2024	Emissions in 2023	Intensity in 2023
Scope 1 emissions (ton CO2e)	2,009	0.010	1,533	0.006
Scope 2 emissions (ton CO2e)	11,602	0.059	37,521	0.249

1-1-2 Greenhouse Gas Assurance Information

The description of the assurance situation in the last two years, including the scope of assurance, body of assurance, criteria of assurance, and opinions of assurance as of the date of publication of the annual report

Year/Item	Verification scope	Verification institution	Assurance criteria	Verification opinion
2024	Plants in Taiwan and Mainland China	BV/CQC	ISO 14064-1	Taiwan Methodist International Quality Assurance Verification Co., Ltd. conducted verification of MSI. and the Taoyuan plant's greenhouse gas statements based on the verification agreement. The results are as follows: The greenhouse gas statements for categories 1 and 2 of MSI. provide sufficient evidence to show that they accurately and fairly present greenhouse gas data and related information and are prepared according to ISO 14064-1:2018, meeting reasonable assurance level requirements. For categories 3 to 6, they also meet limited assurance level requirements. The greenhouse gas statements for categories 1 and 2 of MSI's Taoyuan plant provide sufficient evidence to show that they accurately and fairly present greenhouse gas data and related information and are prepared according to the GHG Protocol, meeting reasonable assurance level requirements. For category 3, there is no evidence indicating that the statements are untrue or not fairly presented, and they also meet limited assurance level requirements. *MSI completed third-party verification of greenhouse gases in April 2025 and expects to obtain the verification statement in May. In case of discrepancies between annual report data and the official website, the official website shall prevail.
2023	Plants in Taiwan and Mainland China	BV/CQC	ISO 14064-1	In the verification processes and procedures conducted by Bureau Veritas Certification (Taiwan) Co., Ltd., there is sufficient evidence showing that MSI's Category 1 and 2 GHG data and related information are materially accurate, and fairly present GHG data and related information. These data is prepared according to ISO 14064-1:2018, and meets the reasonable assurance level of the verification agreement.

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

Greenhouse gas reduction base year and data, reduction targets, strategies and concrete action plans, and achievement of reduction targets
In August 2023, MSI committed to the Science-Based Targets initiative (SBTi) 1.5°C pathway, setting a target to reduce Scope 1+2 emissions by 80% from the 2022 baseline by 2030 and to reduce upstream procurement products and sold products by 30% from the 2023 Scope 3 emissions baseline by 2030. At the same time, MSI also pledged in 2025 to achieve net-zero carbon emissions by 2050 and expects to complete the SBTi review by early 2026.

6. Difference between implementation of ethical corporate management and Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons:

Implementation of ethical corporate management

Indicator	Operation			Variation from Corporate Governance Best Practice Principles and Reason
	Yes	No	Summary	
1. Codify Ethical Management Policies and Plans (1)Does the company specify the ethical management policy, which has been passed by the Board of Directors, and specify the policy and measures of ethical management in its regulations and external documents? Do the Board of Directors and Senior Management proactively perform the commitment to ethical management?	V		The Board of Directors and senior management diligently perform their commitment to ethical management. Since we introduced the "Electronic Industry Citizenship Coalition (EICC) in 2008, we and our suppliers follow the highest moral and ethical standards. The requirements of honest business and prohibition of illegal profit are specified in the supplier agreements. In order to prevent unethical conduct during the business activities, our "Procedures of Board of Directors Meetings" and "Responsibilities of Independent Directors" ask directors to recuse from any motion in the Board meeting with which they have conflict of interest without being asked to. The Board of Directors also passed the "Corporate Governance Guidelines," "Ethical Management Guidelines," "Code of Ethics" and "Work Rules" to specify and implement the ethical conduct of directors, managers, employees and suppliers, punishment of perpetrators, and complaint system.	None
(2)Does the company establish the evaluation mechanism of risk of unethical management, periodically analyze and evaluate the business activities with higher risk of unethical management in its course of business, and specify the plans of preventing unethical conduct accordingly, which at least cover the preventions of conduct set forth in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		The company's "Ethical Management Guidelines" specified the measures of preventing unethical conducts set forth in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, including prohibition on giving and receiving bribes, offering illegal political contribution, and engaging in improper charitable donation or sponsorship, providing or accepting unreasonable gifts, treatments, or other improper profits.	None
(3)Does the company specify and implement the procedures, behavioral guidelines, punishment of perpetrators, and complaint system in the plans of preventing unethical conduct, and periodically review and modify such plans?	V		The company complies with the rule of conflict of interest and anti-corruption. In addition to asking all employees and suppliers to sign the moral ethics statements, providing internal and external training to new employees and suppliers, we also prohibit improper profits, or treatment from interested parties and other unethical conduct in the course of business activities. We specify the anti-corruption policy, reward and punishment procedures. The internal audit office develops the periodic audit scheme, accepts report of violation, and reports to the Board to prevent corruption incidents.	None
2.Implementing ethical management (1)Does the Company evaluate the ethical record of its transaction parties and explicitly include clauses on ethical behavior in contracts？	V		The Company has articles about honest behavior in its business contract and avoids doing business with people with records of dishonest behavior.	None
(2)Does the company set up a dedicated division of promoting ethical management under the Board of Directors, and periodically (at least annually) report the ethical management policy and plans of preventing unethical conduct to the Board, and supervise the enforcement?	V		In order to prevent against conflicts of interest and to offer channels for proper statements, independent directors form the part-time unit in charge of ethical management at the Company in order to promote and consolidate honest operations and the unit reports to the Board of Directors periodically.	None
(3)Does the Company have a conflict-of-interest prevention policy with suitable channels for reporting such conflicts, and enforces such a policy？	V		In case of any illegal condition in violation of honest operation, complaints may be filed with or the condition may be reported to the Company's supervisors or the Internal Audit Office.	None
(4)Does the company have an effective accounting system and internal control system in place in order to implement ethical management, and request the internal audit division to prepare the audit plans based on the risk evaluation of unethical conduct in order to inspect non-compliance with the unethical conduct prevention plan, or hire an accounting firm to do so?	V		The Internal Audit Office audits the Company's accounting system, internal control system, and fulfillment of honest operations on a yearly basis according to the Regulations Governing Establishment of Internal Control Systems by Public Companies and the Ethical Management Principles Prepare relevant audit plans and conduct the inspection accordingly	None

(5)Does the Company regularly host internal and external training on ethical management?	V		The company advertises the concept of ethical management on its website, and provides internal and external training to the employees. Substantive measures for implementing ethical management policy in 2023 include the new employee consensus training program. The program covers the introduction to internal control and audit, prevention of unethical conduct, and how to report a violation. There were 318 people who participated in the 113.3-hours training session.	None
3.Operation of the corporate whistleblower system (1)Does the Company have an explicit whistleblower and incentive scheme in place that protects whistleblowers and assigns appropriate personnel for investigating the target of the whistleblower complaint？	V		In the event that stakeholders discover that the Company's directors and Independent directors, managers, and employees are engaged in illegal behavior in violation of ethical management (including corruption and immoral behavior), they may file a complaint with or report to the Company's supervisors or Internal Audit Office. Internal Audit Office will assign dedicated employees to investigate the filing complaint. If it is found to be true, punishment will be imposed according to the internal rules and applicable laws and regulations. https://tw.msi/about/corporategovernance	None
(2)Does the company specify the standard investigation process for reported violation, subsequent measures upon the completion of investigation, and relevant confidentiality mechanism?	V		The "Regulations Governing the Handling of Whistleblowing Cases" of the Company stipulates the standard operating procedures for the investigation of reported matters , the follow-up measures to be taken after the completion of the investigation, and the related confidentiality mechanism.	None
(3)Does the Company have measures to protect whistleblowers against retaliation？	V		The reporter and the receiving head shall assist the audit unit in conducting an investigation. No unilateral investigation, comments, transcribing the case and the reporter is allowed. No inquiry about or release of the true identity of the reporter or disciplining the reporter and the reported party is allowed, either.	None
4.Greater disclosure (1)Does the Company disclose is ethical management principles and progress on its promotion through its website or the Market Observation Post System website？	V		Besides in the Market Observation Post System, the contents of the Company's Ethical Management Principles and the promotion efficacy are disclosed on the Company's website https://tw.msi.com/.	None
5.If the Company has drafted an ethical management principle according to "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," the operation of the principle and the deviation from the principle should be clearly stated: The Company has established "Code of Ethical" based on TWSE/TPEX's "Ethical Corporate Management Principles".				
6.Other material information that helps to understand the operation of the Company's ethical management (such as the Company's declaration of its resolve and policies to its business partners; the Company's invitation of training to its partners; and the Company's revision of its ethical management principles)：None				

7. How to search for the Corporate Governance Principles and applicable rules:

In order to create a corporate culture of ethical management and normalize its development, the Company has established the Ethical Management Principles, Code of Moral Conduct, and also the Board of Directors Rules of Procedure, Scope of Responsibilities of Independent Directors, and Corporate Governance Principles in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies (all are disclosed on the Market Observation Post System website https://mops.twse.com.tw) in order to promote the operating efficiency, decision-making ability of the Board of Directors and the moral standards.

Other Information:

(1)Continuing education for directors: The Company holds seminars on topics relating corporate governance from time to time for directors to attend. The status of continuing education is disclosed on the Market Observation Post System website as required.

For detailed continuing education received by directors and high-ranking managers of the Company over the past few years, refer to Page **24.**

(2)Coverage of directors by liability insurance: The Company revised its Articles of Incorporation on June 9, 2004 that the Board of Directors may be authorized to decide to purchase liability insurance for all directors and supervisors to cover liability risk within the scope of their operation when duty. The Company purchases liability insurance for directors every year and disclose the information on the Market Observation Post System website.

(3)Presence of absence of an operating procedure for handling significant information: The Company has stipulated “Procedures for Handling Material Insider Information” and procedures for handling information under its internal control system, with regular audits.

(4)The selection and remuneration of the company's senior executives were approved by the board of directors and the remuneration committee. In order to implement the succession plan of key management and cooperate with the competent authorities to promote corporate governance. The succession plan was drafted several years ago, including assessment of current high-ranking managers based on their professionalism, performance, and personality traits, Continuous cultivation of successors at all levels within the organization and recruitment of excellent talents when needed to achieve internal benign competition and succession through the Leadership College, Sales and Marketing College, R&D College, Technical Skills College, E-School of the MSI University and other comprehensive training courses.continuous cultivation of successors at all levels within the organization (including Director and senior management) and recruitment of excellent talents when needed to achieve internal benign competition and succession.

In 2009, the company recruited outstanding managers to join the board of directors, and on January 1, 2019, an internal organizational adjustment was made to officially launch a succession plan, fulfilling the corporate governance goal of having the chairman and CEO not be the same person. On June 15, 2018, the shareholders' meeting re-nominated young and outstanding managers Mr. Kuo, Hsu-Kuang, Mr. Liao, Chun-Keng and Mr. Hung, Yu-Sheng to be elected as directors, and on January 1, 2019, the three were promoted to executive vice presidents and general managers of various business units. Additionally, on July 16, 2021, female director Ms. Chen, Te-Ling was elected to the board of directors. In the future, the board of directors and the management committee will continue to promote succession plans for directors and senior managers and will consider director performance evaluations as a reference for selection, implementing corporate governance and practicing sustainable business operations.

(5)Annual work focuses and operational situation of the Audit Committee:

Annual work focuses		Operational situation	
1.	Main items reviewed by the audit committee:	Frequency	The first audit committee of the Company was established on June 15, 2018. It consists of three independent directors This session elected independent director Mr. Hsu, Jun-Shyan as the chief coordinator. As of the print date of the annual report, the committee held 8 meetings. The operation is smooth.
	(1)Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.	Depends on actual needs	
	(2)Assessment of the effectiveness of the internal control system.	Once per year	
	(3)Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act., of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.	Depends on actual needs	
	(4)A matter bearing on the personal interest of a director.	Depends on actual needs	
	(5)A material asset or derivatives transaction.	Depends on actual needs	
	(6)A material monetary loan, endorsement, or provision of guarantee.	Depends on actual needs	
	(7)The offering, issuance, or private placement of any equity-type securities.	Depends on actual needs	
	(8)The hiring or dismissal of an attesting CPA, or the compensation given thereto.	Once per year	
	(9)The appointment or discharge of a financial, accounting, or internal auditing officer.	Personnel change	
	(10)Annual and semi-annual financial reports.	Once per quarter	
	(11)Supervising risk management issues	At least once per year	
	(12)Any other material matter so required by the company or the Competent Authority.	Depends on the situation	
2.	Independent Directors with internal audit supervisors	Once per quarter	Communicate with the audit supervisor on the following matters: the annual audit plan, the implementation of the audit plan for the previous year, internal control deficiencies and the improvement of anomalies, the audit report and the follow-up report, etc.
	Independent Directors with CPA	At least once per year	We communicate with our CPAs in writing or face-to-face about the following topics: Fair presentation of the financial statements, annual financial statement audit plan, individual entity of group audit, and Key Audit Matters.

8. Internal Control System

(1)Statement of Internal Control System

Micro Star International Co., Ltd.
Statement of Internal Control System

March. 12, 2025

Based on the findings of self-assessment, the company states the following with regard to its internal control system in 2024:

1. The company is fully aware that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management. The aim of the internal control system is to provide reasonable assurance to effectiveness and efficiency of operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency, and regulatory compliance of reporting and compliance with applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the aforementioned three objectives. Moreover, the effectiveness of an internal control system may be subject to changes of environmental or circumstances. Nevertheless, the internal control system of the company contains self-monitoring mechanism and the company takes corrective actions whenever a deficiency is identified.
3. The company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five components of internal control based on the process of management control: (A) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component further contains several items. Please refer to the Regulations for details.
4. The company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the company believes that, as of December 31, 2024, its internal control system (including its supervision and management of subsidiaries), as well as its internal controls to monitor the achievement of its objectives concerning effectiveness and efficiency of operations, reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will be integral part of the company's Annual Report 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 Act.
7. This Statement has been passed by the Board of Directors in their meeting held on March. 12, 2025 with neither one of Ten attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Micro Star International Co., Ltd.

Chairman：HSU,HSIANG

President：Huang,Chin-Ching

(2)If the Company is requested by the SEC to retain CPA'S service for examining internal control system, the Independent Auditor's Report must be disclosed:None

9. The Major Resolutions of Shareholders' Meeting and Board Meetings in the most recent year and up to the date of the annual report:

(1)Major Resolutions of Shareholders' Meeting

Meeting date	Abstract of important proposals	Execution situation
2024.06.14	1. Report Item： (1)Business report of 2023. (2)The Audit Committee's Review Report of 2023 (3)Report of Employees' Compensation and Directors' Compensation for 2023. (4)The 2023 Earnings Distribution of cash dividends. 2. Adoption Items： (1)To adopt 2023 Business Report and Financial Statements. (2)To adopt the proposal for distribution of 2023 profits. 3.Extempore motions.	1. The 2024 shareholders' meeting minutes were disclosed on the Market Observation Post System website on June 30, 2024. 2. Remunerations for employees and directors were issued on August 16, 2024 3. Distribution of 2023 earnings: Shareholders' bonus - dividend in the value of $5.4 per share; September 1, 2024 was set to be the record date and the dividends were issued on September 20, 2024. 4. The shareholders meeting in 2024 elected directors (including independent directors). Directors elected: Hsu,Hsiang、Huang,Chin-Ching、Lin,Wen-Tung、Kuo,Hsu-Kuang、Liao,Chun-Keng、Hung,Yu-Sheng、Chen,Te-Ling、Li,Chao-Ming; Independent directors elected:Hsu,Jun-Shyan、Hsu,Kao-Shan、Wang, Sung-Chou 5.They convened a board of directors meeting and elected Hsu-hsiang as Chairman and Mr. Huang, Chin-ching as vice chairman on June 14, 2024. The Ministry of Economic Affairs approved the registration change at on July 3, 2024.

(2)Major Resolutions of Board Meetings

Board of Directors Meeting	Session	Contents proposed	Opinion of independent director				The company's handling of independent director's opinion
			Independent Director				
			Hsu, Jun-Shyan	Hsu, Kao-Shan	Wang, Sung-Chou	Liu , Cheng-Yi	
2024.01.10	2024/1	1.Report Items: (1)Derivative financial transactions report. 2.Adoption and Discussion Items: (1)Approved the acquisition of real estate.	None	None	-	None	None
2024.01.26	2024/2	1.Report Items: (1)2023 Self-evaluation by the board members of themselves (or peers). 2.Adoption and Discussion Items: (1)Approved Salary Compensation Committee's proposal. (2)Approved the Business Plan of 2024.	None	None	-	None	None
2024.03.14	2024/3	1.Report Items: (1)Internal Audit reports (2)Derivative financial transactions report. (3)Reporting the greenhouse gas check plan for the consolidated subsidiaries. 2.Adoption and Discussion Items: (1)Approved the 2023 Financial Statement. (2)Approved the Statement on Internal Control System of 2023. (3)Approved amendments to"Internal Control System" , "Implementation Rules for Internal Auditing". (4)Adopted the formulation of "Measures for Handling Reporting Cases" (5)Approved CPA engagement and Evaluation of external auditor's independence and qualification. (6)Approved Salary Compensation Committee's proposal (7)2023 Earnings Distribution and cash dividends plan. (8)Approved matters related to the convening of the 2024 shareholders' meeting. (9) Approved matters related to the shareholders'	None	None	-	None	None

		general meeting acceptance of shareholders' proposals. (10) Approved the Election of directors. and Matters related to the shareholders' general meeting acceptance of directors (independent directors) candidates nominated by shareholders. (11) Approved current Bank credit line and incremental credit line application.					
2024.05.13	2024/4	1.Report Items: (1)Internal Audit reports. (2)Derivative financial transactions report. (3)Reporting the greenhouse gas check plan and Verification for the consolidated subsidiaries. 2.Adoption and Discussion Items: (1)Approved the Financial Statement. first quarter, 2024.	None	None	-	None	None
2024.06.14	2024/5	1.Report Items: None. 2.Adoption and Discussion Items： (1)Election of new chairman and vice chairman. (2)Board of Directors approved to appoint the Remuneration Committee members.	None	None	None	-	None
2024.08.09	2024/6	1.Report Items: (1)Internal Audit reports. (2)Derivative financial transactions report. (3)Reporting the greenhouse gas check plan for the consolidated subsidiaries. (4)Liability insurance for Directors. 2.Adoption and Discussion Items: (1)Approved the Financial Statement. second quarter, 2024. (2)Approved Salary Compensation Committee's proposal. (3)Approved the proposition to determine the base date for the distribution of cash dividend. (4)Approval of the Company's 2024 Sustainability Report. (5) Approval of the establishment of a subsidiary in Turkey.	None	None	None	-	None
2024.10.04	2024/7	1. Report Items: (1)Derivative financial transactions report 2.Adoption and Discussion Items: (1)Approved Salary Compensation Committee's proposal. (2) Approval of the Company's application for an increased bank financingcredit line and the application for foreign exchange and derivative trading credit. (3) Approval to authorize the Chairman to handle all matters related to opening accounts with financial institutions for the entire group.	None	None	None	-	None
2024.11.12	2024/8	1.Report Items: (1)Internal Audit reports (2)Derivative financial transactions report. (3)Reporting the greenhouse gas check plan for the consolidated subsidiaries. (4)Corporate governance report. (5)Corporate ethical management report. (6)Report on the enforcement of intellectual property rights. (7)Sustainable Development report. (8)Communication with each stakeholder report.	None	None	None	-	None

		(9)Risk management report. 2.Adoption and Discussion Items: (1)Approved the Financial Statement. third quarter, 2024. (2) Approved amendments to"Internal Control System" , "Implementation Rules for Internal Auditing". (3) Approved amendments to" Audit committee charter". (4) Approved the 2025 audit plan. (5) Approval to authorize the manager to fully handle matters related to plant construction within the authorized limit.					
2025.01.17	2025/1	1.Report Items: (1)Derivative financial transactions report. (2)Reporting the greenhouse gas check plan for the consolidated subsidiaries. (3)2024 Self-evaluation by the board members of themselves (or peers). 2.Adoption and Discussion Items： (1)Approved Salary Compensation Committee's proposal. (2) Approved the Business Plan of 2025. (3) Approval of the construction project for the company's plant building in Taoyuan Guishan Industrial Zone. (4) Approval of the establishment of "Related Party Transaction Management Guidelines." (5) Approval of the capital increase for the subsidiary in India.	None	None	None	-	None
2025.03.12	2025/2	1.Report Items: (1)Internal Audit reports. (2)Derivative financial transactions report. (3)Reporting the greenhouse gas check plan for the consolidated subsidiaries. 2.Adoption and Discussion Items: (1)Approved Salary Compensation Committee's proposal. (2)Approved the 2024 Financial Statement. (3)2024 Earnings Distribution and cash dividends plan. (4)Approved the Statement on Internal Control System of 2024. (5)Approval of compliance with Article 14, Paragraph 6 of the Securities and Exchange Act. (6)Approved amendments to"Internal Control System" , "Implementation Rules for Internal Auditing". (7) Amendment to the "Operational Procedures for Acquisition or Disposal of Assets"and" Operational Procedures for Trading Derivatives". (8) Approved amendments to Procedure for the Rules of Procedure for Board of Directors Meetings. (9) Amendment to the "Company Articles of Incorporation." (10)Approved matters related to the convening of the 2025 shareholders' meeting. (11) Approved matters related to the shareholders' general meeting acceptance of shareholders' proposals. (12)Approved current Bank credit line and	None	None	None	-	None

		incremental credit line application. (13)Approved CPA engagement and Evaluation of external auditor's independence and qualification.					
2025.04.15	2025/3	1.Report Items:None. 2.Adoption and Discussion Items (1)Approval of the capital increase for the U.S. subsidiary MSI Computer Corp.	None	None	None	-	None

10.Major Issues of Record or Written Statement Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in most recent year and up to date of the annual report: None.

(Ⅳ)CPAs Fees

Unit: NT$ thousands

Accounting Firm	Name of CPA	Period Covered by CPAs' Audit	Auditing Fees	Non-Auditing Fees	Amount	Remarks
PricewaterhouseCoopers, Taiwan	Yu, Chih-Fan	2024	3,805	2,918	6,723	Transfer pricing study consultant fee, tax compliance services, assurance of online shopping packaging restrictions and GST regulations consultant fee.
	Huang, Shih-Chun					

(Ⅴ)Change of CPA's Information:

CPAs' Information

1. Former CPA: Huang, Shih-Chun

Date of Change	January 1, 2025		
Reason and Explanation of Changes	Due to the internal personal changes of the accounting firm.		
State Whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Client / Status	CPA	Consignor
	Appointment terminated automatically	Not Applicable	Not Applicable
	Appointment rejected (discontinued)	Not Applicable	Not Applicable
The Opinions other than Unqualified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions	Not Applicable		
Is there any Disagreement in Opinion with the Issuer	Yes	Accounting principle or practice	
		Disclosure of financial statements	
		Auditing scope or procedures	
		Others	
	No		v
	Explanation		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the standards)	Not Applicable		

2.Successor CPA: Yu,Cheng-Fu

Accounting Firm	PricewaterhouseCoopers, Taiwan
CPA	Yu,Cheng-Fu
Date of Engagement	January 1, 2025
Prior to the Formal Engagement, any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specified Transactions, and the type of Audit Opinion that might be Rendered on the Financial Report	Not Applicable
Written Opinions from the Successor CPA that are different from the Former CPA's Opinions	Not Applicable

3. The reply of the former CPA on Article 10.5.1 and 10.6.2.3 of the standards: Not Applicable.

(Ⅵ)MSI's chairman, president, and managers in charge of its finance and accounting operations did not hold any positions within MSI's independent audit firm or its affiliates in the most recent year.

(VII)Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Supervisors, Department Heads, and Shareholders of 10% shareholding or more

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

Unit: shares

Title	Name	2024		2025/1/1~2025/04/12)	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Hsu,Hsiang	0	0	0	0
Vice Chairman & President	Huang,Chin-Ching	0	0	0	0
Director & Senior Vice President of Management Committee	Lin,Wen-Tung	0	0	0	0
Senior Vice President of Management Committee (Note1)	Yu, Hsien-Neng	0	0	0	0
Senior Vice President of Management Committee	Lu,Chi-Long	0	0	0	0
Director & Executive Vice President & NB BU GM	Kuo,Hsu-Kuang	0	0	0	0
Director & Executive Vice President & GNP BU GM	Liao,Chun-Keng	10,000	0	0	0
Director & Executive Vice President & CND BU GM	Hung,Yu-Sheng	0	0	0	0
Director &Vice President of Corp. Supply Chain	Chen,Te-Ling	10,000	0	3,000	0
Director &Vice President of Corp.Manufacture & Quality Assurance (Note2)	Li,Chao-Ming	0	0	0	0
Independent Director	Hsu,Jun-Shyan	0	0	0	0
Independent Director	Hsu,Kao-Shan	0	0	0	0
Independent Director (Note1)	Liu ,Cheng-Yi	0	0	0	0
Independent Director (Note2)	Wang,Sung-Chou	0	0	0	0
ACS BU GM	Huang,Wen-Shan	0	0	0	0
Vice President & CPS BU GM	Wu,Ta-Hsin	0	0	0	0
EPS BU GM	Hsu,Yen-Wen	0	0	0	0
Vice President of EPS BU (Note3)	Hsieh,Cheng-Wei	0	0	0	0
Vice President of Corp. R&D	Teng,Chi-Hung	0	0	0	0
Vice President of NB BU R&D Division	Lin,Chin-Kuan	0	0	0	0
Vice President of NB BU R&D Division	Lu,Kuo-Huang	0	0	0	0
Vice President of NB Product Mgt. Division	Peng,Jen-Fang	0	0	0	0
Vice President of NB Operations Mgt. Division	Pan,Tsai-Yu	0	0	0	0
Vice President of NB sales Division	Chen,Li-Chun	0	0	0	0
Vice President of NB OEM sales Division	Huang,Wen-Hui	0	0	0	0
Vice President of CND BU	Yeh,Chun-Te	0	0	0	0
Vice President of CND BU (Note4)	Yang,Tzu-Ying	0	0	0	0
Vice President of CND BU (Note4)	Tsui,Ching-Hsien	0	0	0	0
Vice President of Corp. Sales & Marketing	Chiu,Chih-Keng	0	0	0	0
Vice President of Corp. Sales & Marketing	Tung,Ti-Chun	6,000	0	2,000	0
Vice President of Corp. Sales & Marketing (Note4)	Wang,Yu-Po	0	0	0	0
Vice President of Corp. Marketing Division	Cheng,Hui-Cheng	0	0	0	0
Vice President of Global Management Center	Tsai,Wei-Hsin	0	0	0	0
Vice President of Information Technology (Chief Information Security Officer) (Note5)	Lin,Hsi-Lung	0	0	0	0
Vice President of Finance Center (Chief financial officer & Corporate Governance Officer)	Hung,Pao-Yu	0	0	0	0
Assistant Vice President of Internal Auditing Office	Liu,Chu-Hao	0	0	0	0

Note 1: Dismissed on June 14, 2024.
Note 2: Newly appointed on June 14, 2024.
Note 3: Newly appointed on February 3, 2025.
Note 4: Newly appointed on April 1, 2025.
Note 5: Newly appointed on April 1, 2024.

2.Stock Trade with Related Party: None.

3.Stock Pledge with Related Party: None.

(Ⅷ)Relationship among the Top Ten Shareholders

As of APR 12,2025 Unit：Share；%

Name	Shareholding		Spouse and Minor		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relations	
Cathay Sustainability High Dividend ETF	71,984,000	8.52%	-	-	-	-	-	-	
Yuanta/P-shares Taiwan Dividend Plus ETF	48,499,718	5.74%	-	-	-	-	-	-	
Hsu,Hsiang	46,883,151	5.55%	18,508,517	2.19%	9,376,328	1.11%	Hsu,Fen-Lan	Spouse	
New Labor Pension Fund	26,987,101	3.19%	-	-	-	-	-	-	
Lin,Wen-Tung	25,672,499	3.04%	62,895	0.01%	-	-	-	-	
Supervisory Committee of the Labor Retirement Fund-Labor Retirement Fund	23,752,389	2.81%	-	-	-	-	-	-	
Huang,Chin-Ching	20,937,377	2.48%	2,148,564	0.25%	7,521,761	0.89%	-	-	
Cathay Life Insurance Co.,Ltd.	19,941,000	2.36%	-	-	-	-	-	-	
Cathay Life Insurance Co.,Ltd. Representative：Hsiung,Ming-He	-	-	-	-	-	-	-	-	
Lu,Chi-Lung	18,650,835	2.21%	975	-	-	-	-	-	
Hsu,Fen-Lan	18,508,517	2.19%	46,883,151	5.55%			Hsu,Hsiang	Spouse	

(Ⅸ)Ownership of Shares in Affiliated Enterprises：

As of Dec. 31, 2024 Unit：Share；%

Long-Term Investment（Note）	Ownership by MSI		Ownership by Directors, Management or Direct/Indirect affiliates		Total	
	Shares	%	Shares	%	Shares	%
MICRO-STAR INTERNATIONAL (B.V.I.) HOLDING CO., LTD.	0	0%	47,465,071	100%	47,465,071	100%
MSI COMPUTER CORP.	575,458	100%	0	0%	575,458	100%
MYSTAR COMPUTER B.V.	0	0%	0	100%	0	100%
MSI COMPUTER (AUSTRALIA) PTY. LTD.	221,836	100%	0	0%	221,836	100%
MICRO-STAR NETHERLANDS HOLDING B.V.	424,000	100%	0	0%	424,000	100%
MSI COMPUTER JAPAN CO., LTD.	1,400	100%	0	0%	1,400	100%
MSI COMPUTER SARL	0	0%	0	100%	0	100%
MSI COMPUTER (SHENZHEN) CO., LTD.	0	0%	0	100%	0	100%
MSI COMPUTER (CAYMAN) CO., LTD.	50,000	100%	0	0%	50,000	100%
MSI COMPUTER (UK) LTD.	0	0%	0	100%	0	100%
MSI ELECTRONICS (KUNGSHAN) CO., LTD.	0	0%	0	100%	0	100%
MSI COMPUTER EUROPE B.V.	0	0%	0	100%	0	100%
MICRO ELECTRONICS HOLDING CO., LTD.	0	0%	33,315,472	100%	33,315,472	100%
MSI PACIFIC INTERNATIONAL HOLDING CO., LTD.	30,204,118	100%	0	0%	30,204,118	100%
MSI KOREA CO., LTD.	0	0%	80,000	100%	80,000	100%
SHENZHEN MEGA INFORMATION CO., LTD.	0	0%	0	100%	0	100%
MSI POLSKA SP. Z O.O.	0	0%	0	100%	0	100%
MEGA COMPUTER CO., LTD.	0	0%	1	100%	1	100%
LLC“ MSI COMPUTER”	0	0%	0	100%	0	100%
MSI COMPUTER TECHNOLOGIES LIMITED. COMPANY	0	0%	0	100%	0	100%
MSI ITALY S.R.L.	0	0%	0	100%	0	100%
MHK INTERNATIONAL CO., LTD.	0	0%	1	100%	1	100%
MSI (SHANGHAI)CO., LTD.	0	0%	0	100%	0	100%
RAIDEALS INC.	0	0%	0	100%	0	100%
MSI IBERIA S.L.	0	0%	0	100%	0	100%
MICRO-STAR CANADA LTD.	100,000	100%	0	0%	100,000	100%
INDOMSI COMPUTERS PRIVATE LIMITED	16,737,013	100%	10	0%	16,737,023	100%
MSI SEE TURKEY DOMESTIC AND FOREIGN TRADE LIMITED COMPANY	0	0%	0	100%	0	100%

Note: Long-term investment accounted for using equity method.

Ⅲ. Capital Overview

(Ⅰ)Capital and Shares

1.Capital and Shares

Unit:1,000 Shares；NT$ thousands

Month /Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$1,000)	Shares	Amount (NT$1,000)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1986.08	—	500	5,000	500	5,000	Incorporation	None	—
1990.06	10	3,000	30,000	3,000	30,000	Issuance of Shares for cash 25,000	None	—
1991.08	10	6,000	60,000	6,000	60,000	Issuance of Shares for cash 30,000	None	—
1994.05	10	10,000	100,000	10,000	100,000	Issuance of Shares for cash 40,000	None	—
1995.07	10	18,000	180,000	18,000	180,000	Issuance of Shares for cash 80,000	None	—
1996.10	16	60,000	600,000	40,750	407,500	Issuance of Shares for cash137,500 and Capitalization of retained earnings 90,000	None	JUL 10,1996 Taiwan-Finance-Securities-I-NO.41320
1997.06	30	100,000	1,000,000	70,800	708,000	Issuance of Shares for cash 48,280 and Capitalization of retained earnings 244,500 and Capitalization of employees' bonuses 7,720	None	APR 28,1997 Taiwan-Finance-Securities-I-No.32301
1998.04	—	126,000	1,260,000	109,200	1,092,000	Capitalization of retained earnings 283,200, Capitalization of reserves 70,800 and Capitalization of employees' bonuses 30,000	None	MAR 9, 1998 Taiwan-Finance-Securities-I- No.23751
1999.03	108	126,000	1,260,000	136,800	1,368,000	Issuance of Shares for cash 276,000	None	DEC 17,1998 Taiwan-Finance-Securities-I-No.98986
1999.07	—	320,000	3,200,000	196,376	1,963,760	Capitalization of retained earnings 547,200 and Capitalization of employees' bonuses 48,560	None	JUN 10,1999 Taiwan-Finance-Securities-I-No. 54332
2000.07	—	320,000	3,200,000	291,000	2,910,000	Capitalization of retained earnings 883,692 and Capitalization of employees' bonuses 62,548	None	MAY 26,2000 Taiwan-Finance-Securities-I-No.45969
2001.01	—	320,000	3,200,000	291,914	2,919,136	Conversion of bonds 9,136	None	—
2001.05	—	680,000	6,800,000	376,582	3,765,818	Capitalization of retained earnings 729,784 and Capitalization of employees' bonuses 116,898	None	MAY 23,2001 Taiwan-Finance-Securities-I-No.132149
2002.01	—	680,000	6,800,000	386,027	3,860,270	Conversion of bonds 94,451	None	—
2002.03	—	680,000	6,800,000	395,283	3,952,834	Conversion of bonds 92,564	None	—
2002.07	—	680,000	6,800,000	555,632	5,556,326	Capitalization of retained earnings 1,383,492 and Capitalization of employees' bonuses 220,000	None	MAY 28,2002 Taiwan-Finance-Securities-I-No.129029
2003.09	—	960,000	9,600,000	660,477	6,604,775	Capitalization of retained earnings 833,448 and Capitalization of employees' bonuses 215,000	None	JUL 17,2003 Taiwan-Finance-Securities-I-No.0920132258
2003.11	—	960,000	9,600,000	670,395	6,703,956	Conversion of bonds 99,181	None	—
2004.09	—	960,000	9,600,000	756,435	7,564,351	Capitalization of retained earnings 670,395 and Capitalization of employees' bonuses 190,000	None	JUN 28 ,2004 Taiwan-Finance-Securities-I-No.0930128388
2005.07	—	1,020,000	10,200,000	782,128	7,821,282	Capitalization of retained earnings 226,931 and Capitalization of employees' bonuses 30,000	None	JUL 11,2005 Taiwan-Finance-Securities-I-No.0940127923
2006.07	—	1,500,000	15,000,000	880,562	8,805,624	Capitalization of retained earnings 860,341 and Capitalization of employees' bonuses 124,000	None	JUL 21,2006 Financial-Supervisory-Securities-I No.0950132069
2007.07	—	1,500,000	15,000,000	882,447	8,824,474	Employee stock option exercise 18,850	None	—

2007.09	—	1,500,000	15,000,000	947,781	9,477,811	Capitalization of retained earnings 528,337 and Capitalization of employees' bonuses 125,000	None	JUL 9,2007 Financial-Supervisory-Securities-I No.0960035165
2007.10	—	1,500,000	15,000,000	950,277	9,502,770	Employee stock option exercise 24,960	None	—
2008.02	—	1,500,000	15,000,000	950,754	9,507,540	Employee stock option exercise 4,770	None	—
2008.05	—	1,500,000	15,000,000	950,937	9,509,372	Employee stock option exercise 1,831	None	—
2008.08	—	1,500,000	15,000,000	951,304	9,513,040	Employee stock option exercise 3,669	None	—
2008.09	—	1,500,000	15,000,000	951,459	9,514,590	Employee stock option exercise 1,550	None	—
2008.10	—	1,500,000	15,000,000	1,007,696	10,076,965	Capitalization of retained earnings 380,374 and Capitalization of employees' bonuses 182,000	None	JUL 1,2008 Financial-Supervisory-Securities-I No.0970032658
2008.10	—	1,500,000	15,000,000	1,008,028	10,080,285	Employee stock option exercise 3,320	None	—
2009.02	—	1,500,000	15,000,000	1,008,074	10,080,745	Employee stock option exercise 460	None	—
2009.04	—	1,500,000	15,000,000	1,008,246	10,082,455	Employee stock option exercise 1,710	None	—
2009.07	—	1,500,000	15,000,000	1,008,742	10,087,416	Employee stock option exercise 4,961	None	—
2009.09	—	1,500,000	15,000,000	1,067,626	10,676,262	Capitalization of retained earnings 504,123 and Capitalization of employees' bonuses 79,533 Employee stock option exercise 5,190	None	JUL 1,2009 Financial-Supervisory-Securities-I No. 0980032766
2009.10	—	1,500,000	15,000,000	1,068,132	10,681,322	Employee stock option exercise 5,060	None	—
2010.01	—	1,500,000	15,000,000	1,068,667	10,686,672	Employee stock option exercise 5,350	None	—
2010.05	—	1,500,000	15,000,000	1,069,191	10,691,912	Employee stock option exercise 5,240	None	—
2010.07	—	1,500,000	15,000,000	1,069,249	10,692,492	Employee stock option exercise 580	None	—
2010.11	—	1,500,000	15,000,000	1,069,347	10,693,472	Employee stock option exercise 980	None	—
2011.01	—	1,500,000	15,000,000	1,070,225	10,702,252	Employee stock option exercise 8,780	None	—
2011.04	—	1,500,000	15,000,000	1,071,223	10,712,232	Employee stock option exercise 9,980	None	—
2011.09	—	1,500,000	15,000,000	996,157	9,961,572	Treasury stock cancellation 750,660	None	JUL 4,2011 Financial-Supervisory-Securities-I No.1000031682 AUG 26,2011 Financial-Supervisory-Securities-I No. 1000040409
2011.11	—	1,500,000	15,000,000	964,157	9,641,572	Treasury stock cancellation 320,000	None	OCT 28,2011 Financial-Supervisory-Securities-I No.1000052520
2012.02	—	1,500,000	15,000,000	924,856	9,248,562	Treasury stock cancellation 393,010	None	FEB 13,2012 Financial-Supervisory-Securities-I No. 1010004861
2012.04	—	1,500,000	15,000,000	884,856	8,848,562	Treasury stock cancellation 400,000	None	APR 18,2012 Financial-Supervisory-Securities-I No.1010016081
2012.07	—	1,500,000	15,000,000	844,856	8,448,562	Treasury stock cancellation 400,000	None	JUL 18,2012 Financial-Supervisory-Securities-I No.1010033145

(1)Type of shares

As of APR 12,2025 Unit：Shares

Type of shares	Authorized Capital			Remarks
	Issued Shares (Note)	Un-issued Shares	Total Shares	
Common stock	844,856,199	655,143,801	1,500,000,000	Authorized capital stock, of which, 150,000 thousand shares are reserved for exercising Conversion of bonds and 80,000 thousand shares are reserved for employee stock options.

Note：Listed stock.

(2)Information for Shelf Registration: None.

2.List of Major Shareholders

As of APR 12,2025 Unit：Shares

Holder's Name \ Share holding	Shares	%
Cathay Sustainability High Dividend ETF	71,984,000	8.52%
Yuanta/P-shares Taiwan Dividend Plus ETF	48,499,718	5.74%
Hsu,Hsiang	46,883,151	5.55%
New Labor Pension Fund	26,987,101	3.19%
Lin,Wen-Tung	25,672,499	3.04%
Supervisory Committee of the Labor Retirement Fund-Labor Retirement Fund	23,752,389	2.81%
Huang,Chin-Ching	20,937,377	2.48%
Cathay Life Insurance Co.,Ltd.	19,941,000	2.36%
Lu,Chi-Lung	18,650,835	2.21%
Hsu,Fen-Lan	18,508,517	2.19%

3.Dividend policy of the company and its implementation

(1)Dividend Policy

The Company is in a highly changeable industry. Many high-end lucrative products are in growth. The distribution of dividends shall be made taking into consideration the needs of Company future development and operation, and the interests of shareholders. If the annual results shall have profit, such profits should first pay all taxes and reimburse accumulative loss, then take 10% legal reserve and special reserve according to the Company Act. After previous deductions and reserves, the Company can take 10% to 90% of the distributable earnings plus undistributed retained earnings as bonus. The Board of Directors shall propose profit distribution plan to be approved by the shareholders' meeting.

Shareholders' bonus shall be distributed in accordance with the percentage of the shares owned among the total outstanding shares of the Company. Shareholders' bonus will be distributed through the forms of both cash and stock dividends. In such distribution combination, cash dividends shall take no less than 30% of the total distributed bonus.

In the event there are deductions under the account of shareholders' equity which cannot be allocated from after-tax profits of the current fiscal year, whether accumulated from previous year or occurred in the current year, the Company shall allocate sufficient special reserves from the beginning aggregate balance of undistributed earnings and subtract such shareholders' equity deductions before profits distribution.

(2)Proposed Distribution of Dividend：

The appropriation of 2023 earnings had been resolved at the Board of Directors on March 14, 2024 ,cash dividend of NT$5.4 per share and will be reported at the annual stockholders'meeting.

(3)Any expected major changes in the dividend policy: None

4.Impact to the company's business performance and earnings per share (EPS) for free shares allotment proposed by this shareholders' meeting: Not applicable.

5.Compensation for employees and directors

(1)Quantity or scope of compensation for employees, directors as prescribed by the articles of association (Article 19-1)

The pre-tax income of the current fiscal year shall first offset the accumulated deficits. If the balance is positive, then the Company shall allocate the remuneration to be distributed to employees and directors in accordance with the following ratio.

A. Employee remuneration in the percentage of 6% to 10%. Individuals eligible for employee remuneration include the

Company's employees and the employees of the Company's subsidiaries meeting certain requirements. Such requirements are to be set by the Board of Directors.

B. Remuneration to be distributed to directors shall not exceed 1%.

The decision of the percentage of remuneration to be distributed to employees, directors set forth in the preceding Paragraph, the forms of distribution (cash or stock dividends) and the amounts and shares thereof shall be made through the special resolutions of the Board of Directors and reported to the shareholders' meeting.

(2) Accouting methods for the differences between the remunerations' provision amount and actual distribution amount:

The remunerations provision for employees, directors in 2024 is according to contemporary profits and with reference to the distribution ratio from the year before and the percentage specified in the Articles of Incorporation. In case of any difference between the actual distributed value decided by the Board of Directors, it will be handled as changes in accounting estimates.

(3)Situation of the Board of Directors' passing remuneration distribution：

A. The amount of employee, director remuneration in cash or stock distribution. If it differs from the estimated amount in the recognized expense year, the balance, reason, and handling situation shall be disclosed:

The Board of Directirs passed a resolution, determining that the remuneration of employees in 2024 is NTD639,500,000, and the remuneration of directors in 2024 is NTD 61,600,000, which are the same as the recognized expense amount in 2024.

B. The proportion of employee remuneration amount in stock distribution based on the net profit after tax from stand alone financial statements of this period and the total employee remuneration: None

(4)For the actual distribution situation of employees, directors and supervisors remuneration last year (including distributed shares, amount, and stock price), if it differs from the recognized employees, directors and supervisors remuneration, the balance, reason, and handling situation shall be specified:

In 2023, the relevant information on the employees, directors and supervisors remuneration is summarized below: Employees bonus distribution:NTD665,300,000; directors remuneration distribution:NTD 68,200,000. It is the same as the recognized expense amount in 2023.

6.Repurchase by the company of its own shares: None.

(Ⅱ)Corporate bond: None.

(Ⅲ)Preferred shares: None.

(Ⅳ)Overseas depositary receipt: None.

(Ⅴ)Employee stock warrant、Restricted Employee Shares: None.

(Ⅵ) The section on issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies shall specify the following matters:

1.If, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the company has completed any issuance of new shares in connection with a merger or acquisition or with acquisition of shares of any other company：None.

2. Where the board of directors has, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, adopted a resolution approving any issuance of shares in connection with a merger or acquisition or with acquisition of shares of any other company：None.

(Ⅶ)The status of implementation of capital allocation plans：

1. A description of the plan

Where various issuance or private placement of securities have yet to be completed, or have been completed in the most recent 3 years but where the benefits of the plan have yet to be realized：

All securities of the Company have been issued and no unrealized benefits.

2.Status of implementation: Not Applicable

Ⅳ. Operation summary

(Ⅰ)Business content

1.Scope of business

(1)The purpose for which the Company is formed shall be as follows:

1. Design of various computer hardware and software and manufacture, sale and purchase of computer products, parts and components;
2. Manufacture and sale of electronic components and parts;
3. Import-export trading business in relation of the foregoing businesses;
4. Agency business for quotation, bid and distribution of related products;
5. CC01030 Manufacturing business of electric appliances;
6. CC01060 Manufacturing business of wired communications equipments;
7. CC01070 Manufacturing business of wireless communications equipments;
8. CE01030 Manufacturing business of optical devices;
9. CH01040 Manufacturing business of toys;
10. F109040 Wholesale business of toys and entertainment products;
11. F113020 Wholesale business of electric appliances;
12. F113050 Wholesale business of office machines and equipments;
13. F113070 Wholesale business of telecommunications equipments and materials;
14. F209030 Retail business of toys and entertainment products;
15. F213030 Retail business of office machines and equipments;
16. F213060 Retail business of telecommunications equipments and materials;
17. F213010 Retail business of electric appliances;
18. CC01101 Manufacturing business of regulated RF telecommunications equipments and materials;
19. F401021 Import business of regulated RF telecommunications equipments and materials;
20. CF01011 Manufacturing business of medical equipments;
21. F108031 Wholesale business of medical equipments;
22. F208031 Retail business of medical equipments;
23. CE01010 Manufacturing business of general equipments; and
24. ZZ99999 All other businesses not prohibited or restricted by laws and regulations except businesses requiring special permits.

(2)Proportion of each business

2024

Unit: NT$ thousands

Major product	Sales revenue	%
Computer and peripherals	197,871,915	100%

(3) Current products and services of the Company

A. Motherboard: Intel® and AMD® platform for AI, Gaming, Overclocking, Creator and Business Motherboards.

B. Professional Graphics Card: NVIDIA® platform Graphics Card.
Professional Gaming Gears: Network equipment, SSD, Keyboard, Mouse, Headset, Microphone and Control Devices.

C. Server: AI GPU, HPC, Hyperscale, Workstation, Storage systems, and Appliance in Edge computing, Embedded and Network systems, Intrusion Prevention System (IPS), Unified Threat Management (UTM) and Telecom Next Generation Firewall (NGFW).

D. Desktop computer: AI High-End Gaming Desktop, AI Professional Gaming Desktop, AI Mini Gaming Desktop, Creator-Specific Desktop, AI Commercial Mini Desktop and AI All-in-One (AIO) Desktop.

E. Telematics and Automotive Electronics: Rugged vehicle communication gateway and smart display system, Cloud-based fleet management solutions, Smart advertising management solutions for public transportation and Media on demand entertainment system for bus and train.

F. Laptop: Flagship in high-performance Gaming Notebooks, Ultra-thin Gaming Notebooks, high-performance multimedia and entry-level Gaming Notebooks, Creators Notebook, Mobile Workstation Notebooks, Thin and Light business Mobile Notebooks, Notebook computer related peripheral hardware (Such as stylus pen or docking station) and Claw gaming handheld.

G. Monitors: QD-OLED Monitors, Curved Gaming Monitors, Esports Gaming Monitors, Mini-LED Dual Mode and Dual Mode Monitors, Console Gaming Monitors, Portable Monitors, Business & Productivity Monitors.

H. AMR (Autonomous Mobile Robot) and FMS(Fleet Management System)

I. Smart Electric Vehicle (EV) Charger

J. EV OBC (On Board Charger / In Vehicle PC)

K. Others : Case, Liquid Cooler, Power Supply.

(4) New products (services) planned to be developed

A. Motherboard:

- Develop Intel® latest 800 series motherboards, including high-end Z890 and mainstream B860 chipsets, targeting different customer groups such as AI, Gaming, Overclocking, Creator, Business and compact platforms.
- Develop AMD® AM5 motherboards, including the high-end X870E/X870 and mainstream B850/B840 chipsets, focusing on AI and Gaming integration to rapidly address AMD® demand in response to market trends.
- Develop various new concepts that break through existing products with market trends, such as next-generation Back-connect motherboards compatible with MSI's exclusive case or ultra-compact PC built to meet diverse system needs.

B. Professional Graphics Cards:

- Development of more powerful and high-efficiency graphics cards.
- Development of graphics card with “AI deep learning” and “Real-Time Ray Tracing” technologies.
- Development of Creator Series graphics card solution.
- Development of graphics cards using advanced technology and components.
- Continue to develop cooling modules and fans with better cooling performance and low noise.
- Development of graphics card with optimized RGB lighting functions and effects.
- Continuous improvement and integration of graphics card S/W applications.

Professional Gaming Gears:

- Development of professional network communication equipment and peripherals, such as "MESH router" and "wireless network card".
- Development of SSD products with higher read/write performance and stability.
- Catering to the users’ needs, we plan to develop innovative multimedia Gaming and Creator Series products, such as "Multi-mode Gaming keyboard", "Lightweight Gaming mouse", "Gaming headset" and Wireless connection peripherals.
- Development of Professional Gaming peripherals, such as "Gaming controllers", "Gaming mouse pads", etc.
- Development of Creator series peripherals, such as “Wireless Bluetooth thin keyboard”, “Silent Wireless mouse”, “Wireless earbuds”, “Professional streaming microphone”, etc.

C. Server:

- We will design and offer the wide range of Server platforms that are targeting datacenter usage and AI GPU appliances. These products and solutions are designed to serve data centers, cloud computing, AI and 5G/edge computing.
- Develop multi-node products of EIA 19” and ORv3 21” with air-cooling and liquid-cooling solutions to meet demands of high performance computing and hyperscale data center applications.
- Develop GPU servers for AI training and inference appliances.

- Develop general-purpose servers for enterprise and mainstream computing requirements.
- Develop the network appliance servers for NFV, SD-WAN, uCPE appliances.

D. Desktop computer:

- Continuously developing the AI High-End Gaming Desktop series (Vision series).
- Continuously developing the AI Mini Gaming Desktop series (Trident series).
- Continuously developing the AI Professional Gaming Desktop series (Infinite series).
- Continuously developing gaming desktops that integrate AI and HMI technologies.
- Continuously developing AI gaming desktops that connect with the MSI Gaming ecosystem.
- Continuously developing exclusive AI cooling designs – Silent Storm Cooling AI.
- Integrating the latest WiFi 7 wireless transmission technology.
- Continuously developing AI PC series for business and project-based products (PRO DP series).
- Continuously developing the AI Mini Commercial Desktop series (Cubi series).
- Continuously developing the AI Eye-Care All-in-One Desktop product line.
- Continuously developing application software tailored to customer needs – MSI Center.
- Developing MSI's first Copilot+ PC (Cubi NUC AI+).
- Developing energy monitoring and saving system software – MSI Power Meter.
- Developing AI software – MSI AI Chatbot.

E. Telematics and Automotive Electronics:

- Next generation in-vehicle smart display system: Plan and develop a new in-vehicle smart display designed to withstand harsh environments, featuring the latest high-performance SoC with NPU AI computing capabilities. It will support high-resolution multi-screen displays, multiple camera inputs, AI-powered object recognition and hazard warnings vehicle control functions. The system will also be equipped with high brightness, weather resistance, and shockproof capabilities.
- Smart rearview mirror system: Designed for large vehicles such as trucks and buses, this smart rearview mirror system provides clear images in complex environments, hazard warnings, and support driving recorder function.
- Next generation of rugged smart tablet: Using high-performance SoC with built-in NPU AI computing capabilities. These rugged tablets are designed for extended use, high durability, impact resistance, and weatherproofing, enhancing efficiency and reliability in environments such as outdoor construction sites, logistics, and warehouses.
- Next generation wireless smart video conferencing system: Define and develop a next generation high resolution smart video conferencing system with multiple cameras and AI-powered audio and video processing. The system can automatically detect light sources, analyze the environment, locate participants, and adjust sound and camera setting for the best user experience.
- Next generation wireless multimedia entertainment System: Utilizing wireless streaming technology, this system is designed for long haul coach, tour buses, and trains. It will provide on-demand multi-channel audio, video entertainment and leverage AI technology to deliver personalized advertisements and content recommendations.

F. Laptop:

- Leading the industry with Gaming laptops featuring Intel® Core™ Ultra (Series 2) processors with NPU and NVIDIA® 50 series GPUs, collaborating with partners to fully integrate new AI technologies, delivering top-tier performance across all product tiers.
- Following the launch of the gaming handheld last year, MSI introduces the Copilot+ PC-compatible Claw 8, an 8-inch gaming handheld with over 40 NPU TOPS, featuring a new user interface designed for handheld use.
- In response to the AI era, MSI's R&D team developed AI Robot, launching in 2025, enabling users to easily complete system settings and receive system information via natural language, enhancing AI user experience.
- MSI AI Engine automatically optimizes system performance or settings based on factors like software usage and battery life for a seamless experience.
- LAN Manager uses AI to automatically allocate network bandwidth, ensuring ultra-fast network performance in any situation.
- Laptops offer a range of panels with exclusive color calibration technology, including the top-tier 18" MiniLED UHD+/120Hz and OLED QHD+/240, delivering rich colors, sharp contrast, and immersive visuals for professional and gaming use.
- Continuing the collaboration with top gaming brand "SteelSeries®," and integrating MSI's exclusive Mystic Light, lighting effects blend with the game environment, enhancing the player's immersive experience.
- With the growth of social media and content creation, MSI creates dedicated creator laptops optimized for 3D modeling, video editing, and image processing, equipped with intelligent software for system optimization.
- MSI Design Center uses big data research on craftsmanship and color trends to create unique color schemes for

MSI laptops, drawing from the most popular trends.

- Strengthening the high-end mobile workstation market, MSI combines professional design with powerful graphics cards to offer efficient, high-performance, and portable laptops for designers.
- Committed to sustainability, MSI is using eco-friendly materials in certain models and aiming for EPEAT certification across the entire product line to contribute positively to society and the environment.

G. Monitors:

- Developing the world's first human-machine interactive AI Gaming monitor, the MEG 321URX QD-OLED. It enables players to apply pre-trained profiles to other games through intelligent learning, breaking through gaming limitations and truly realizing an AI-intelligent extended experience.
- Development of the high-end curved Gaming monitors, and expand the product line of large-size and ultra-wide (21:9) gaming monitors equipped with QD-OLED technology, so that curved gaming monitors can have a wider audience of high-end users.
- Continuing the development of gaming monitors that satisfy the demands of gaming users and expanding the product coverage to the flat-screen market. Successfully developed the 4K/240Hz Gaming monitor, named MPG 321URX QD-OLED.
- Be a QD-OLED pioneer by launching the latest QD-OLED panel: a 27” 4K/240Hz model and a 27” QHD/500Hz QD-LED, enhancing MSI’s monitor technology, earning recognition with the 2025 CES awards.
- Based on the latest NV 50 series graphics card technology, MSI’s QD-OLED equipped with DisplayPort 2.1a (UHBR20) improves stability, quality, and compatibility with future hardware, boosting single-channel bandwidth from 8.1Gbps to 20Gbps and achieving a total of 80Gbps — 2.5 times that of DisplayPort 1.4a.
- Development of a technology that can deeply integrate Gaming monitors with Gaming desktops and achieve the best gaming experience. This technology was implemented and upgraded on all supported models in 2025.
- Continuing the development of Gaming monitors that can show game-related status and information on the monitor panel, successfully developed the SpectrumBar – Glow Sync function which allows the RGB lighting effect of the screen to link with the real-time image color displayed.
- Optimized the gamer experience, using the RGB light of SpectrumBar to inform consumers of the progress of OLED monitor maintenance status, reducing consumers' sense of uncertainty when waiting.
- Applying AI technology to Gaming monitors. With the information captured in big data, Gaming monitors now offers more personalized and user-friendly applications, and successfully applied the active noise reduction microphone and optical sensor to the new generation of QD-OLED monitors.
- Entered the field of large-size gaming screens, and successfully developed the world's first 49”240Hz Super Ultra-wide QD-OLED Curved Gaming monitor, earning recognition with dual awards at the 2024 CES.
- MSI’s AI Navigator introduces the groundbreaking AI Menu feature, designed to streamline your experience. It automatically detects running software and applies your preset configurations, so you no longer need to manually adjust settings for different scenarios.
- MSI AI Navigator allows users to switch modes on Dual Mode monitors using a mouse through the software. Additionally, the monitor can automatically detect the refresh rate and maintain a high refresh rate during resolution changes.
- Innovating monitors that are suitable for professionals within the Multimedia and Content Creation industry. Fine tuning the wide color gamut element that all the artists and creators care about.
- Continuing the development of Professional monitors that can help enhance the productivity for users with MSI eye-care technology & ergonomic design, both in the hardware and software aspect.
- Development of application software with intuitive UI and enhanced workflow for improving working performance – Productivity Intelligence.
- Considered up-to-date user scenarios, developed AI lighting sensor and built-in anti-noise canceling microphone on Commercial monitors for enhanced eye care and optimized WFH experience.
- Utilizing the latest Mini-LED backlight technology combined with Dual Mode screens, this innovation enhances image contrast and localized brightness. Through advanced local dimming technology, areas requiring heightened contrast are more prominently displayed, delivering image quality that is sharper and clearer than traditional LCDs.

H. AMR (Autonomous Mobile Robot) and FMS(Fleet Management System):

- Smart factory-related automation application services, software, AMR, and Collaborative Robot products.
- Cooperate with SI to develop market.

I. Smart EV Charger:

- Electric vehicle charging products and cloud service application solutions.
- Green energy-related applications and products.
- Smart parking management applications and products.

- Dynamic energy management systems.

J. EV OBC (On Board Charger / In Vehicle PC):

- Specifically designed charging equipment for Battery Electric Vehicles (BEV) and Plug-in Hybrid Electric Vehicles (PHEV).
- 6.6 kW power capacity.
- EVCC (Electric Vehicle Communication Controller) software control.

K.Others (Case, Liquid Cooler, Power Supply):

- Develop AI intelligent sensing control devices to provide a superior AI environment setup experience.
- Strengthen the integration of MSI Center software across all MSI products.
- Continuously enhance user-friendly designs, focusing on user experience by developing products that are easier to assemble and compatible with future liquid cooling and case designs.
- Enhance fan-stop technology for liquid coolers, cases, and power supplies, enabling users to save energy and enjoy quieter operation in low-performance scenarios.
- Continue to launch high-end power supplies compatible with the latest 12V-2x6 (16-pin) graphics card specifications to meet the demands of future high-wattage products. Implement dual-color cable designs to allow users to easily verify proper cable connections.
- Introduce Gaming cases compatible with rear-mounted motherboards for a clean and organized setup.
- Employ a hot-cold separation design in water blocks while enlarging the copper base and heat dissipation area to improve cooling performance.
- Develop a new generation of offset mounting brackets for Intel CPUs to effectively address hotspots and ensure efficient heat dissipation.

2.Industry Overview

(1) Current Status and Development of the Industry:

In 2024, the global market is expected to be affected by geopolitical issues and uncertain economic growth momentum, but demand in areas such as cloud computing, AI, and e-sports continues to grow rapidly. This includes the creator economy driving high-end product sales and the commercial market's high demands for product stability and performance. Facing an increasingly competitive market environment, MSI not only strengthens R&D and product differentiation but also actively lays out a global supply chain and marketing channels, hoping to seek growth opportunities in technology upgrades and diverse application trends.

The current market development status of the company's relevant businesses is briefly summarized as follows:

A. Parts and components:

In 2024, the global demand for high-end gaming and DIY upgrades continues to rise, and MSI's sales in the motherboard and graphics card markets continue to grow. Looking ahead to 2025, NVIDIA's RTX 50 series graphics cards, with performance improvements, will strongly enhance AI computing capabilities, enabling the handling of advanced models and gaming with full ray tracing and low latency. This is expected to accelerate the upgrade demand from high-end gamers and professional creators, not only boosting motherboard sales but also driving the sales of DIY peripheral products such as power modules and SSDs, continuing to promote the "Powered By MSI" concept and strengthening the profitability stability of core products like motherboards and graphics cards.

B. Systematic products:

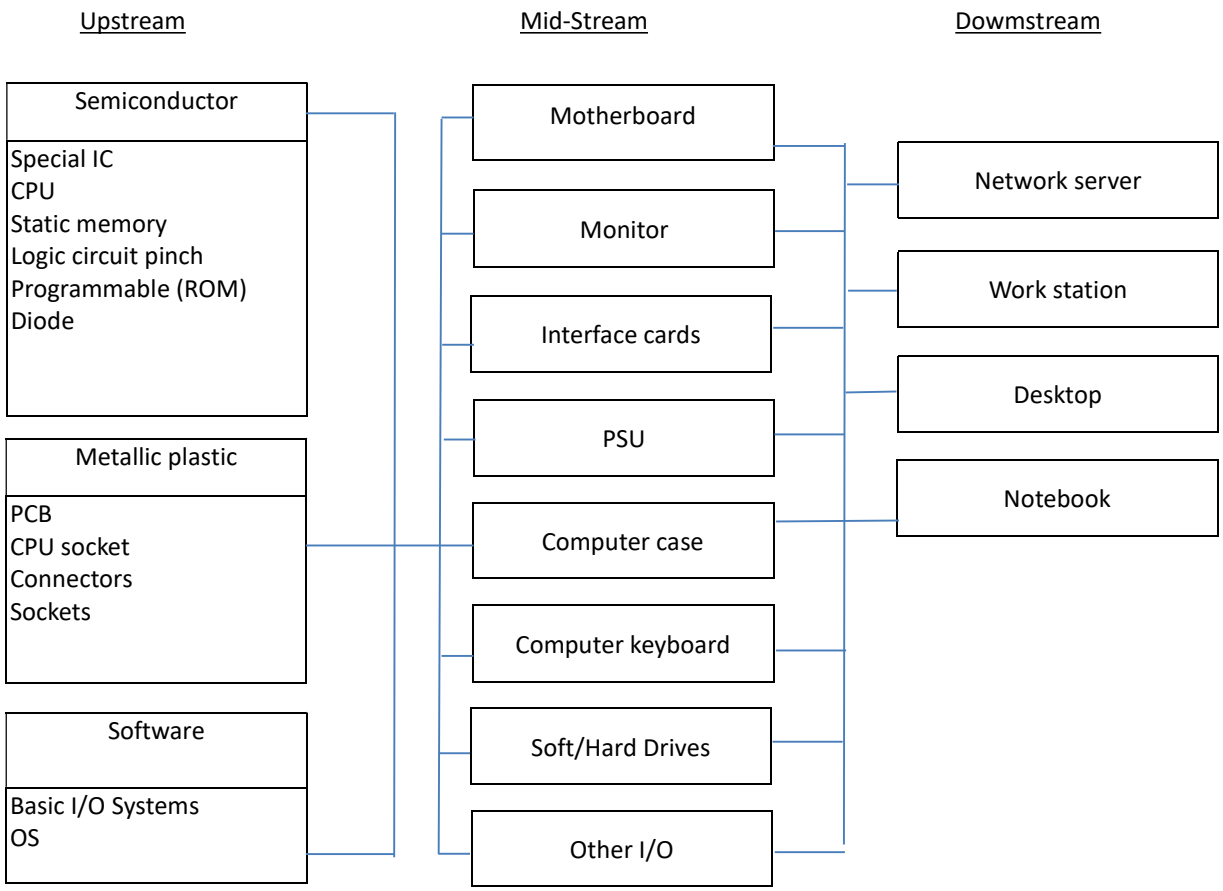
The expansion of AI applications, coupled with the end of support for Windows 10, will stimulate PC market demand. In the gaming market, with new graphics cards and major new game launches, gaming demand is expected to continue to grow, especially for high-performance models. With the RTX 50 series further driving hardware upgrade trends, MSI's product sales are expected to peak again, driving overall business growth.

C. Server, Industrial Computers, Automotive Electronics, and Other Products:

Industrial computers and other products are designed and function to meet various industry needs and special requirements of different customers, following a low-volume, diversified business model. Customization and specificity also bring higher gross margins, with the average gross margin of global industrial computer manufacturers reaching levels of 30% to 40%.According to Digitimes data, global server shipments are expected to grow slightly by 1.8% in 2024 compared to the previous year, totaling 14.69 million units, with a forecasted growth of 3.9% in 2025, reaching 15.26 million units

According to Digitimes data, global automotive sales in 2023 reached 89 million units, and the global automotive market size in 2024 is expected to be around 90.9 million units, with an annual growth rate of only 2%. In terms of electric vehicles, global electric vehicle sales in 2023 reached 13.88 million units, and the market size in 2024 is expected to reach 17.19 million units, with an annual growth rate of 23.8%. Among them, China accounts for 11 million units, with a growth rate of 33%, accounting for 64% of the global market; Europe accounts for 3.07 million units, with a growth rate of 2%, accounting for 18%; the United States accounts for 1.6 million units, with a growth rate of 8%, accounting for 9%. Research reports indicate that by 2025, global electric vehicle sales could reach about 20 million units, continuing to grow. Under the trends of AI, 5G, and electrification, the integration of vehicles with in-vehicle communication systems continues to be a trend for future industries.

(2)Correlation of the upstream, midstream, and downstream of the industry:



(3)Trends and Competitive Landscape of Various Products:

A.Components:

In 2024, MSI's component business is performing well under the dual impetus of AI technology and the gaming market. The NVIDIA RTX 50 series graphics cards will be launched in early 2025, driving the demand for upgrading high-performance graphics cards, while Intel and AMD's next-generation processors further stimulate the growth of the DIY market. MSI not only continues to deepen its core gaming market but also fully introduces an upgraded AI Engine software, using artificial intelligence technology to automatically adjust hardware settings, providing optimal performance and energy efficiency.

B.System Products:

As a leading manufacturer of gaming PCs, MSI develops high-performance, stable, and entertaining laptops and desktops in response to technological developments and market trends. To meet the needs of mobile gamers, MSI has launched portable high-performance gaming handhelds. Additionally, to cater to the stable, high-performance, and convenient portability needs of business professionals, MSI has developed corresponding business laptops to meet corporate one-stop purchasing needs. In addition to considerations for chip supply and product diversification, MSI continues to focus on the integration of software and hardware across product categories, providing and establishing differentiated value.

In response to the development of generative AI, MSI will also continue to plan for the integration of AI solutions into products, applying them in new generation laptops, desktops, motherboards, and graphics cards set to be launched in the first quarter of 2025, becoming effective assistants for users in entertainment and work.

C. Server, Industrial Computers, Automotive Electronics, and Other Products:

The era of AIoT has arrived, and industrial computers have always been the core operational platform for various industries. In recent years, industries have continued to face digital transformation, increasing the importance of industrial computers. Industrial computers are moving towards comprehensive solutions from hardware to software, from front-end to back-end, requiring firmware development capabilities and vertical integration technical capabilities to apply high-performance, integrated, expandable, and compatible system platforms across various industries. Therefore, manufacturers are developing towards the vertical integration application market and accelerating the enhancement of high integration technical capabilities, with flexible operating models and cost leadership posing new challenges.

In recent years, the server industry has been transforming due to the widespread construction of data centers by various countries and the increasing demand for cloud services from internet companies, leading to a surge in opportunities for large internet companies to build their own cloud services and data centers. For traditional brand manufacturers, based on long-term commitments to telecommunications service providers, most have opted for high prices and system integration services, leading to gradual market differentiation. At the same time, another growth engine for the server industry is the rise and widespread application of AI server computing power opportunities. MSI's server business not only maintains its original ODM manufacturing but also significantly increases investment in server products and business development, focusing on SI management. The application domains include Network Security Server, AI Server, Data Center Server, HPC Server, among others, continuously enhancing various application areas for servers.

MSI has been laying out its automotive communication systems for many years, specializing in providing customized solutions, from hardware design, software development, to cloud fleet management platforms, offering comprehensive solutions. Utilizing the integration capabilities accumulated in the automotive field, the company is extending into other areas, including marine, commercial, and related AIoT applications. Additionally, in line with the trend of green energy, the company is also entering the electric vehicle charging pile market and will promote its products to the global market through industry channels

3. Overview of Technology and Research and Development

Research and development expenses and technologies or products successfully developed in the most recent year and up to the date the annual report was printed

Unit: NT$thousands

Annual research and development expenditure	Research and development outcome
2024.1.1~ 2024.12.31 $5,139,124 2025.1.1~ 2025.3.31 $1,322,997	A. Motherboard ● Designed for Intel® Core Ultra series processors, the Z890 and B860 series motherboards cater specifically to multi-core processors and AI deep learning with exceptional performance. ● Developed for AMD® AM5 series motherboards, including X870E/X870/B850/B840, these motherboards deliver maximum performance to support the latest AMD® Ryzen™ 9000/8000/7000 series processors. ● Developed next-generation Back-connect motherboards for Z890, B860, and B850 platforms, breaking through existing products with market trends to meet diverse system needs. ● Integrate multiple AI features in response to the AI revolution for MSI motherboards. These include AI Boost for enhanced overclocking, AI LAN Manager and Frozr AI Cooling for intelligent system monitoring and adjustments, and AI Engine for optimizing system performance based on usage scenarios. ● The latest Click BIOS X introduces a brand-new ESA architecture, significantly improving BIOS update speeds and the user interface. Additionally, unique visual designs are tailored for each motherboard series, providing functionality and aesthetics that surpass the award-winning previous generation. ● MSI Intel® 800 and AMD® AM5 series motherboards feature the full-speed Wi-Fi 7 solution that takes a huge leap forward with multiple improvements to meet the increasing traffic demand and the growing number of wireless devices. ● Utilizing server-grade PCB, 2oz thickened copper PCB, and optimized circuit to ensure that high-speed signal such as PCIe 5.0 and M.2 transmission speed is doubled, and make the system operate stably for long-term. ● With the advent of next-gen DDR5 memory, the new Memory Boost optimizes circuitry for DDR5's

	unique characteristics. The MEG Z890 UNIFY-X has once again set a memory overclocking world record, achieving an astounding 12196 MT/s! ● Core Boost is designed to maximize performance for processors with more cores. Adopting optimized circuitry and high-performance components, Core Boost perfectly supports high-end processors. ● MSI motherboards incorporate multiple DIY-friendly designs to simplify PC building. From heavy GPU installations to lightweight M.2 SSDs, and even Wi-Fi antennas, MSI offers screwless solutions, enabling users to install or remove components effortlessly with just one finger. ● The all-new MSI Center consolidates all exclusive software features, from system monitoring and parameter adjustments to advanced AI optimization. This unified software platform provides users with enhanced convenience and control. B. Professional Graphics Cards and Professional Gaming Gears ● Developed a new generation of graphics card that combines AI artificial intelligence, real-time ray tracing, and GPU accelerated hardware shading technology for a new gaming experience. ● Developed a new generation of ultra-high-performance graphics card with the MSI exclusive patented “TriFrozr” advanced heat dissipation design. This design is equipped with 3 optimized fans and utilized the latest Torx fan, a huge heatsink, numerous heat pipes and temperature plates to provide maximum heat dissipation efficiency. ● Developed a new generation of water-cooling architecture, combining water-cooling and air-cooling dual-power cooling system to assist high-end graphics card to effectively dissipate heat, achieve better cooling, and provide more stable performance. ● Developed a total S/W and H/W solution which utilized the latest GPU and visualization software for accelerated operation, to provide stunning images. ● Developed exclusive square heat pipe, high-efficiency contact surface design with large-diameter superconducting heat pipe and uniform temperature plate to ensure the largest contact surface with GPU, greatly improving heat conduction efficiency. ● MSI exclusive patented “Zero Frozr” energy-saving low-noise technology with temperature monitoring function, which automatically adjusts fan speed based on actual usage, to provide low temperature, silent and highly efficient cooling solution. ● Developed the new generation of MSI exclusive patented "Torx Fan 5.0" technology, another breakthrough in performance. The exclusive drainage fan blade design creates a more concentrated air flow and air pressure, prompting the third-generation TRI FROZR to dissipate heat faster ● Utilized high quality components: tantalum capacitors (Hi-c CAP), high-performance plug-in inductors (HCI), high-performance smart power stage module (SPS) and solid capacitors (Solid CAP). Solid and reliable materials make MSI synonymous with the highest quality and stability. ● Optimized “MSI CENTER” which combines a variety of MSI calibration software and uses an integrated interface. The built-in AI intelligent engine can prioritize the allocation of system resources based on the most commonly used software by users, allowing users to optimize software applications, bringing superior experience and higher work efficiency. ● Continued to optimize the MSI exclusive graphics card tuning software "MSI Afterburner", which can accurately monitor and adjust important parameters such as clock pulse and voltage value ● MSI and BlueStacks® exclusively cooperate to develop MSI APP Player, allowing mobile games to seamlessly integrate with personal computers. With the powerful performance of the graphics card, mobile gamers on the Android platform can enjoy better performance brought by the graphics card, allowing players to enjoy large screen view and game control, and experiencing the high-performance PC gaming experience. ● Developed a new generation of mesh routers that use advanced Wi-Fi 7 technology, high-speed connection, whole-home coverage, simple management, and enhanced security features. It is an ideal solution for modern families to achieve a seamless networking solution. ● Developed PCIe 5.0 SSD products with an excellent exclusive cooling module, providing higher reading performance and stability, with an astonishing speed of up to 14GB/s. We have a variety of capacity options to provide cutting-edge performance and experience for professionals, content creators and gamers. ● Developed a new variety of Gaming mouse designed for the needs of gamers, equipped with top-level optical sensors and special highly durable gaming micro switches. Light and balanced weight distribution and excellent ergonomic appearance provide gamers with the most comfortable experience and overall gaming comfort.

	● Developed a new gaming keyboard, equipped with MSI's latest mechanical switch body - "MSI SONIC BLUE". With a trigger pressure of only 45g, it provides seamless and instant quick response, with excellent, light pressing feel and crisp key sound, allowing gamers to achieve "tap to kill". Together with "MSI CLEARCAPS" technology, it adopts a double-layer design to increase the light transmission range, and can create richer and more gorgeous full-key RGB colorful illusions. Equipped with a two-way volume control knob, you can adjust the volume through the top or side to quickly make customized adjustments as needed. The intuitive design of the multimedia buttons lets users enjoy excellent convenience in addition to entertainment. ● Developed FORCE wireless joystick that is compatible with Xbox, equipped with replaceable joystick heads and customizable back buttons to achieve agile response across platforms. C. Servers ● Launched Intel® Birch Stream and AMD® Turin based MGX GPU servers. ● Launched Intel® Birch Stream and AMD® Turin based multi-node systems for high performance computing. ● Launched Intel® Birch Stream and AMD® Turin based dual-socket and single-socket general purpose systems for enterprise and mainstream servers. ● Launched Intel® Xeon® Sapphire Rapids-SP embedded systems. ● Launched Intel® Arrow Lake-S workstation systems. ● Launched AMD® Vermeer and Genoa based next generation firewall (NGFW) products. D. Desktop computers ● Launched the high-end AI Gaming desktop series with the Intel® Core Ultra (Series 2) platform, and introduced Gaming desktops equipped with the latest NVIDIA® GeForce RTX™ 50 series this year. ● Expanded the mini AI Gaming desktop market by launching the latest MEG Vision X AI and MPG Infinite X3 AI professional Gaming desktops powered by Intel® Core Ultra processors. ● Introduced AI cooling technology Silent Storm Cooling AI, applied across the entire Gaming desktop lineup to effectively reduce overall system temperature, enhancing Gaming and generative AI performance. ● Integrated AI HMI technology into the MEG Vision X AI, providing Gamers with an enhanced Gaming experience through AI and human-machine interface applications. ● Implemented the latest WiFi 7 wireless transmission technology to ensure a lag-free Gaming experience for Gaming desktops. ● Continued to expand MIL (Made in Local) products, offering a more flexible and time-efficient production model. ● Enhanced product differentiation by incorporating exclusive design styles and features within the distinct tiers of MEG (MSI Enthusiast Gaming), MPG (MSI Performance Gaming), and MAG (MSI Arsenal Gaming) product lines. ● Launched a new AI All-in-One desktop – Modern AM273QP AI, featuring NPU (Neural Processing Unit) AI computing to boost productivity through AI-driven applications. ● Introduced the mini-tower desktop series PRO DP80 AI, expanding the business market product line. ● Launched the MSI Cubi NUC series to expand the mini commercial desktop market, providing business desktop users with more options. ● Introduced vPRO business models, injecting fresh capabilities into the commercial and project-based markets. ● Deepened compliance with EPEAT environmental regulations, and incorporating PCR recycled plastics and FSC-certified eco-friendly packaging to contribute to environmental sustainability. E. Telematics and Automotive Electronics ● Wireless vehicle audio/music System: Utilizing wireless broadcasting technology, this system provides synchronized audio/music broadcasting as a cost-effective multi-channel audio/music entertainment solution for long haul coach, sightseeing bus or train operators. ● New generation rugged smart tablet: A rugged tablet equipped with high-performance SoC featuring AI computing capabilities. It offers water resistance, weatherproofing, and a durable, shock-resistant structure, enhancing user efficiency and reliability in demanding environments such as construction sites, logistics, and warehouses. ● In vehicle smart display system: Using the latest generation SoC with built-in NPU AI computing capabilities, this new generation in vehicle smart displays is designed for agricultural machinery and heavy construction vehicles. It supports multiple camera inputs with AI-powered hazard warnings and control functions. The system is also equipped with high-brightness display and weather-resistant,

shockproof design.

- Wireless smart video conferencing system: An intelligent video conferencing system with AI-powered audio and video processing capabilities. It can automatically detect and assess the environment, participant positions, and sound sources, optimizing system adjustments to provide the best user experience.

F. Laptops

- MSI has been in the Gaming laptop industry for over 20 years, offering the most comprehensive range of Gaming laptops, from flagship large models and ultra-thin designs to mid-range mainstream options, allowing consumers to choose the perfect laptop for their needs.
- MSI is the first in the market to use Intel® Core™ Ultra (Series 2) processors in laptops, featuring the exclusive AI® Boost for improved AI processing efficiency and better battery life.
- Gaming laptops equipped with NVIDIA® 50 series GPUs are optimized for both Gaming and content creation, and are ready for the AI generation, handling tasks like generative AI and small language models (SLM) with ease. The entire lineup, from flagship to mainstream, has transitioned to this new platform.
- MSI offers 18-inch Gaming laptops in various series, including the highest-spec flagship model, mid-range 18-inch laptops, and the lightest 18-inch model on the market, providing diverse options for different player preferences.
- MSI's exclusive OverBoost Ultra design with ultra-high TGP ensures extreme performance without sacrificing CPU power, achieving a full 270W CPU and GPU power. The CPU with Intel® Core™ Ultra (Series 2) processor is even reaching desktop-level 220W performance in single stress test.
- MSI's exclusive PCIe Gen 5 SSD features independent cooling pipes for maximum performance.
- The 18-inch flagship Gaming laptop is the only device in the industry with four SSDs, offering unmatched upgrade space and flexibility.
- The new Dragon Edition flagship features a hand-painted dragon design with intricate etching techniques, showcasing MSI's craftsmanship and delivering top-tier performance and specifications.
- SuperRaid 5 technology delivers read speeds of up to 18,000MB/s on PCIe Gen5/Gen4, setting an industry record.
- The new Venture series business laptops combine lightweight design with high performance, perfect for both work and entertainment, handling office tasks, light creative work, and gaming with ease.
- The new AI software, AI Robot, allows users to easily complete system settings and get system information using natural language, improving the overall AI experience.
- The new Battery Boost feature reduces power consumption when the battery is low, significantly extending usage time.
- The 18-inch flagship Gaming laptop features the industry's first borderless RGB gaming touchpad with Haptic feedback, enhancing the touchpad experience.
- Combining spatial audio with three-array microphones and AI noise-cancellation technology, MSI offers precise, directional audio for video calls, as well as 360-degree omnidirectional sound, creating a studio-quality experience for video conferences.

G. Monitors

- Enhanced the computational technology of AI-human interaction in displays.
- Leveraging NV 50 series tech, developed MSI's QD-OLED with DisplayPort 2.1a which boosts stability, quality, and bandwidth to 80Gbps—2.5x DisplayPort 1.4a.
- Strengthened support for HDMI 2.1 to provide lossless images and Variable Refresh Rate (VRR) support.
- MSI's AI Navigator features the AI Menu, which automatically detects software and applies preset configurations, removing the need for manual adjustments.
- MSI AI Navigator lets users switch modes on Dual Mode monitors with a mouse. It also automatically detects and maintains a high refresh rate during resolution changes.
- Optimized monitor color display technology and preset color adjustment.
- Integrated all MSI product lines' features and built a whole new MSI ECO System.
- Enhanced the connection with consoles and Control-Enabled Consumer Electronics (CEC) functionality to expand the demand in the console market.
- Developed and optimized the PD (Power Delivery) charging solution to enhance the charging function with greater wattage.
- Developed Business series monitor with high refresh rate above 100Hz to enhance eye protection and user comfort. Additionally, optimized features to meet the demands of casual gaming.

	● Developed a hardware blue light filter solution to enhance the eye protection effect and reduce the color loss of the display. ● Development of the OLED panel on Esports professional monitors. ● Development of the Mini LED technology and G-SYNC Pulsar Tech monitors for Esports professionals. ● Developed a new generation of QD-OLED new quantum dot and OLED displays to enhance consumer entertainment experience. ● Strengthened the QD-OLED burn-in protection mechanism to extend the lifespan of QD-OLED and enhance user experience. ● Combined Mini-LED backlighting with Dual Mode screens, this innovation enhances contrast and localized brightness, delivering sharper, clearer images with advanced local dimming—superior to traditional LCDs. ● Developed Smart Sensor and Active Noise Cancellation (ANC) Business monitor to help users optimize the experience and improve work efficiency. ● Development of Curved business monitors that are designed for comfort and ease to protect users' eyes. ● Developed thin and light portable Business monitors to enhance the connection between products and handheld devices. H. AMR (Autonomous Mobile Robot) and FMS (Fleet Management System) ● Develop intelligent mobile vehicles AMR, Collaborative Robot, and fleet dispatch software FMS based on AIOT architecture. ● Integrate modules and third-party software development interfaces (APIs) to integrate with system integrators' (SI) software services. I. Smart EV Charger ● Electric vehicle charging products and cloud service application solutions. ● Green energy-related applications and products. ● Smart parking management applications and products. ● Dynamic energy management systems. J. EV OBC (On Board Charger / In Vehicle PC) ● Specifically designed charging equipment for Battery Electric Vehicles (BEV) and Plug-in Hybrid Electric Vehicles (PHEV). ● 6.6 kW power capacity. ● EVCC (Electric Vehicle Communication Controller) software control. K. Others (Case, Liquid Cooler, Power Supply) ● Developed mid-to-high-end Gaming cases compatible with the latest Intel®, AMD®, and NVIDIA® products, enhancing thermal design to handle the heat generated by high-performance processors and graphics cards, ensuring stable performance. ● Designed cases with removable power supply compartments, enabling users to install power supplies and manage cables more efficiently, significantly improving assembly efficiency. ● Optimized internal structures within the limited dimensions of mid-tower cases to accommodate two 360mm radiators simultaneously, maximizing cooling performance. ● Developed flagship cases capable of housing dual systems (Mini-ITX and ATX motherboards) to meet the needs of small studios or gaming streamers requiring dual systems. ● Introduced power supplies with dual 12V-2x6 connectors to support the high wattage demands of new graphics cards, ensuring seamless equipment expansion. ● Launch a full range of power supplies with triple certifications (80 PLUS, Cybenetics, PPLP) to cover mainstream global markets and enhance consumer trust. ● Pre-assembled liquid cooling fans to reduce connector complexity, significantly lowering user assembly difficulty and time. ● Developed the UNI Bracket to minimize installation time and reduce unnecessary material waste. ● Introduced a screw-free flat copper base that ensures effective contact with next-generation platform CPUs, improving cooling performance. ● Equipped all liquid cooling systems with ARGB GEN2 LED lights, allowing users to customize lighting effects via MSI Center for a fully personalized cooling platform. ● Paired metal backplates with offset mounting brackets to effectively address Intel's thermal hotspot issues, enhancing cooling capabilities.

4.Short-term and long-term development plan

(1)Short-term development plan：

Brand marketing: We continue to deepen the channel management with the self-expectation to be the first choice for e-sports products. After the success of the e-sports market, we have extended to the fields of content creators and business and productivity, pursuing laptops. At this stage, the main development direction of business marketing is to pursue the overall stable growth of various products such as laptops, desktops, motherboards, graphics cards, industrial computers, servers, and automotive electronics.

OEM: The Company works closely with international heavyweights in order to find out profitable commercial models. The economics of scale approach is adopted to continue bring down the production cost and to enhance the overall profits for the customers and the company.

Research and development, manufacturing, and service: From research and development of products to manufacturing, and mass production, customers are provided with high-quality products and after-sales services.

(2)Long-term development plan：

The Company builds on its solid R&D capabilities and has been well received among customers and users with its outstanding quality of products and optimal services. In the future, it will continue to be devoted to creating instant competitive advantages for its core capabilities and seeking opportunities to diversify its operations. Besides motherboards, display cards, laptops, servers, and desktop computers that it specializes in, it will also work hard to gradually become a profitable leader in other products such as industrial computers and automobile electronics.

(Ⅱ) Market Analysis and The Conditions of Sales and Production:

1. Market Analysis

(1)Sales Regions:

Unit: NT$ thousands

Year / Sales Region		2024		2023	
		Net Sales	%	Net Sales	%
Export sales	Europe	51,127,868	25.84%	42,419,955	23.18%
	Asia	80,534,783	40.70%	73,908,658	40.40%
	America	55,081,320	27.84%	58,021,865	31.71%
	Others	6,075,517	3.07%	4,298,586	2.35%
Subtotal		192,819,488	97.45%	178,649,064	97.64%
Domestic sales		5,052,427	2.55%	4,316,624	2.36%
Total		197,871,915	100.00%	182,965,688	100.00%

(2)Market share and market demand and supply and market growth

A. Market Share

The Company is one of the heavyweight PC manufacturers in the world, with product lines including motherboards, display cards, desktop computers, laptops, AIoT and other commercial products. Because of its continuous devotion to increasing investment in research and development and brand management and focus on high-end markets with high gross profits such as that for Gaming, the Company is able to secure a steady leading position in terms of the sales and market shares of laptops and display cards. The motherboards, on the other hand, remain steady as one of the Top 3 on the market.

B. Supply Side

According to IDC's estimates, global PC shipments are expected to reach approximately 273 million units in 2025, growing by 3.7% compared to 263 million units shipped in 2024. In the gaming market and commercial sectors, opportunities continue to grow, with many brands continuing to invest in related product research and marketing. In response to competition, the company is not only addressing the booming demand for generative AI applications by launching AI PCs that combine advanced AI application solutions with professional R&D capabilities and production technologies, but also creating products that meet user needs, becoming the top choice for users.

C. Demand Side

In addition to gameplay, major gaming titles are continuously enhancing audio-visual effects, leading to increasing hardware requirements. Business professionals have also included stability, high performance, and lightweight portability as standards in their selection criteria. In recent years, various applications of generative AI have been on the rise, with large language models and audio-visual editing and production benefiting from the high performance of AI PCs, significantly improving user efficiency. The first eSports Olympics will be held in Riyadh, Saudi Arabia in 2027, marking a milestone for electronic sports and is expected to stimulate sales of high-end system products and components, including motherboards and graphics cards.

D. Competitive niche and advantageous and disadvantageous factors for future developments as well as response measures

① Competitive niche and advantageous factors for future developments

a. Outstanding product development capabilities

The Company has a management team with more than 20 years of experiences in research and development and technical experiences. The members are heads of respective business groups and supervisors at the main office. As such, they have a deep understanding of promising technologies and are efficient in making decisions. Meanwhile, they can combine numerous technical trends to make the best of teamwork. Research and development staff, on the other hand, are highly experienced professionals; they contribute to the outstanding R&D accomplishments of the Company and the award-winning stream of its products over the past years. The excellent rating with regard to its performance by professional media and user referral on respective major markets are the best proof.

b. Productivity featuring high quality and flexibility

From design, development, to mass production, the Company is known for its quality mass production technology and highly efficient productivity. Meanwhile, the Company constantly introduces and updates automatic and smart equipment in order to improve production quality and to bring down the cost, We also have the flexibility to produce in line with customer's demand for small quantity and variety, In addition, the Company has a systematic management process and complete educational training programs for operators so that the product yield rate exceeds 99%, which contributes significantly to both improved quality and product image.

c. Outstanding management capability

Information technology products are known for their short life cycle and fast changing prices. Potential competitors do not necessarily come from the same sector. In response to the quick changes in competition on the market, the Company pays attention to market dynamics at all times in order to respond quickly and to reduce the inventory stress. Risk management is concerned, the Company adheres to its credit policy for the security of outstanding accounts recevibable to keep the actual bad debt amount low. Therefore, its management capability demonstrated through both its management of the inventory and accounts receivable is highly recognized.

d. Excellent management system and Good product quality

Each step of production, starting from order processing, material preparation, production control and management, shipment handling, to environment protection and safety and health, risk management, and quality assurance, is under standardized management. In addition, our R&D and production personnel are continually pushing for production improvement and material replacement from reasonable and automation aspects for better yield and lower environmental impacts.

e. Pursuit of satisfying services for customers

Customers have increased demand for technical support and after-sales service. In order to increase customer satisfaction, the Company has after-sales service centers and online customer service available on major markets so that real-time assistance can be provided to customers and customers are entitled to convenient and quick services and technical support. The Company can also quickly keep track of market and user dynamics and investigate customer satisfaction to be the basis for quality advancement.

f. The Booming Development of the E-Sports and Gaming Industry

The global emphasis on the e-sports industry includes hosting and broadcasting large-scale e-sports events both domestically and internationally. The International Olympic Committee has announced that the first e-sports Olympics will be held in Riyadh, Saudi Arabia in 2027, which is expected to further drive the popularity of e-sports. According to market research firm Newzoo, the number of global gamers is expected to exceed 3.4 billion in 2024, with total gaming market revenue reaching $187.7 billion,

projected to grow to $213.3 billion by 2027, indicating that the e-sports market still has room for growth.

g. Great potential in the commercial market

The annual growth rate and market capacity of the commercial market are larger compared to the consumer market. According to IDC data, by 2028, the overall market for commercial PCs is expected to approach 154 million units annually. With excellent product development capabilities tailored to various needs of corporate users and combined with global sales and service channels, the company can inject new momentum into revenue and profits.

② Disadvantageous factors for future developments

a. Short life span of information technology products. Spearheaded by main suppliers that have an effect on product development, downstream manufacturers can only follow market trends or the footsteps of international heavyweights in producing homogeneous products, which tends to result in price cut competition on the market and the difficulty to maintain reasonable profits. Many manufacturers in the industry try to secure their market share by reducing their prices, which, however, also squeezes the room for profitability.

b. Sectors accounting for a higher ratio in exportation is more easily affected by the volatility of exchange rate. Drastic changes in the exchange rate will affect their profitability.

C.The information and communication applications continue to innovate, and the demand for semiconductors is increasing. If the global wafer production capacity cannot be expanded immediately, it will affect product production.

③ Countermeasures

a. Reinforced collaboration with key part suppliers in the upstream to develop competitive new products early on; devotion to R&D to help improve product efficacy and create high value-added and touching products for strengthened brand value and for creating reasonable profits for the Company; maintaining sufficient throughput to be capable of accepting ODM/OEM orders from international heavyweight clients and to improve income; and introduction of automatic and smart manufacturing to deal with diversification of products in small quantities and to more flexibly meet customers' demand by adjusting the production lines.

b. Increased ratio of paying in foreign currencies to bring up the natural hedging ratio to counterbalance assets and liabilities in foreign currencies and continued adoption of hedging measures such as foreign exchange hedging transactions to reduce risks associated with the volatility in exchange rate along with close attention paid to impacts of various policies of major countries, We will respond cautiously to the impact of regional political and economic uncertainties on the capital flows, global exchange rates and financial credit of countries around the world.

c. Fully grasp the needs of channel customers, and work closely with upstream suppliers to flexibly adjust production capacity to respond to changes in supply and demand in a timely manner and fulfill order shipments.

2. Important purposes and production/preparation processes of primary products

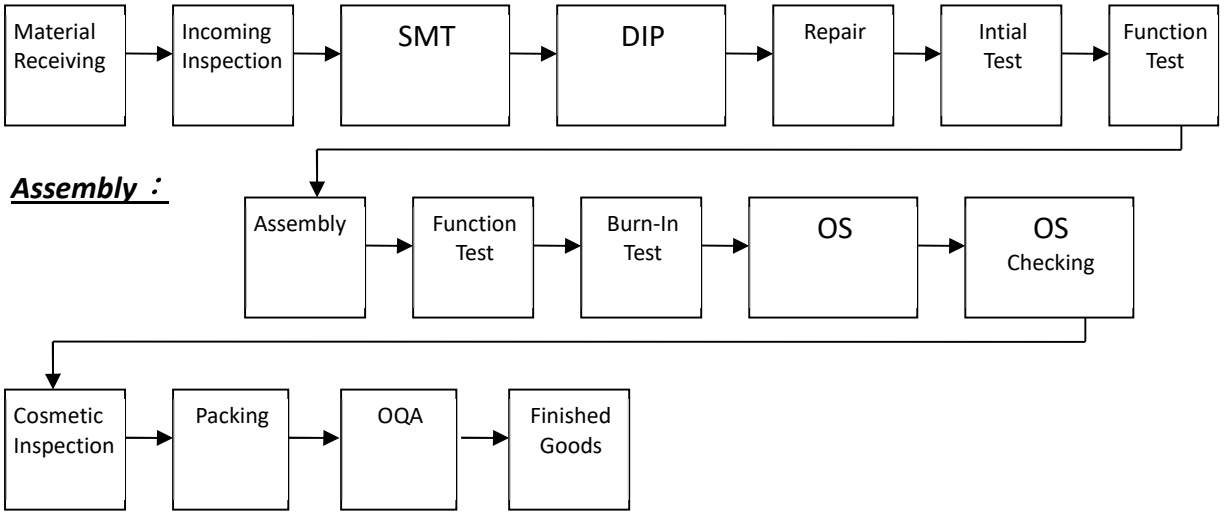
(1) Purposes of main products

The Company mainly manufactures and sells computers, motherboards, and interface cards. Motherboards are important components of computers that are responsible for output and input features, including sending images, controlling the network, sound effects, and other multi-media features; they are indispensable for computers.

Name of product	Purpose
Motherboard	Important component of personal computers, taking care of internal computing, output, and input features of a computer system, the backbone of a computer
Laptop	A mobile PC with high-performance calculation.
Interface card	One of the important components of a PC, which converts the display information required by the computer system, drives and controls the display to present correct information, and an important component for human-machine dialogue.

2、Production processes

PCBA：



Assembly：

3. Supply of Major Raw Materials:

Major Products	Major Raw Materials	Suppliers	Supply Status
Motherboard	Integrated Circuit	B	Stable supply available
		C	Stable supply available
	Printed Circuit Board	Global Brands Manufacture Ltd.	Stable supply available
		Chin Wang Technology Co., Ltd.	Stable supply available

Note: Due to confidential business information and nondisclosure agreement concerns, some real vendors' names are substituted with codes.

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4. Major Customers with over 10% Net Sales and Suppliers with over 10% total Purchases of the Last Two Fiscal Years:

(1) Purchases

Major Suppliers of the Last Two Fiscal Years

Unit: NT$ thousands

Year	2024				2023				2025Q1 (Note 3)			
Item	Name	Amount	Percentage of net annual purchase 〔%〕	Relation with issuer	Name	Amount	Percentage of net annual purchase 〔%〕	Relation with issuer	Name	Amount	Percentage of net purchase of Q1〔%〕	Relation with issuer
1	B	49,721,522	27.18	None	B	47,483,320	28.06	None	B	N/A	N/A	N/A
	Others	133,180,052	72.82		Others	121,729,925	71.94		Others	N/A	N/A	N/A
	Net purchase amount	182,901,574	100.00		Net purchase amount	169,213,245	100.00		Net purchase amount	N/A	N/A	N/A

Note1: Due to confidential business information and nondisclosure agreement 5ncerns, some real vendors' names are substituted with codes.

Note2: Causes of increase and decrease：N/A.

Note3: The 2025Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 30, 2025.

(2) Sales: Not Applicable.

(Ⅲ)Employees

Status of employees over the past two years and up to the date of the report printed

Item \ Year		2024	2023	As of April 30,2025
Employee	Sales & Management	1,115	1,068	1,135
	Technician	2,097	1,987	2,293
	Total	3,212	3,055	3,428
Average age(years)		39.96	39.44	39.74
Average years of service(years)		10.01	9.80	9.58
Education (%)	Ph.D	0.22	0.20	0.20
	Masters	24.60	23.24	23.80
	College/University	68.95	69.13	67.50
	Senior High School	5.45	6.58	7.71
	Junior High School and below	0.78	0.85	0.79
	Total	100.00	100.00	100.00

(Ⅳ)Environmental expenditures information

The company's operating activities are mainly about the production, assembly, research and development, sales of electronic products and related administrative operations as it belongs to the non-high pollution and high energy consumption industry, but the MSI is still committed to improving environmental protection and green product management. The relevant performance is as follows:

1. In the most recent year and as of the print and publication date of the annual report, is there any loss due to environmental contamination? Disclose the estimated amount now and possibly occurring in the future and responsive measures: None.
2. The management performance of the green products:
   (1) The total amount of fines or derivative losses incurred in the most recent year due to product violations of international environmental laws or clients' requirements on hazardous substances: None.
   (2) Issued "Green Product Control Regulations" and regularly revises them according to the latest international environmental protection laws and clients' requirements as the basis for the management of hazardous substances in the supply chain, as well as the internal green product design and selection criteria.
   (3)More than 230,000 components have been certified by Green Products since 2010.
3. Environmental Management Performance:

   The company's operations are based on compliance with environmental laws and related requirements, continuously improving processes, working environments, and equipment to reduce pollutant emissions, resource consumption, and safety and health risks. Each aspect of environmental performance is managed and monitored by dedicated units. The following outlines the status of environmental performance during the reporting period.

   (1) Passed ISO 14001 Environmental Management System certification.
   (2) Passed ISO 14064-1 organizational greenhouse gas inventory, continuously improving greenhouse gas reduction.
   (3) Passed ISO 50001 Energy Management System, reducing energy consumption and expenses while continuously enhancing energy efficiency.
   (4) The waste disposal and management of the company's facilities and products comply with environmental protection requirements.
   (5) Air, noise, and wastewater testing results comply with the requirements of the local management authorities.
4. Greenhouse Gas Management:
   (1)The Company has carried out verification of greenhouse gas emission data since 2008 and has continually and actively implemented energy conservation practices.
   (2)In 2010, the Company began to be surveyed for the Carbon Disclosure Project (CDP).
   (3)In recent years, due to the rapid growth of the overall industry, carbon reduction pressure has gradually increased. Therefore, in addition to building solar power systems, the company also purchases renewable energy to achieve Scope 2 carbon reduction. In August 2023, MSI committed to the Science-Based Targets initiative (SBTi) 1.5°C pathway, setting a target to reduce Scope 1+2 emissions by 80% from the 2022 baseline by 2030 and to reduce upstream procurement products and sold products by 30% from the 2023 Scope 3 emissions baseline by 2030. At the same time, MSI also pledged in 2025 to achieve net-zero carbon emissions by 2050and expects to complete the SBTi review by early 2026.

(4)Environmental related emissions data for the past two years are as follows:
(Complete assurance information will be disclosed in the Sustainability Report (MOPS https://mops.twse.com.tw/)

Item / Year	2024	2023	Change +/(-)	Third-party verification status
Amount of greenhouse gas emissions (Metric Tons CO2e)	13,611	39,054	(65.15%)	Verification has been conducted by Bureau Veritas Certification (Taiwan) Co., Ltd. (BVC) in accordance with ISO14064-1. A verification statement is expected to be obtained by May 2025 (ISO14064-1:2018, GHG Protocol). *In case of discrepancies between the annual report data and the official website, the official website shall prevail
Total water consumption (Megalitre)	593.24	661.288	(10.3%)	Disclosed in the Corporate Social Responsibility Report, and verified by the British Standards Institution (BSI) Taiwan branch Expected to obtain Corporate Social Responsibility Report verification statement in 2025 June.
Amount of waste generated (Kilogram)	7,554,914	8,714,959	(13.3%)	Disclosed in the Corporate Social Responsibility Report (CSR), and verified by the British Standards Institution (BSI) Taiwan branch Expected to obtain Corporate Social Responsibility Report verficiation statement in 2025 June.

5. The electricity saving measures management:

MSI assumes its corporate responsibility in environmental protection, pollution prevention, and green production and introduces an international environmental management system and occupational safety and health management system with environmentally friendly policies. Each year, we establish a management plan and action plan for the continued improvement of implementation performance, mitigation of the influence of operation on the environment and the local communities. We fulfill our commitments to being environmentally friendly with the application of the environment management policy and supervision measures to identify potential risks, cut down operational and product impacts, and exercise regular checks for legal compliance to ensure the efficacy of the environment management operation. Also, we conduct internal and external audits to ensure our management for environmental protection follows the planning, execution, audit and action plans to reach the goal of sustainable improvement. For management systems for ISO 14001, ISO 50001 and IECQ/QC 080000 and certification for ISO 14064-1, please check the website: https://csr.msi.com/tw/management-system-certificate.
Our operation mainly includes assembly production and R&D which require mostly water and electricity and are not high energy-consuming operations. Therefore, we uphold water and power conservation and power efficiency with the related measures as follows：

Power Usage Adjustment	Lighting Management
● For hot water usage, some employee dorms use solar water heaters with an extra heat pump and recycled air compressor ● Temperature adjustment of out-going cold water and reduce the machine time for cold water machines to reduce power usage ● Regular patrol to check the temperature of air conditioning (26 degrees Celsius)	● Regular patrol to turn off unnecessary lighting facilities ● Light off during lunch break ● Lighting control in the office area after office hour (except emergency lighting)
Public Facility Management	**Concept Reinforcement Advocacy**
● Copiers: power-saving mode in office hours and power-off after office hours and on weekends ● Water Dispenser: power-saving mode and power-off after office hours and on weekends ● AC: management by areas and power-on when needed ● Replace energy conservation facilities according to useful life	● Incentive rewards offered to employees who practice energy conservation ● Advocacy to employees (such as posters and emails) ● Various environmental events, such as Earth Day to help employees increase the awareness

2024 Results from environmental management measures:

Management item	Short and Mid term goals	Compared to the results in the previous year (2024)	
		Increase (decrease) compared to the previous year	Increase (decrease) compared to the base year
Category 1+2 greenhouse gas reduction by volume	By using the 2022 emission level of 46,724 tons CO2e as a baseline, emissions will be reduced 80% by 2030 (9,345 tons CO2e). Using the 2023 emission level as a baseline, the company aims to reduce emissions from [Category 1 upstream procurement products] and [Category 11 sales product usage] 30% by 2030.	(65.15%)	(71%)
Category 3 greenhouse gas reduction by volume	Based on the 2023 emission levels, reduce emissions from [Category 1 upstream purchased goods] and [Category 11 use of sold products] 30% by 2030.	53.29%	53.29%
Reduction of fossil fuel energy	By 2030, over 75% of the group's electricity consumption will come from renewable energy.	248%	-
Reduction of water resources	Total water usage is expected to decrease 1% compared to the previous reporting year.	(10.3%)	-
Reduction of wastes	Total waste volume is expected to decrease 1% compared to the previous reporting year.	(13.3%)	-
Wastewater	Wastewater discharge tests meet regulatory requirements at all sites.	Regular testing will continue to comply with regulations or standards	
Air quality inspection and testing	Indoor CO2 and PM2.5quality will be tested quarterly and meet standards.		
Testing of air pollution and noise in the perimeter	Routine inspection and testing.		

Acquired energy conservation facilities	The company's Taoyuan, Shenzhen, and Kunshan factories have successively purchased energy-saving machinery and equipment, such as CEM's new line (introducing variable frequency air compressors), automatic screw locking machines, automatic packaging machines, automatic barcode laser engraving machines, X-ray counting machines, packaging AOI, AGV unmanned vehicle automatic feeding machines, emergency lighting intelligent centralized control systems, large tin furnace replacements, energy-saving automatic control of workshop air conditioning, self-service visitor machines, printers, automatic plug-in machines, and chillers, among others. The Zhonghe headquarters has also replaced air conditioning units.	Energy conservation Achievements	In 2024, MSI Kunshan and MSI Shenzhen factories introduced smart energy management, conducting a comprehensive energy inventory of the entire factory. This not only analyzes energy usage conditions but also establishes standard usage amounts for each electric and water meter through experimental methods. By the end of November, 95% of the development and installation has been completed, entering the tuning and quantity acceptance phase. In 2024, the Zhonghe headquarters reviewed energy usage through the ISO 50001 Energy Management System, achieving an average reduction of 70.6% in energy consumption from July to October compared to June through inspections, advocacy, and management of air conditioning equipment, successfully reducing total electricity usage by 22.8%.

6. Waste Electrical and Electronic Equipment Management:
   (1)EU zone: entered into recycling system or undertaken waste product recycling plans according to EU's Waste Electrical and Electronic Equipment (WEEE) Directive and legal requirements in various EU nations. Products sold in EU zones should be entered into local recycling systems, and products need to be labeled with WEEE recycle bin to clearly ensure that we are in full compliance with WEEE Directive's regulations.
   (2)Taiwan: recycling process of waste IT products is primarily handled by the Environmental Protection Administration (EPA) in Taiwan. The Company pays fees pertaining to recycle processing according to regulations for imported products, and these fees will be used toward recycling, issuing subsidies, audit approval for quantities processed, management of recycling firms, and administration duties by the EPA.
   (3)Other zones: the Company undertakes relevant procedures and registers at qualified recycling systems according to local governmental requirements at different regions.

7. Corporate environmental protection expenditure and investments in 2023 are described as follows:

Amount (NTD)

Item	2024	2023	The goal and benefits
The total expenditure on environmental protection	48,485,154	65,458,424	Includes waste disposal, sewage control and inspection, external environment management services, management system verification etc.
The total amount of investments in environmental protection	5,851,050	2,479,632	The company's environmental equipment operation and maintenance cost ensure that the equipment is working properly.

8. The information of corporate governance, environmental sustainability, supply chain management, friendly product and service, ISO certifications can be found at Sustainable MSI:https://storage-asset.msi.com/html/popup/csr_tw/about_management.html

(V) Employee-employee relations

1. The various employee benefits, continuing education, training, retirement system available at the Company and their implementation and the agreement between the employer and employees as well as protection of the various rights of employees

   (1)Employee benefits:

   The Company believes in sharing its operational accomplishments with its employees. We have the Employee Welfare Committee in place and we plan benefits for employees according to the Employee Welfare Guidelines so that our employees have a steady life and their rights are protected. The various benefits we offer to employees include group insurance, birthday giftfund, child birth and wedding giftfund, funeral and illness consolationfund, gifts (vouchers) on Labor Day and Mid-autumn Festival, arts and cultural events, society activities, periodic health examinations, travel subsidies, employee restaurants, cafeteria, dormitory, subsidies

for gatherings, library, medical assistance room, nursery room, outstanding performance reward, year-end bonus, employee rewards, and other preferred solutions from time to time.

(2) Employee health management:

The Company cares about the health of its employees. There are professional medical assistance rooms available on respective premises and health examinations are organized periodically in order to keep track of and care about employees with abnormal health conditions. During flue seasons, there are reminders for employees so that they reduce visiting public areas and pay closer attention to personal hygiene. The Company also reinforce cleaning and disinfection of office areas and pay for the Sanofi Pasteur vaccine that it arranges for staff to receive.

(3)Employee Assistance Program (EAP)：

The Employee Assistance Project (EAP) was initiated on 1 November, 2011. By dialing 8585 (help me, help me in Taiwanese), employees can get help for the following issues: work stress, emotional problems, tax, legal affairs, medical care, and others. By combing internal and external services, EAP helps employees to solve related problems and release work stress and emotions to regain mental health, so that their family will not need to worry about their physical and mental condition.

(4)Employee Development:

Employee development is our focus. Given employees are indispensable from the future development of MSI; therefore, we begin with the selection, education, and retention of employees. As for employee education, we start from plan and implement internal and external training for employees. We have also established the Training and Education Management Regulations as the reference of continuing education and internal training of employees. Employees at MSI can receive continuing education and seek self-development through comprehensive learning channels and resources, such as internal training, external training, and expatriation. In 2024, the focus was on integrating the company's software and hardware resources and training technical courses, enhancing management capabilities in charging pile and channel businesses, and expanding diverse learning channels such as digital courses and learning platforms.

A.Newcomer general education

Regularly held newcomer consensus trainings with contents including work rules, employees' rights and related channels, the introduction to the MSI management system, green product concept, and corporate laws, general education of hazardous substance, business continuity management, first-aid knowledge, introduction of infirmary, fire safety, labor safety and health education, IT Center, and other trainings with basic concepts and case studies of current events. The training ratio for newcomers is 100%.

B.MSI University

We began planning the MSI University (MSIU) in 2009 to cope with the highly competitive business environment in the electronics industry with talent cultivation. By improving the R&D and innovation capacity in key technology and with the improvement of managerial competency and efficiency, we aim to enhance MSI employees' competitiveness in the electronics industry.

① Leadership College

With the planning focus of strengthening the awareness of the supervisors' role, understanding the Company's internal systems and operating procedures, and providing supervisors with leadership/management skills/employee care as the planning focus, a complete and fast compulsory management course has been designed, so that supervisors can have further training targeting their inadequate abilities, review what have been learned and learn something new, and the new supervisors can also quickly get the hang of the job. In 2021, we focused on leadership courses in aspects such as development of supervisory management skills, employee care and labor act practice, self-management and Coaching communication.

②Sales and Marketing College

This series of courses include semi-annually skill development activities aimed at reinforcing the sales and management skills of overseas managers. A series of courses is also planned for sales executives overseas and at the head office to reinforce their abilities in market information surveying, selling and management and marketing. These courses simulate actual market scenarios in Europe and the US, and cover product knowledge, surveying customer needs, and actual selling at different stages. They focus on hands-on skills that can be directly applied to everyday operations.

③R&D Academy

Integrating the company's software and hardware resources and talent cultivation, a series of software and hardware technology training courses have been planned. At the same time, industry-academic cooperation is ongoing, inviting professors to teach advanced courses on charging piles, enhancing colleagues' design capabilities. Additionally, an innovation reward mechanism for R&D has been established to encourage colleagues to engage in product creativity, research and application of new technologies, and preservation and sharing of R&D knowledge documents, enhancing overall R&D innovation capabilities.

④Technical Academy

Strengthening project management capabilities, improving time allocation, resource management, and risk response skills. At the same time, continuously enhancing the innovative service capabilities of the telephone customer service center, improving skills in handling customer complaints, and responding to telephone and text customer service, while continuing to provide emotional stress relief. Each factory continues to plan the technical development policies and blueprints, establishing and implementing technical courses at all levels.

In addition to the college courses, a series of common training programs and seminars have been planned to enhance the self-management and development skills of all colleagues.

Main education and training courses for employees in 2024.

2024	Educational training	Expenditures (NT$)	Headcounts	Total hours
External training	Professional technical training	1,276,770	93	1,934.5
Internal training	Management skills training, professional training, general education	3,621,077	10,027	31,490

(5)Pension plan

Company retirement system and implementation status: The company has established a "Retirement Management Regulation" in accordance with the Labor Standards Act and the Labor Pension Act, and has formed a "Labor Retirement Reserve Supervision Committee" to supervise the contribution status of retirement reserves and to handle retirement applications and reviews. (Retirement information: Please refer to the company's 2024 individual financial report, pages 37 to 40, and the consolidated financial report, pages 41 to 44. https://mops.twse.com.tw https://www.msi.com

The retirement disclosures of the company and its subsidiaries are as follows:

(Expressed in thousands of New Taiwan dollars)

A. Defined benefit pension plans

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 501,747	$ 533,307
Fair value of plan assets	(413,142)	(368,856)
Net defined benefit liability	$ 88,605	$ 164,451

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2024			
Balance at January 1	$ 533,307	($ 368,856)	$ 164,451
Current service cost	2,710	-	2,710
Interest expense (income)	6,400	(4,426)	1,974

	542,417	(373,282)	169,135
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(32,695)	(32,695)
Change in financial assumptions	(14,059)	-	(14,059)
Experience adjustments	(21,420)	-	(21,420)
	(35,479)	(32,695)	(68,174)
Pension fund contribution	-	(12,356)	(12,356)
Paid pension	(5,191)	5,191	-
Balance at December 31	$ 501,747	($ 413,142)	$ 88,605

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
Balance at January 1	$ 533,958	($ 363,970)	$ 169,988
Current service cost	2,912	-	2,912
Interest expense (income)	6,941	(4,731)	2,210
	543,811	(368,701)	175,110
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(1,370)	(1,370)
Change in financial assumptions	3,978	-	3,978
Experience adjustments	(1,078)	-	(1,078)
	2,900	(1,370)	1,530
Pension fund contribution	-	(12,189)	(12,189)
Paid pension	(13,404)	13,404	-
Balance at December 31	$ 533,307	($ 368,856)	$ 164,451

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and

operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	2024	2023
Discount rate	1.60%	1.20%
Future salary increases	2.75%	2.75%

Assumptions regarding future mortality experience are set based on the sixth round of empirical life tables of the Taiwan life insurance industry.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 8,461)	$ 8,710	$ 7,524	($ 7,358)
December 31, 2023				
Effect on present value of defined benefit obligation	($ 9,853)	$ 10,163	$ 8,845	($ 8,635)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to $12,413.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	93,312
1-2 year(s)		28,759
2-3 years		42,329
3-4 years		28,367
4-5 years		36,335
6-10 years		165,569
Over 10 years		167,522
	$	562,193

B. Defined contribution pension plans

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits

accrued are paid monthly or in lump sum upon termination of employment.

(b) The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023 were $477,560 and $411,608, respectively.

(6)Labor – management agreements

Since MSI was first established, in addition to constructing a positive, fair work environment and planning comprehensive employee benefits, we have also established the "Work Protocols" as the basic set of behavioral guide for employees to comply with. This is to clearly state the rights and obligations of both that the employees and the management, as well as employee behavior and ethics. The content of which is as follows:

A. Employees should abide by the law and the Articles of Association and to abide by the supervision of their supervisors.

B. Employees should not harm the good name and reputation of the Company, nor should employees use their positions to receive gifts.

C. Employees shall not disclose the company's business, technical, and other confidential information.

D. Establish the standards of employee salaries, cash rewards, bonuses, retirement, leaves, and standards of incentives and disincentives.

E. Sexual harassment prevention.

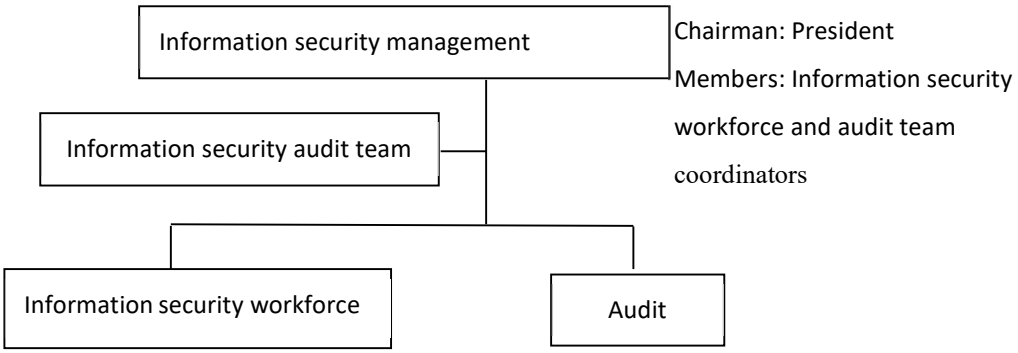
(7)Disclosure of collective agreement information: The company has not established a labor union; therefore, it is not applicable.

2.Losses borne due to employer-employee conflicts in the most recent year and up to the date the annual report was printed, possible estimated values at present and in the future, and countermeasures: There were no major employer-employee conflicts in the most recent year and up to the date the annual report was printed.

(Ⅵ)Information security management

1. Information security management

(1) Information security management structure



(2)Information security policy

The Company has prepared the information security statement of applicability, and developed the information security policy with reference to the provisions of ISO 27001, including one brochure, 17 rocedures, a total of 18 documents of information security management.

(3)Substantive management policies, and resources invested in information security management

In order to enhance information security management, prevent information misappropriation, alternation, loss or omission, ensure the confidentiality, integrity, and availability, the Company established the Information Security Management Committee in 2020, and appointed the Chief Information Security Officer, information security management, and information security staff to review the information security management and monitor such operation at MSI. It is expected that the information security management, monitoring and promotion will effectively increase the Company's ability of information security safeguards, and the employees' awareness of information security. In addition, the Company introduced ISO 27001:2013 information security systems in 2020, The Company has completed the ISO 27001:2022 version update in 2023 and obtain third-party certification (certificate obtained on February 1, 2024); In addition, we have joined Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) to make necessary adjustments and protection through reference to the latest updates on information security, protecting the Company's information security by reviewing the confidentiality, integrity, and availability of the Company's information and technology from top down.

2.As of the print date of the annual report, if there is any critical information security incident in the last year, please specify the loss, possible impact and responsive measures; if reasonable estimation is impossible, please describe the facts that cannot be reasonably estimated:None.

(Ⅶ)**Material Contracts**

Important contracts that remained effective as of the date the annual report was printed and expired in the most recent year on supply and distribution, technical collaboration, engineering projects, long-term loans and that are sufficient to impact shareholders' equities:

Nature of contract	Contracting Party	Term of Agreement	Main contents	Restrictions
Large authorization contract	Microsoft Corporation	From Aug.1, 2018 till termination by either party	GLOBAL PARTNER AGREEMENT Windows, Office, Apps & DSB software licensing	No transfer
Construction Contracts	Liming Construction Co., Ltd.	From January 17, 2025, until the completion of the entire project (1060 calendar days)	MSI's construction contract for the new factory building in Taoyuan Guishan Industrial Zone (civil engineering work).	None.

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

(Ⅰ) Analysis of Financial Status

Comparison and Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	87,201,812	82,173,798	5,028,014	6.12%
Property, plant, and equipment	6,531,860	5,238,639	1,293,221	24.69%
Intangible assets	-	-	-	-
Other Assets	2,886,810	3,111,377	(224,567)	(7.22%)
Total Assets	96,620,482	90,523,814	6,096,668	6.73%
Current Liabilities	42,651,817	39,427,392	3,224,425	8.18%
Non-current liabilities	1,094,611	916,158	178,453	19.48%
Total Liabilities	43,746,428	40,343,550	3,402,878	8.43%
Equity attributable to shareholders of the parent	52,874,054	50,180,264	2,693,790	5.37%
Share capital	8,448,562	8,448,562	0	0.00%
Capital surplus	806,029	805,408	621	0.08%
Retained Earnings	44,088,787	41,803,699	2,285,088	5.47%
Other equity interest	(469,324)	(877,405)	408,081	46.51%
Treasury shares	-	-	-	-
Non-controlling interests	-	-	-	-
Total Equity	52,874,054	50,180,264	2,693,790	5.37%

(1) Analysis of significant changes in assets, liabilities and equity for the last two years:
Property, plant, and equipment: The increase was mainly due to increase in land.
Other equity interest: The increase was mainly due to increase in gains on financial statements translation differences from foreign entities.

(2) Future plans for the major impact on financial position: The above deviations were caused by general business operations, having no major impact on MSI's financial position.

(Ⅱ) Analysis of Financial Performance

Comparison and Analysis of Financial Performance

Unit: NT$ thousands

Item \ Year	2024	2023	Amount	%
Sales revenue	197,871,915	182,965,688	14,906,227	8.15%
Net operating margin	24,195,185	22,845,651	1,349,534	5.91%
Operating profit	7,117,443	8,810,029	(1,692,586)	(19.21%)
Non-operating income and expenses	1,390,828	366,658	1,024,170	279.33%
Profit before income tax	8,508,271	9,176,687	(668,416)	(7.28%)
Income (Losses) from continuting operations	6,792,772	7,532,896	(740,124)	(9.83%)
Losses from discontinued operations	-	-	-	-
Profit for the year	6,792,772	7,532,896	(740,124)	(9.83%)
Other comprehensive income for the year (Net of income tax)	462,620	(175,510)	638,130	363.59%
Total comprehensive income for the year	7,255,392	7,357,386	(101,994)	(1.39%)
Profit attributable to sharholders of the parent	6,792,772	7,532,896	(740,124)	(9.83%)
Profit attributable to non-controlling interests	-	-	-	-
Total comprehensive income attributable to shareholders of the parent	7,255,392	7,357,386	(101,994)	(1.39%)
Total comprehensive income attributable to Non-controlling interests	-	-	-	-
Earnings per share	8.04	8.92	(0.88)	(9.87%)

1. Analysis of significant changes in sales revenue, operating profit, and profit before income tax for the last two years:
   Non-operating income and expenses: The increase was mainly due to increase in other gains.
   Other comprehensive income for the year: The increase was mainly due to increase in gains on financial statements translation differences from foreign entities.

2. Possible impact on financial performance and future plans:
   There is no disadvantage on future finance and business.

(Ⅲ)Analysis of Cash Flow

Unit：NT$ thousands

Beginning cash balance (A)	Net cash flow from operating activities (B)	Cash inflow(outflow) (C)	Cash surplus (deficit) (A)+(B)+(C)	Remedial measures for the expected insufficient cash	
				Investment plan	Financing plan
25,772,522	5,001,316	(7,730,443)	23,043,395	-	-

1. Analysis of Cash flow change:
   (1) Operating activities: cash inflow 5,001,316
   (2) Investing activities: cash outflow 3,181,677
   (3) Financing activities: cash outflow 4,859,114
   (4) Exchange rate changes: cash inflow 310,348

2. Remedial actions for liquidity shortfall: Not Applicable.

Year / Item	2024	2023	Variance
Cash flow ratio	11.73%	12.58%	(6.76%)
Cash flow adequacy ratio	86.06%	101.85%	(15.50%)
Cash reinvestment ratio	0.69%	(1.03%)	166.99%
Analysis of financial ratio change: The increase in cash reinvestment ratio was mainly due to increase in net cash flow from decrease in cash dividends.			

3. Cash flow analysis for the coming year:

Unit：NT$ thousands

Beginning cash balance	Estimated net cash flow from operating activities	Estimated cash inflow(outflow)	Estimated Cash surplus (deficit)	Remedial measures for the expected insufficient cash	
				Investment plan	Financing plan
23,043,395	7,400,000	(8,400,000)	22,043,395	-	-

(1) Analysis of cash flow change in current period:
   A. Operating activities: Cash inflow this year is expected to be due to profit and working capital changes.
   B. Investing and financing activities：Cash outflow this year is expected to be due to the issuance of cash dividend , real estate acquirement and equipments replacement.
(2) Remedial actions for liquidity shortfall: Not Applicable.

(Ⅳ) Recent years major capital expenditures and impact on financial and business:

Due to the good operational status of the company, cash inflows from operating activities are stable. In recent years, the funding sources for major capital expenditures have mainly relied on self-operated funds, thus having no significant impact on the company's financial operations.

(Ⅴ)Reinvestment in recent years:

1.The company's reinvestment policy for the most recent fiscal year:
The re-investment policy of the Company is meant mainly to explore overseas markets and provide in-depth services in major countries so that the revenue and worldwide market shares can be increased.

2.The main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability:
Income from reinvested businesses of the Company in 2024 totaled NT$2,002,772 thousand mainly due to worldwide inflation rate were slow down in 2024. PC shipment maintain stable and subsidiaries' net income can be similar to 2023.

3.Investment plans for the coming year: The Company's investment policy is based on the principle of long-term strategic investment, aiming to expand into overseas markets and strengthen presence in key countries. We are committed to enhancing overall competitiveness and global operational deployment, while adjusting investment plans in response to market dynamics and international developments.

(Ⅵ)Risk analysis and evaluation in recent years and up to the date of the annual report printed

1.The impact of interest rate, exchange rate, and inflation on the Company's income and expense and the responsive measures:

(1) Interest rate

The changing interest rate can impact the Company in two parts. As far as assets are concerned, income for the Company from cash and cash equivalents increases or decreases as the interest rate changes. For liabilities, expenditure on interest charged for short-term loans also increases or decreases as the interest rate changes. The impacts on the assets and liabilities from the changing interest rate as described above can be counterbalancing. If it is expected that the interest rate will significantly change, the Company can reduce its impact on the Company's profits and losses by adjusting durations of deposits and borrowings or through interest rate swap.

(2) Exchange rate

Sales of the Company are mainly export-oriented. Among them, more than 70% are priced in USD. Among the materials purchased, also more than 90% are paid in USD. The natural hedging ratio is high. Plus the current exchange rate hedging that is adopted to reduce risks associated with the changing exchange rate, the impacts of changing exchange rate on the Company are not too huge. The Company will continue to reduce the impacts that the changing exchange rate has on profits and losses by undertaking hedging transactions.

(3) Inflation

Generally speaking, inflation affects the purchasing power and willingness of consumers and reduces the demand for consumer products; it will have a negative influence on the overall revenue and profits and losses of the Company. Impacts of inflation, however, are comprehensive; that is, not only individual companies are affected. In other words, the government financial departments shall stipulate related measures with macroeconomics in mind. Nevertheless, the Company will devoted to bringing down its production cost in order to keep its revenue by introducing products at a price that can better inspire consumers to buy and to accordingly reduce the negative impacts that inflation has on the Company's profits and losses.

2.Conducting high-risk and high-leverage investment, granting loans to others, endorsement & guarantee and directives policy, root cause of profit and loss, and the responsive measures:

The Company's policy is not to undertake high-risk, high-leverage investments and not to lend funds to others or serve as endorser or guarantor. In terms of its policy on derivatives, it only engages itself in hedging transactions. The exchange rate hedging transactions the Company undertook in the most recent year accordingly reduced the impacts of the changing exchange rate on the Company's profits and losses. In the future, such undertaking will keep going in order to reduce the impacts that the volatility in exchange rate on the Company's profitability.

3.R&D plans and budgeted R&D expense：

Products development planned in 2025

(1) Products development

A. Motherboards

- Developing Intel® 800 series and AMD® AM5 motherboards tailored for different user groups, including AI, Gaming, Overclocking, Creator, Business, and Compact platforms.
- Creating innovative products to break traditional markets, such as back-connect motherboards with exclusive case design and ultra-compact PCs, catering to diverse system requirements.
- Advancing and refining AI deep learning applications and integration across motherboard solutions.
- Continuously optimizing BIOS functionality, interfaces, and software features, including Click BIOS X and MSI Center, for an enhanced user experience.

B. Professional Graphics Card and Professional Gaming Gears

- Develop more powerful and high-efficiency graphics cards.
- Develop graphics card with “AI deep learning” technologies.
- Develop graphics cards using advanced technology and components
- Continue to develop cooling modules and fans with better cooling performance and low noise.
- Develop high-quality and functional graphics card products.
- Continuous improvement and integration of graphics card S/W applications.
- Develop faster and larger capacity SSD products.
- Develop more Professional Gaming peripherals.
- Develop more Network products and peripherals.
- Develop and integrate Creator Series graphics card solution.

C. Servers

- Design and manufacture rack and system solutions for data center of computing and storage products.
- Design and manufacture the new generation AI systems with NVIDIA GPU solutions.
- Develop the new generation multi-node server systems for high performance computing on EIA and ORv3 architecture with Intel® and AMD® processors.
- Develop the new generation general purpose systems for enterprise and mainstream servers with Intel® and AMD® processors.
- Develop the next generation AI Edge, workstation, and embedded systems with Intel® and AMD® processors
- Develop the Next Generation Firewall (NGFW) product with Intel® and AMD® processors and integrated ethernet switch chip.
- Develop SD-WAN & uCPE network appliance products with Intel® Xeon-D processor.

D. Desktop Computers

- Developing desktops and all-in-one (AIO) PCs based on the latest Intel® platform.
- Developing desktops based on the latest NVIDIA® platform.
- Developing desktops based on the latest AMD® platform.
- Continuously advancing AI applications in Gaming desktops and business scenarios to provide users with a more convenient product experience.
- Ongoing development of AI software to optimize AI performance and dynamically adjust system resources, enhancing gaming and productivity efficiency.
- Continuously developing commercial desktops and AIO PCs with enhanced data security, such as business PCs supporting vPro Enterprise.
- Ongoing development and certification of commercial desktops and AIO PCs meeting international environmental standards, such as Energy Star, EPEAT, and TCO certifications.

E. Telematics and Automotive Electronics

- New generation in-vehicle smart display system.
- Smart rearview mirror system for heavy duty vehicles.
- Next generation rugged smart tablet.
- Next generation wireless smart video conferencing system.
- Next generation high resolution wireless multimedia entertainment system.

F. Laptops

- High-performance immersive Gaming laptop.
- AI-powered intelligent laptop.
- Brand-exclusive or collaborative special edition laptop.
- Workstation-grade laptop.
- Business laptop with advanced security features.
- Ultra-thin and lightweight laptop.

G. Monitors

- Enhancing the computational technology of AI-human interaction in displays.
- MSI's latest AI Navigator introduces AI technology to enhance convenience and intelligence, simplifying the user experience and increasing engagement.
- Supporting DP 2.1 to accommodate future graphics card designs and to support uncompressed high-quality images in the future.
- Strengthening support for HDMI 2.1 to provide lossless images and Variable Refresh Rate (VRR) support.
- Development of the Mini LED technology and G-SYNC Pulsar Tech monitors for Esports professionals.
- Optimized the monitor color display technology and preset color calibration.
- Integrate the features of all product lines to establish a new MSI ECO System.
- Continuing the development of consumer control CEC functions, strengthen the connection with the Console machine and expand the market.
- Develop the Power Delivery charging scheme is optimized to enhance the charging function of higher wattage.
- Added high refresh rate 100Hz above commercial monitors to enhance eye protection and user comfort.
- Develop a hardware less blue light solution to enhance the eye protection effect and reduce the color loss of the display.
- Develop the new generation of panel technology OLED for Esports dedicated monitors.
- Develop the new generation of QD-OLED new quantum dot and OLED displays to enhance consumer entertainment experience.
- Innovating professional monitors with Smart Sensor and Active Noise Cancellation (ANC) Technology that bring the best viewing experience & enhance the productivity for users.
- Innovating curved professional monitor that bring the most comfortable environment for users while working for long time.
- Developing the portable monitor that can enhance the connection the smartphone, and others mobile devices.

H. Others (Case, Liquid Cooler, Power Supply)

- Enhance AI computing power, with flagship cases capable of accommodating a full dual-system setup and three graphics cards.
- Continue the spirit of EZ DIY by developing cases and peripherals that reduce assembly difficulty for Gamers.
- Design professional-grade power supplies tailored to support multiple device expansions.
- Develop higher-wattage, quieter, stable and reliable power supply modules.
- Integrate multiple LCD screens with liquid cooling systems, offering versatile customization via MSI Center.
- Simplify the wiring of liquid cooling systems, providing faster and more efficient installation methods.

I. AMR (Autonomous Mobile Robot) and FMS (Fleet Management System)

- Cooperate with system integrators to integrate related application services and products required for AI Based automation and Collaborative Robot.

J. Smart EV Charger

- Electric vehicle charging products and cloud service application solutions.
- Green energy-related applications and products.
- Smart parking management applications and products.
- Dynamic energy management systems.

K. EV OBC (On Board Charger / In Vehicle PC)

- Specifically designed charging equipment for Battery Electric Vehicles (BEV) and Plug-in Hybrid Electric Vehicles (PHEV).
- 6.6kW power capacity.
- EVCC (Electric Vehicle Communication Controller) software control.

(2) Progress of unaccomplished R&D plans: Product design and development stage.

(3) Current progress of R&D projects yet to be completed: The overall progress is about 20% to 80% at present, depending on respective products involved.

(4) Major factors that affect the future success of R&D：A. Market factor B. Delayed key parts and components C. Shortage of parts and components.

(5)R&D budget in 2025：NT$5.78 billion

(6)Projection on mass production:2025～2026。

4.The impact of domestic and international policies and law change on the Company's finance and the responsive measures：None

5.The impact of technology change and industrial change on the Company's finance and the responsive measures：The Company always pays attention to the technological changes in its industry, and sets up the Information Security Committee to assign a member or form an ad hoc taskforce to evaluate the impact on the Company's future development, finance and business, and study the responsive measures. There is no significant technological changes that will have serious impact on the Company's finance and business.

6.The impact of industrial image change on business risk management and the responsive measures：None

7.The expected effect, potential risk, and responsive measures of merger：None

8.The expected effect, potential risk. and responsive measures of plant expansion：None

9.The risk relating to excessive concentration on procurement and customer：None

10.The impact of massive stock transfer or change by directors, supervisors, and shareholders with over 10% shareholding, the risk, and the responsive measures：None

11.The impact of right to operate change on the Company. The risk, and the responsive measures：None

12.Legal and non-legal events：

(1)As of the publication date of annual report, whether the directors, supervisors, President, and shareholders with shareholding ratio over ten percent of the Company are involved in any significant litigation, non-litigation or administrative litigation cases, such cases have been sentenced or are currently pending, and the results there of have a significant impact on shareholders' equity or securities price：None

(2) Significant litigation, non-litigation or administrative litigation cases of the Company in the most recent years and up to the date, such cases that have been sentenced or are currently pending, and the results thereof that have a significant impact on shareholders' equity or securities price：None

13.Other significant risks and responsive measure：

(1) Risk management policy: The Company's policy towards risk management is to evaluate possible impacts of the various risk matters on the profits and losses of the Company and to stipulate respective response policies accordingly.

Risk assessment	Impacts on profits and losses	Countermeasure
1. Financial risk	The Company has an optimal financial structure; its debt ratio is 45% and net worth reaches 52.9 billion. Financial risk is hence not high.	Continue with the optimal financial structure in order to reduce financial risk
(1) Market risk (including exchange rate and interest rate)	Major products of the Company are sold to Europe, Asia, and America; they are not overly focused on a specific single market. Therefore, market risk is not high.	Continue to diversify areas of distribution in order to reduce market risk
(2) Credit risk	The primary credit risk of the Company comes from accounts receivable from its customers. Insurance has been purchased for the accounts receivable as safety measure to reduce such risk. Therefore, credit risk is not high.	Continue to have accounts receivable covered by insurance as safety measure to reduce credit risk
(3) Liquidity risk	The current ratio of the Company is up to 204%; the liquidity risk is not high.	Continue with the optimal current ratio in order to reduce liquidity risk
(4) For the nature and extent of significant financial risks, refer to MSI Parent Company Only Financial Statements and Independent Auditors' Report Pages **53**～**58** , and MSI and Subsidiaries Consolidated Financial Statements and Independent Auditors' Report Pages **54**～**59** for details. https://mops.twse.com.tw https://www.msi.com		
2. Legal risk	MSI management closely monitors all domestic and foreign governmental policies and regulations that might impact MSI's business and financial operations. In 2023 and as of the date of this Annual Report, there were no governmental policies or regulatory changes would materially impact MSI's operations or financial condition.	
3. Evaluation of strategic and operational risks	The Company has successfully extended its business to displays, PC peripherals, servers, and auto-electronics from its core business of computer motherboards, display cards and laptops., among other diversified fields. As far as operation is concerned, as the management complexity increases, daily response mechanisms need to be developed for the evaluation of strategic and operational risks. In terms of management, the strategy is to extend core specialties and combine the many technologies researched and developed over the years and to keep track of demand on the market for the industry. The hope is to create another wave of growths for the Company and to bring about maximum benefits for the Company's shareholders. In order for strategic goals to be precisely fulfilled, the Company operates by connecting the value chain through its business departments and the functional main part when it comes to organization and operation. Annual goals are set according to the competition in the industry facing product business	(1) Periodically review the growths in core sectors Set goals for growth, market share, and profitability that are higher than industrial averages (2) Set reasonable return on investment based on the careful evaluation in advance and the management plan for a new business and demand that profits and losses reach a balance within a given period of time. Set phased strategic goals reflective of the nature of the sector involved, such as obtaining purchase orders from prospective customers, timely mass production, and securing a certain market share on the strategic target market. (3) Related departments meet on a monthly basis to review the operational efficacy and examine and adjust the strategies on a quarterly basis; related organizational adjustment is made right away for unachievable ones in order to control risk. (4) Keep timely track of daily operations around the world through the real-time information system, including shipment, stock and Inventory turnover, purchase order, operating fund, among others, and set the alert criteria. (5) Gather managers around the world periodically to discuss management strategies

	departments and managerial meetings are called for periodically to discuss the strategy and operational efficacy in order to adopt immediate countermeasures that help bring down operational risk.	that concern where the Company will go next. High-raking management is to adjust strategies taking into consideration resources available throughout the Company and the operational status. (6) We aim to improve information security protection and response capabilities to lower information security risks, through the Business Continuity Plan (BCP), regular testing, network management monitoring, external consulting services, and internal and external audits to ensure the system implementation, and employee education and training.

4. Information security risk

The Company introduced ISO27001 in 2020 to establish relevant systems and documents in accordance with the specification content for compliance, after verification by a third party, the Company obtained the certificate on February 1, 2024.

Item	Policy Document Name	Content
1	Handbook for information security	Guidelines for information security, covering information security policy, review and evaluation
2	Management procedures for information security	Structure and responsibilities of the information security organization, including: 1. Basic information security structure 2. Stakeholder group
3	Statement of suitability of information security	Implementation status of security control measures meeting ISO/IEC 27001 to strengthen the information security of the Company
4	Procedures for managing personal information security	Explanations about safety management processes before, during, and after the employment, or change of employment, including: 1. Word descriptions and safety of resource allocation 2. User training 3. Safety and failure event reactions
5	Management procedures for system access, development and maintenance	1. Access control for the information system. 2. Access control for program source code. 3. Data input/output controls. 4. System development, change and maintenance. 5. Maintenance for system management. 6. System capacity planning and monitoring. 7. Management of privileged tool programs. 8. Duty segregation.
6	Procedures of communication security	1. Network usage policy. 2. Network security management. 3. Network routing management. 4. Monitoring network facilities and the connection. 5. Regulations for security management of remote diagnosis. 6. Management for basic services of network facilities. 7. Email management. 8. Management of network firewall. 9. Management of network security audit. 10. Document control on network.
7	Measures for access control	1. Operational requirements of access control 2. User access management 3. User responsibility 4. Internet access control 5. Operating system access control measures 6. Application system access control 7. Monitoring system access and use 8. Mobile computer process, and remote work access control 9. Third party access security

8	Physical and environmental safety management	1. Security management for facility security. 2. Management of computer room security. 3. Maintenance of computer room. 4. Security management for storage media. 5. Security management for purchase order, procurement and maintenance of information software and hardware facilities. 6. Transfer and disposition of assets of information system (including scrapping, sale and loss). 7. Usage of portable storage media. 8. Protection of intellectual property rights, personal identification and privacy
9	Management procedures for continuous operation	1. BCM planning and framework 2. Business impact analysis 3. Business Continuity Plans (BCP) preparation and implementation 4. BCP testing, maintenance, and revaluation
10	Procedures for managing information security incidents	1. Information security breach management procedures 2. Information security breach handling and follow-up 3. Information security breach analysis and statistics
11	Procedures for internal audit	1. Annual audit planning and schedule making 2. Security policy and technical conformity review 3. System and operation management audit considerations
12	Management procedures for public key certificate	1. Management principles of public key certificate. 2. Principles of certificate agency selection. 3. Operation policy of the certificate agency.
13	Management procedures for evaluation of IT assets and risks	1. Asset authentication 2. Risk analysis 3. Risk handling 4. Legal compliance
14	Management procedures for outsourced IT operation	1. Security policy for outsourced IT operation. 2. Requirements and confidentiality agreement for outsourced IT operation.
15	Measure for IT operation management	1. Principles of information hierarchy. 2. Principles of handling records of confidential information. 3. Methods for destroying information.
16	Procedures for managing operation security	1. Change of management. 2. Capacity management. 3. Management of system environment (development, testing and operation). 4. Management for anti-virus software usage. 5. Backup management. 6. Log management. 7. Time sync management. 8. Management of technology vulnerability. 9. Management of software installation.
17	Procedures for auditing management system	Procedures and guidance for management review

5. Climate risks	The probability and severity of natural disasters (including drought, mites, snowstorms, high temperature/heat waves, typhoons/strong rainfall) brought about by extreme weathers may affect the Company's production and operations. The risks may include production constraints, operations, equipment, and investment cost rise and inefficiency, etc. There is no significant impact at present.	For impacts of climate change to the electronics industry, risk analysis and extreme event impacts are important issues from the disaster perspectives. We have made the disclosure based on the framework including “governance, strategy, risk management, metrics & targets recommend in Task Force on Climate-Related Financial Disclosures (TCFD) from the Financial Stability Board (FSB). We also conducted impact analysis in vulnerability and risk assessments, applying

		factors for climate and environmental changes, in order to examine the current protection for better risk control, as well as new business opportunities. Disclosed in the Sustainability Report: https://tw.msi.com/about/company/Despite the fact that MSI is not an energy-intensive manufacturer,In addition to actively announcing its controls of greenhouse gas emission and signing covenants, MSI also develops the strategies of reducing greenhouse gas during production and operation. (1) Management Strategy ● Resilience to climate change: Implement risk identification, response and prevention measures in relation to climate change and avoid impact to operations. ● Promote low-carbon production: Adopt optimized technologies to reduce greenhouse gas emission, and set reduction goals. ● Incorporate green energy equipment: Acquire and utilize renewable energy equipment such as solar-powered heaters to reduce dependency on power grid. ● Improve energy efficiency: Devise energy and carbon reduction measures and enforce action plans for improved energy efficiency. (2)Control Measures ● Identification、evaluation and analysis of impacts and risks associated with future climate. ● Adaptation planning and review. ● Energy/resource coordination. ● New protection facilities or improved disaster prevention equipment. ● Regular examination of asset and commercial insurance coverage to determine whether they are adequate for compensating losses caused by climate change.

2、Organizational Structure of Risk Management The company's risk management policy assesses various risks faced during operational activities that may impact company operations and formulates corresponding countermeasures. To ensure the risk management operation is followed, the company passed the "Risk Management Policy and Procedures" on November 11, 2022, and the board amended it on August 10, 2023. The company's risk management is overseen by the Audit Committee, which has established a risk team divided into four groups: operational risk, financial risk, compliance risk, and cybersecurity risk. The Audit Committee is authorized to supervise the operation and execution of the company's risk management and report to the board at least once a year (the report for 2024 was made on November 12, 2024).

(1)Operations and Execution of the Financial Risk Group: Establishing a management mechanism for long-untouched customers. To ensure transaction safety and accurate information, the company's Audit Committee instructed a comprehensive review of customer transaction records. Customer accounts that have not transacted for six consecutive months will be closed and shipments suspended, with a mechanism for quarterly reviews established. If a closed account needs to be reactivated, the customer's payment accounts, delivery address, contact person, phone number, email, and other basic information must be confirmed as accurate before reactivation。

(2)Operations and Execution of the Compliance Risk Group: As of 2024, there have been no policy or legal changes that significantly impact financial operations

(3)Operations and Execution of the Cybersecurity Risk Group: Strengthening spam email handling mechanisms and endpoint device management.

①Reducing spam emails at the source to lower cybersecurity risks caused by employees infecting Trojan programs. (Irregular training and awareness sessions for employees are conducted, with a total of 21,782 social engineering exercises held in 2024.)

②Strengthening endpoint device management to avoid unpatched security updates and unprotected devices entering the company's network environment.

(4)Operations and Execution of the Operational Risk Group:

①To respect internationally recognized fundamental labor rights principles, the company adheres to international guidelines such as the "United Nations Global Compact," "Universal Declaration of Human Rights," and "International Labour Organization," establishing the "MSI Human Rights Declaration" and the "MSI Modern Slavery Act Statement." Policies and specific management plans protecting human rights include non-discrimination, no forced or compulsory labor, no child labor, and the establishment of complaint mechanisms. Regular training and advocacy sessions on anti-discrimination, ethics (anti-corruption), employee rights (including human rights), forced labor, and sexual harassment are conducted for management, general employees, and new hires (totaling 1,172 hours in 2024).

②Total occupational accidentcases, percentage of total employee number in 2024, and the relatedimprovement actions: None.

The company has set up the Occupational Safety and Health management entities, Occupational Safety and Health committee, Meal Committee and medical care office, conducted regular safety and health training for employees and contractors to provide a safe workplace and ensure employee's physical and mental health (10,478 hours in 2024).

2024 training program	Time
Health promotion workshop/campaign, health information session	9,162 hours
Disaster prevention education and training	553 hours
Environmental education	520hours

③Employee Safety and Health Work Environment Measures

The company has received the ISO 45001 Occupational Safety and Health Management System Certification.(On December 6, 2024, the certification mark was renewed, valid from 2025 to 2027). The company received the 13th New Taipei City Occupational Safety Award and obtained the Sustainable Health and Safety Award and the Excellent Personnel Award. In order to promote the safety of the working environment and physical protection of employees, the company continues to carry out related equipment maintenance and safety testing.

Item	Equipment Maintenance (Safety Test)
Firefighting (fire extinguisher, smoke detector、Evacuation equipment)	Once/Monthly, quarterly,yearly
Air conditioning (heat dissipation, blower, ice water host)	Once/Monthly, quarterly,yearly
Electricity (generator, power outage maintenance、power supply equipment)	Once/Monthly, quarterly,yearly
Carbon dioxide	Once/Biannually (Test)
Noise	Once/Biannually (Test)
Illuminance	Once/Annually (Test)
Wind speed control (laboratory local exhaust)	Once/ Annually (Test)
Organic solvent (isopropyl alcohol, methanol, n-hexane)	Once/Biannually (Test)
Lead, tin	Once/Biannually (Test)
Drinking water	Once/Monthly(Test)
Employee cafeteria food ingredients and tableware	Once/Monthly (Sampling test)

To provide employees with a safer and healthier working environment, the company continues to strengthen and improve various facilities and benefits, including increasing meal subsidies, replacing old water dispensers and pipes, repairing air conditioning pipes, toilet repairs, constructing anti-slip parking lot floors and ramps, and installing weatherproof corridor curtain walls, wall surfaces, elevators, maintaining the employee health center, providing disaster prevention education and training, and conducting two emergency drills each year to familiarize employees with firefighting notifications, rescue operations, emergency evacuations, evacuation procedures, and equipment operations (fire extinguishers, hydrants) to improve personnel response capabilities and reduce disasters.

(Ⅶ)Other material events：None.

Ⅵ. Special disclosures

(Ⅰ)Related Party Information

According to the Financial Supervisory Commission's order No. 1130382569 issued on June 26, 2024, and the "Guidelines for the Disclosure of Information in Annual Reports of Publicly Listed Companies," our company has prepared the related party consolidated operating report, related party consolidated financial statements, and related party report (collectively referred to as the "Related Party Documents") in accordance with the "Standards for the Preparation of Related Party Consolidated Operating Reports, Related Party Consolidated Financial Statements, and Related Party Reports." These documents have been included in the financial report for the year 2024 and disclosed in the related party document section of the Public Information Observatory, accessible at: https://mops.twse.com.tw

(Ⅱ)Subscription of marketable securities privately in the most recent years and up to the date of the report printed：None

(Ⅲ)Other Necessary Supplement: None.

(Ⅳ)Occurrence of events defined in Securities Transaction Law Article 36.2.2 that has great impact on shareholders' equity or security price in the most recent years and up to the date of the repost printed：None.

微星科技股份有限公司
Micro-Star International Company Limited

新北市235中和區立德街69號 No.69, Lide St., Zhonghe Dist., New Taipei City 235
Tel: 886-2-3234-5599 Fax:886-2-3234-5488 http://www.msi.com