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ONANO INDUSTRIAL CORP.

2024 Annual Report

(Translation)

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**Annual Report Website: Market Observation Post System <http://mops.twse.com.tw>
Company Website: <http://www.onano-nm.com>**

DISCLAIMER :

THIS IS A TRANSLATION OF 2024 ANNUAL REPORT OF ONANO INDUSTRIAL CORP. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.

1. Names, Titles, Contact Numbers, and Emails of Spokesperson and Acting Spokesperson

Spokesperson

Name: Chen, Chun-Hsia

Title: Chairman & General Manager

Tel: +886-3-433-5831

Email: public@onano-nm.com

Acting spokesperson

Name: Wang, Ching-Hung

Title: Senior Manager

Tel: +886-3-433-5831

Email: public@onano-nm.com

2. Contact Information of Headquarters, Branches and Plant

Unit	Address	Telephone
Headquarter/ Plants	No.18, Beiyuan Rd., Zhongli Dist., Taoyuan City	+886-3-433-5831

3. Contact Information of the Institution for Stock Transfer

Name: Registrar & Transfer Agency

Tel: +886-2-2389-2999

Department of KGI Securities Co. LTD.

Address: 5F., No. 2, Sec. 1, Chongqing S.

Website: <https://www.kgiworld.com.tw>

Rd., Zhongzheng Dist., Taipei City

4. Contact Information of the Certified Public Accountants for the Latest Financial Report

CPA: Tu, Chan-Yuan; Yu Chih-Fan

Tel: +886-2-2729-6666

CPA Firm: PwC Taiwan

Website: <https://www.pwc.tw>

Address: 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City

5. Overseas Listings and Access to the Listing Information: None.

6. Company Website: <http://www.onano-nm.com>

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Letter to Shareholders

Dear Shareholders,

Thanks to all shareholders for your long-term attention, support, care, and guidance to the Company, we hereby report to you 2024 business outcomes and 2025 business plan summary, the future development strategy, and the impact of the external competition environment, regulatory environment, and the overall business environment:

I. 2024 Business Report

(1) Implementation outcomes of the business plan:

The operating revenue of the Company in 2024 was NT\$131,808 thousand, which decreased by 37% compared with NT\$209,016 thousand in 2023. The reason for the decline in operating revenue is mainly due to factors such as rising materials and labors and inflation, which have led to negative growth in global economic growth. Coupled with geopolitical factors, the panel market has directly faced an impact, resulting in weak market prices and continued sluggishness, and industrial losses have also gradually increased. Therefore, the slimming demand, followed by the panel semi-finished goods processing, is also deeply affected. As a result of the significant decrease in operating revenue, the negative gross profit in 2024 was NT\$-6,414 thousand, which increased by 45% compared with NT\$-4,412 thousand in 2023. The gross profit margin decreased from -2% in 2023 to -5% in 2024.

(2) Budget Execution Status

The Company did not publicly disclose any financial forecasts for the year 2024; therefore, disclosure of budget execution status is not required.

(3) Analysis of profitability and financial position:

The Company's net operating loss was NT\$104,587 thousand in 2024, which decreased by NT\$12,841 thousand from NT\$117,428 thousand in 2023 due to the decline in revenue. The pre-tax loss decreased from NT\$84,129 thousand in 2023 to NT\$37,460 thousand in 2024, resulting in a pre-tax net loss. Net loss after tax decreased from NT\$86,002 thousand in 2023 to a net loss after tax of NT\$49,481 thousand in 2024. Basic loss per share also decreased from NT\$-1.31 in 2023 to NT\$-0.75 in 2024.

In terms of financial position, the current ratio, quick ratio and debts ratio of the Company in 2024 were 3,550.14%, 3,534.41%, and 1.01% respectively. The Company has always maintained sound financial operations, so the financial structure ratio is satisfactory.

Item			2024	2023
Financial status	Current ratio (%)		3,550.14	2,027.20
	Quick ratio (%)		3,534.41	2,012.40
	Debts ratio (%)		1.01	3.10
Profitability	Return on assets (%)		(1.97)	(3.23)
	Return on equity (%)		(2.02)	(3.42)
	Paid-in capital ratio	Operating income (loss)	(15.89)	(17.85)
		Profit (loss) before tax	(5.69)	(12.79)
		Earnings per share after tax (NTD)	(0.75)	(1.31)

(4) Research and development status:

In 2024, the Company has specialized in researching, developing, manufacturing, and serving opto-electronic glass slimming. To provide our customers with high-quality products and complete manufacturing services, the Company continues to invest in R&D in the in-house development and manufacturing of the equipment, fixture, chemical recipes, etc. In addition to fully mastering autonomous technology, it can also strengthen the overall competitiveness of the Company. R&D expenditure amounted to NT\$57,707 thousand in 2024 and NT\$65,341 thousand in 2023, maintaining a sustained R&D strength. To build the entry barriers and prolong competitive advantage, in addition to continuously improving production and management efficiency to reduce production costs, the Company's research and development will aim at providing high-quality and complete glass substrate slimming and polishing services, including ultra-slim photoelectric glass process development and high performance slimming chemical recipes development.

II. Summary of 2025 annual business plan

(I) Business policy and important production and marketing policy:

1. Business direction:

- (1) The terminal application markets involved in those technologies and services provided by the Company are mainly smartphones, NB, tablet computers, game consoles, etc. Based on those accumulated mass production technologies and quality advantages in the past, we continue to provide the panel factories with the capacity and technical cooperation for new products, to maintain and strengthen our position and market share in the domestic opto-electronic glass slimming market. In addition, we are also engaged in the development of glass substrate technology related to IC carriers, extending our many years of experience in etching to the application of glass substrates for advanced packaging, transforming into a professional

advanced packaging processor, and creating new opportunities for Taiwan's semiconductor supply chain.

- (2) Compared with the gross profit margin of other displays, the gross profit margin and orders of automotive panels are relatively stable. Once certified, they are less prone to be replaced at will. However, the automotive panel processing technologies required not only etching and slimming, but also more advanced film coating technology. Therefore, the business in the future will focus on ultra-slim panel film coating technology and improving the automotive panel slimming process. Supplemented by 3D-IC heterogeneous integrated packaging and other research and development expecting the Company will develop toward multidimensional operation in the future.
- (3) Continue to deepen the domestic market and plan to expand overseas markets, focus on customer needs, provide other technical services and all-round customer services, expand business areas, and maintain the Company's industrial competitiveness and profitability. Investing in innovative product development sustains the business at the same time.

2. Production strategy:

- (1) By optimizing the existing slimming technology, we provide a one-stop solution of substrate slimming, polishing, and hole etching services, and assist our customers to improve product competitiveness, meet market demand, improve process production time, as well as enhance qualification yield, to achieve a win-win situation between the Company and customers.
- (2) Meeting the on-board market demand, it is urgent to improve the high impedance film coating technology applied to on-board products. Only precise film coating technology can meet the market requirements. The Company will lead the upgrade by technology, meanwhile, it will, based on the existing technology, cooperate with the major panel factories to complete the automotive film coating tests and become a qualified supplier offering the panel film coating services to the famous automotive manufacturers in the world.
- (3) The Company will continue to strengthen production management, invest in core technology development, enhance the environmental protection process and new material research and development, and increase the automated production ratio to improve process technology and increase production yield. In addition to effectively reducing production costs, it can also meet customer needs, so as to enhance the Company's competitive advantage.

3. Marketing strategy:

The Company's short-term marketing strategy: By optimizing the existing slimming technology, we provide a one-stop solution of substrate slimming, polishing, and hole etching services, and assist our customers to improve product competitiveness, meet market demand, improve process production time, as well as enhance qualification yield, to achieve a win-win situation between the Company and customers. In order to respond to changes in the external market environment and take into account both short-term and long-term benefits, grasp the pulse of market demand, use existing technologies and advantages, provide customized services in cooperation with customers' new product development plans, and continue to improve marketing and business promotion capabilities to continue expanding the product market share.

(II) Expected sales volume and basis:

As the Company does not voluntarily disclose financial forecast information, it does not provide relevant forecast data.

III Impact on the development strategy of the Company in the future from an external competitive environment, regulatory environment, and overall business environment

Uncertain factors such as the Russia-Ukraine War, tensions in East Asia, and China–United States relations in recent years have caused stagflation and consequently affected overall consumer willingness, causing the market downturn. Product demand may turn into a temporary urgent. Only by flexibly adjusting the production plan and working days can we meet market expectations and customer needs. In the future, the Company will continue to refine the glass substrate slimming technology and the glass-related continuation process to meet the market trend and demand, and continue to provide high-quality processing services.

Wishing all shareholders good health and all the best.

Chairman Chen, Chun-Hsia

Corporate Governance

I. Background information of Directors, General Managers, Vice Presidents, Assistant Managers, and the heads of various departments and branches

(I) Director

1. Profiles of Directors

March 25, 2025; Unit: shares

Title	Nationality and Registry	Name	Gender Age	Date Elected	Term	Date First Elected	Shares at Election		Current Number of Shares Held		Shareholdings of Spouse and Underage Children		Shares Held in the Names of Others		Major Career (Academic) Achievements	Current Duties in the Company and in other Companies	Spouse or Relatives of Second Degree or Closer Acting as Department Heads, Directors or Supervisor			Remark
							Quantity	%	Quantity	%	Quantity	%	Quantity	%			Title	Name	Relation	
Chairman	Republic of China	Hong Cheng Investment Ltd.		June 16, 2022	3 years	June 12, 2019	3,594,580	5.46%	3,594,580	5.46%	-	-	-	-	-	-	-	-	-	None
		Representative: Chen,Chun-Hsia	Male Age 61-70	June 16, 2022	3 years	July 13, 2004	4,822,241	7.33%	4,822,241	7.33%	298,937	0.45%	-	-	Chairman of Cosmo Electronics Corp. Representative of the institutional director of EasyCard Investment Holdings Co., Ltd.	Chairman & General Manager of ONANO Industrial Corp. Chairman of MARUMI Electronics Corporation	-	-	-	Note 1
Director	Republic of China	Hong Yu Investment Ltd.		June 16, 2022	3 years	June 12, 2019	1,444,158	2.19%	1,444,158	2.19%	-	-	-	-	-	-	-	-	-	None
		Representative: Chen,Chih-Cheng	Male Age 61-70	June 16, 2022	3 years	July 13, 2004	846,111	1.29%	846,111	1.29%	215,512	0.33%	-	-	Department of Mechanical Engineering, Hwa Hsia University of Technology Supervisor, Independent Director, Remuneration Committee and Audit Committee of Single	Director of Hong Yu Investment Ltd. Supervisor of MARUMI Electronics Corporation Director of ONANO Industrial Corp.	-	-	-	None

Title	Nationality and Registry	Name	Gender Age	Date Elected	Term	Date First Elected	Shares at Election		Current Number of Shares Held		Shareholdings of Spouse and Underage Children		Shares Held in the Names of Others		Major Career (Academic) Achievements	Current Duties in the Company and in other Companies	Spouse or Relatives of Second Degree or Closer Acting as Department Heads, Directors or Supervisor			Remark
							Quantity	%	Quantity	%	Quantity	%	Quantity	%			Title	Name	Relation	
															Well Industrial Corp. Chairman of Cosmo Electronics Corp.					
Director	Republic of China	MARUMI Electronics Corporation		June 16, 2022	3 years	December 27, 2006	3,915,239	5.95%	3,915,239	5.95%	-	-	-	-	-	-	-	-	-	None
		Representative: Huang, Shan-Jung	Male Age 61-70	June 16, 2022	3 years	August 23 2021	0	0%	0	0%	-	-	-	-	Electrical Engineering, National Taiwan University Chairman of E-TEN Information Systems Co., Ltd. Chairman of ROYALTEK Company Ltd.	Chairman of You Tian Co., Ltd. Director of ONANO Industrial Corp.	-	-	-	None
Director	Republic of China	MARUMI Electronics Corporation		June 16, 2022	3 years	December 27, 2006	3,915,239	5.95%	3,915,239	5.95%	-	-	-	-	-	-	-	-	-	None
		Representative: Wu, Cheng-Che	Male Age 41-50	June 16, 2022	3 years	June 15, 2012	535,425	0.81%	535,425	0.81%	-	-	-	-	Department of Chemical Engineering and Materials Science, Yuan Ze University Senior Manager of ONANO Industrial Corp. Brand department manager of LEADER Electronics Inc.	Executive Assistant of Seetel New Energy Co., Ltd. Director of ONANO Industrial Corp.	-	-	-	None

Title	Nationality and Registry	Name	Gender Age	Date Elected	Term	Date First Elected	Shares at Election		Current Number of Shares Held		Shareholdings of Spouse and Underage Children		Shares Held in the Names of Others		Major Career (Academic) Achievements	Current Duties in the Company and in other Companies	Spouse or Relatives of Second Degree or Closer Acting as Department Heads, Directors or Supervisor			Remark
							Quantity	%	Quantity	%	Quantity	%	Quantity	%			Title	Name	Relation	
Independent Director	Republic of China	Li, Kun-Chang	Male Age 51-60	June 16, 2022	3 years	June 16, 2022	-	-	-	-	-	-	-	-	Doctor of Management, National Central University Dean of Student Affairs Office of Soochow University Dean of Accounting Department of Soochow University Executive Director of Franklin Financial Technology Development Center, Business School of Soochow University Associate Professor of Soochow University Assistant Professor at Soochow University CEO of Premier Think Tank Co., Ltd. CEO of Premier CPAs Firm Audit Department of Deloitte & Touche	Professor of Department of Accounting, Soochow University; Professor of School of Law, Soochow University; Professor of School of Law, Fu Jen Catholic University; Independent Director, Remuneration Committee, Audit Committee, Sustainable Corporate Governance Committee, and Information Security Committee member of Eastern Media International Corporation Independent Director, Remuneration Committee, Audit Committee and	-	-	-	None

Title	Nationality and Registry	Name	Gender Age	Date Elected	Term	Date First Elected	Shares at Election		Current Number of Shares Held		Shareholdings of Spouse and Underage Children		Shares Held in the Names of Others		Major Career (Academic) Achievements	Current Duties in the Company and in other Companies	Spouse or Relatives of Second Degree or Closer Acting as Department Heads, Directors or Supervisor			Remark
							Quantity	%	Quantity	%	Quantity	%	Quantity	%			Title	Name	Relation	
																Sustainable Committee member of United Orthopedic Corporation Independent Director, Remuneration Committee and Audit Committee of Tatung Fine Chemicals Co. . Independent Director, Remuneration Committee and Audit Committee member of ONANO Industrial Corp.				
Independent Director	Republic of China	Hsu, Ying-Chieh	Male Age 41-50	June 16, 2022	3 years	March 21, 2013	-	-	-	-	-	-	-	-	EMBA of College of Management, National Taiwan University Department of Law, National Taipei University Taiwan Taipei District Court Taipei Summary Court Mediation Committees Member Taiwan Changhua District Court Mediation Committees	Director of Hsu, Chung & Partners Supervisor of Liu Yu Culture and Creative Co., Ltd. Juristic-person Director of EasyCard Investment Holdings Co., Ltd. Director of Leadsun Wind & Solar Co., Ltd. Independent Director,	-	-	-	None

Title	Nationality and Registry	Name	Gender Age	Date Elected	Term	Date First Elected	Shares at Election		Current Number of Shares Held		Shareholdings of Spouse and Underage Children		Shares Held in the Names of Others		Major Career (Academic) Achievements	Current Duties in the Company and in other Companies	Spouse or Relatives of Second Degree or Closer Acting as Department Heads, Directors or Supervisor			Remark
							Quantity	%	Quantity	%	Quantity	%	Quantity	%			Title	Name	Relation	
															Member The 5th and 6th Legal Counsel of the Federation of Labor Counsel of General Chamber of Commerce Legal Counsel of Taiwan Chamber of Commerce & Industry Supervisor of Grand Hall Enterprise Co., Ltd. Director of Changhua PS TV Foundation	Remuneration Committee and Audit Committee member of Luo Lih-Fen Holding Co., Ltd. Independent Director, Remuneration Committee and Audit Committee member of Allied Biotech Corp. Independent Director, Remuneration Committee and Audit Committee of Taiwan Paiho Limited Director of Shiner Education Foundation Independent Director, Remuneration Committee and Audit Committee member of ONANO Industrial Corp.				
Independent Director	Republic of China	Chou, Hui-Yu	Female Age 51-60	June 16, 2022	3 years	June 16, 2022	-	-	-	-	-	-	-	-	LL.M., In-service Master Program, Soochow University Department of Accountancy, National	Independent Director of Finemat Applied Materials Co., Ltd. Independent Director of King's Metal Fiber	-	-	-	None

Title	Nationality and Registry	Name	Gender Age	Date Elected	Term	Date First Elected	Shares at Election		Current Number of Shares Held		Shareholdings of Spouse and Underage Children		Shares Held in the Names of Others		Major Career (Academic) Achievements	Current Duties in the Company and in other Companies	Spouse or Relatives of Second Degree or Closer Acting as Department Heads, Directors or Supervisor			Remark
							Quantity	%	Quantity	%	Quantity	%	Quantity	%			Title	Name	Relation	
															Cheng Kung University CEO of Jan Da Construction Co., Ltd. Vice President & Spokesperson of Radium Life Tech. CO., Ltd. Vice President of Action Electronics Co., Ltd.	Technologies Co., Ltd. Independent Director of KHGears International Limited Vice President of Operational Headquarters, Fair Friend Enterprise Co., Ltd. Independent Director of ONANO Industrial Corp.				
Independent Director	Republic of China	Cheng, Tung-Sheng	Male Age 51-60	June 16, 2023	2 years	June 16, 2023	-	-	-	-	-	-	-	-	The University of Akron, Ohio, USA School of Polymer Science and Polymer Engineering Doctoral Degree	Chairman of UC Tech Corp. Independent Director, Remuneration Committee and Audit Committee member of ONANO Industrial Corp.	-	-	-	None

Note 1: The Chairman of the Company also serves as the General Manager, mainly to improve the efficiency of operation and management and the execution of decision-making; in addition, the chairman also communicates closely with the directors to fully communicate the Company's current operating conditions and planning guidelines to implement corporate governance. Currently, more than half members of the board of directors are not employees or managers. The Company's independent directors account for one-half of the total number of directors, which enhances the functions of the board of directors and strengthen the supervision function; they will also cooperate with the competent authority to promote and implement corporate governance relevant policies.

2. Major Shareholders of Corporate Shareholders

March 25, 2025

Corporate Shareholder Name	Major Shareholders of Corporate Shareholders	Major Shareholders of Corporate Shareholders' Ratio of Shareholding (%)
Hong Cheng Investment Ltd.	Cheng, Meng-Chi Cheng, Meng-Yao Chen, Hung Chen, Chun-Hsia	90% 4% 4% 2%
MARUMI Electronics Corporation	Cheng, Meng-Chi Chen, Chun-Hsia Chen, Yang Chen, Hung Chen, Yu	32% 20% 16% 16% 16%
Hong Yu Investment Ltd.	Chen, Hung-Wei Chen, Hung-Chih Chen, Chih-Cheng Tsai, Shu-Min	35% 35% 15% 15%

3. Major shareholder(s) where the major shareholder of Corporate Shareholders is a juristic person: None.

4. (1)Disclosure of professional qualification of the directors and independence of directors:

Qualification Name	Professional Qualification and Experience (Note 1)	Compliance of Independence (Note2)	Number of Positions as an Independent Director in Other Public Listed Companies
Chen, Chun-Hsia	<u>Current position:</u> 1. Chairman & General Manager of ONANO Industrial Corp. 2. Chairman of MARUMI Electronics Corporation <u>Education:</u> 1. Chairman of Cosmo Electronics Corp. 2. Representative of the juristic-person director of EasyCard Investment Holdings Co., Ltd.		None
Chen, Chih-Cheng	<u>Current position:</u> 1. Director of ONANO Industrial Corp. 2. Director of Hong Yu Investment Ltd. 3. Supervisor of MARUMI Electronics Corporation <u>Education:</u> 1. Department of Mechanical Engineering, Hwa Hsia University of Technology 2. Supervisor, Independent Director, Remuneration Committee and Audit Committee of Single Well Industrial Corp. 3. Chairman of Cosmo Electronics Corp.		None

Qualification Name	Professional Qualification and Experience (Note 1)	Compliance of Independence (Note2)	Number of Positions as an Independent Director in Other Public Listed Companies
Huang, Shan-Jung	<u>Current position:</u> 1. Director of ONANO Industrial Corp. 2. Chairman of You Tian Co., Ltd. <u>Education:</u> 1. Electrical Engineering, National Taiwan University 2. Chairman of E-TEN Information Systems Co., Ltd. 3. Chairman of ROYALTEK Company Ltd.		None
Wu, Cheng-Che	<u>Current position:</u> 1. Director of ONANO Industrial Corp. 2. Executive Assistant of Seetel New Energy Co., Ltd. <u>Education:</u> 1. Department of Chemical Engineering and Materials Science, Yuan Ze University 2. Senior Manager of ONANO Industrial Corp. 3. Brand department manager of LEADER Electronics Inc.		None
Li, Kun-Chang	<u>Current position:</u> 1. Professor of Department of Accounting, Soochow University 2. Professor of School of Law, Soochow University 3. Professor of School of Law, Fu Jen Catholic University 4. Independent Director, Remuneration Committee and Audit Committee member of ONANO Industrial Corp. 5. Independent Director, Remuneration Committee, Audit Committee, Sustainable Corporate Governance Committee, and Information Security Committee member of Eastern Media International Corporation 6. Independent Director, Remuneration Committee, Audit Committee and Sustainable Committee member of United Orthopedic Corporation 7. Independent Director, Remuneration Committee and Audit Committee of Tatung Fine Chemicals Co. <u>Education:</u> 1. Doctor of Management, National Central	In accordance with the law, the Company has obtained a written statement from independent director Li, Kun-Chang confirming that the person, spouse, and relatives within second degree of kinship, or lineal relative have not served as directors, supervisors or employees of the Company or any affiliate of the Company; The person, spouse, and relatives within second degree of kinship, or lineal relative (or under the name of another person) does not hold shares of the Company; Does not serve as a director, supervisor or employee of a company that has a specific relationship with the Company; Not providing commercial, legal, financial, accounting or related services to the Company or any affiliate in the past 2 years.	3

Qualification Name	Professional Qualification and Experience (Note 1)	Compliance of Independence (Note2)	Number of Positions as an Independent Director in Other Public Listed Companies
	University 2. Dean of Student Affairs Office of Soochow University 3. Dean of Accounting Department of Soochow University 4. Executive Director of Franklin Financial Technology Development Center, Business School of Soochow University 5. Associate Professor of Soochow University 6. Assistant Professor at Soochow University 7. CEO of Premier Think Tank Co., Ltd. 8. CEO of Premier CPAs Firm 9. Audit Department of Deloitte & Touche		
Hsu, Ying-Chieh	<u>Current position:</u> 1. Director of Hsu, Chung & Partners 2. Supervisor of Liu Yu Culture and Creative Co., Ltd. 3. Juristic-person Director of EasyCard Investment Holdings Co., Ltd. 4. Director of Leadsun Wind & Solar Co., Ltd. 5. Independent Director, Remuneration Committee and Audit Committee member of ONANO Industrial Corp. 6. Independent Director, Remuneration Committee and Audit Committee member of Luo Lih-Fen Holding Co., Ltd. 7. Independent Director, Remuneration Committee and Audit Committee member of Allied Biotech Corp. 8. Independent Director, Remuneration Committee and Audit Committee of Taiwan Paiho Limited 9. Director of Shiner Education Foundation <u>Education:</u> 1. EMBA of College of Management, National Taiwan University 2. Department of Law, National Taipei University 3. Taiwan Taipei District Court Mediation Committees Member 4. Taiwan Changhua District Court Mediation Committees Member 5. The 5th and 6th Legal Counsel of the	In accordance with the law, the Company has obtained a written statement from independent director Hsu, Ying-Chieh confirming that the person, spouse, and relatives within second degree of kinship, or lineal relative have not served as directors, supervisors or employees of the Company or any affiliate of the Company; The person, spouse, and relatives within second degree of kinship, or lineal relative (or under the name of another person) does not hold shares of the Company; Does not serve as a director, supervisor or employee of a company that has a specific relationship with the Company; Not providing commercial, legal, financial, accounting or related services to the Company or any affiliate in the past 2 years.	3

<div>Qualification</div> <div>Name</div>	Professional Qualification and Experience (Note 1)	Compliance of Independence (Note2)	Number of Positions as an Independent Director in Other Public Listed Companies
	Federation of Labor 6. Counsel of General Chamber of Commerce 7. Legal Counsel of Taiwan Chamber of Commerce & Industry 8. Supervisor of Grand Hall Enterprise Co., Ltd 9. Director of Changhua PS TV Foundation		
Chou, Hui-Yu	<u>Current position:</u> 1. Independent Director of ONANO Industrial Corp. 2. Independent Director of Finemat Applied Materials Co., Ltd. 3. Independent Director of King's Metal Fiber Technologies Co., Ltd. 4. Independent Director of KHGears International Limited 5. Vice President of Operational Headquarters, Fair Friend Enterprise Co., Ltd. <u>Education:</u> 1. LL.M., In-service Master Program, Soochow University 2. Department of Accountancy, National Cheng Kung University 3. CEO of Jan Da Construction Co., Ltd. 4. Vice President/ Spokesperson of Radium Life Tech. CO., Ltd. 5. Vice President of Action Electronics Co., Ltd.	In accordance with the law, the Company has obtained a written statement from independent director Chou, Hui-Yu confirming that the person, spouse, and relatives within second degree of kinship, or lineal relative have not served as directors, supervisors or employees of the Company or any affiliate of the Company; The person, spouse, and relatives within second degree of kinship, or lineal relative (or under the name of another person) does not hold shares of the Company; Does not serve as a director, supervisor or employee of a company that has a specific relationship with the Company; Not providing commercial, legal, financial, accounting or related services to the Company or any affiliate in the past 2 years.	3
Cheng, Tung-Sheng	<u>Current position:</u> 1. Independent Director, Remuneration Committee and Audit Committee member of ONANO Industrial Corp. 2. Chairman of UC Tech Corp. <u>Education:</u> 1. The University of Akron, Ohio, USA School of Polymer Science and Polymer Engineering Doctoral Degree	In accordance with the law, the Company has obtained a written statement from independent director Cheng, Tung-Sheng confirming that the person, spouse, and relatives within second degree of kinship, or lineal relative have not served as directors, supervisors or employees of the Company or any affiliate of the Company; The person, spouse, and relatives within second degree of kinship, or lineal relative (or under the name of another person) does	None

Qualification Name	Professional Qualification and Experience (Note 1)	Compliance of Independence (Note2)	Number of Positions as an Independent Director in Other Public Listed Companies
		not hold shares of the Company; Does not serve as a director, supervisor or employee of a company that has a specific relationship with the Company; Not providing commercial, legal, financial, accounting or related services to the Company or any affiliate in the past 2 years.	

Note 1. The professional qualifications and experience of each director and supervisor shall be specified. For those who are members of the Audit Committee and possess expertise in accounting or finance, their academic background and work experience in the relevant field shall be clearly stated. It should also be disclosed whether they are free from any of the circumstances listed in Article 30 of the Company Act.

Note 2. Independent directors shall disclose their status of independence, including but not limited to the following: whether the director, their spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the company or its affiliates; the number and percentage of shares held by the director, their spouse, or relatives within the second degree of kinship (either directly or under the name of another person); whether the director serves as a director, supervisor, or employee of a company that has a specific relationship with the company (as defined under Article 3, Paragraph 1, Subparagraphs 5 to 8 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”); and the amount of remuneration received in the past two years for providing business, legal, financial, accounting or other services to the company or its affiliates.

(2)Board diversity and independence:

A. Board diversity:

- a. The composition of the Company's board of directors adopts a diversified policy. To improve corporate governance and the sound development of the board of directors, the election of board members is based on the principle of multi-industrial and multi-complementary. Each board member has industrial experience and relevant skills (photoelectricity, electronics, chemistry, finance, accounting, law, etc.), as well as professional judgment, business strategy, leadership decision-making, and crisis management capabilities.
- b. If the number of seats held by directors of either gender in the Company's Board of Directors is less than one-third of the total number, please explain the reasons and the measures to be taken to enhance gender diversity among directors:
 - Reason: The Company sets up the directors in accordance with its Articles of Incorporation, and the current directors were elected at the shareholders' meeting held on June 16, 2022. However, there is only one female director, which is less than one-third of the directors, even though it complies with the relevant laws and regulations at that time. This is due to the characteristics of the industry and the difficulty in finding competent talents in a short time.
 - Measures taken: Seek recommendations from various sources, such as the industry or schools.

B. Independence of board of directors:

The Company appoints four independent directors according to laws and regulations, accounting for 50%. And at selection and appointment shall check the independent director's qualifications and issue a statement. At the same time, obtain each independent director's independence and part-time job requirement statement and confirm that there were no provisions in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act; None of the directors of the Company has a spouse or relative within the second degree of relationship; Independent directors and directors do not have any of the relationships in the preceding paragraph. (Note 1)

Note 1. The professional knowledge and independence of the directors

Qualification Name	Whether More than Five Years Work Experience and the Following Professional Qualifications			Compliance with Independence (Note)												Number of Positions as an Independent Director in Other Public Listed Companies
	Lecturer or above in public and private colleges and universities in commercial, legal, financial, accounting, or related departments required by company business	Judges, prosecutors, lawyers, CPAs, or other professional and technical personnel who have passed the national examinations required by the Company's business and obtained certificates	Possess the necessary work experience in commercial, legal, financial, accounting, and sales of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Chen, Chun-Hsia			✓								✓	✓	✓	✓		None
Chen, Chih-Cheng			✓	✓	✓		✓		✓	✓	✓	✓	✓	✓		None
Huang, Shan-Jung			✓	✓	✓	✓	✓			✓	✓	✓	✓	✓		None
Wu, Cheng-Che			✓	✓	✓	✓	✓			✓	✓	✓	✓	✓		None
Li, Kun-Chang	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Hsu, Ying-Chieh		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Chou, Hui-Yu		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Cheng, Tung-Sheng			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None

If each director meets the following conditions during the two years before the election and the term of office, please type "✓" in the space below each condition code.

1. Not employed by the company or any of its affiliated companies.
2. Directors and supervisors of non-affiliated companies (except for independent directors appointed by the Company or its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Act or the local country's laws and regulations concurrently).
3. Does not hold more than 1% of the company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the company.
4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under 1. or any of the persons stated in 2. and 3.
5. Directors of Corporate shareholders, supervisors, or employees who do not directly hold more than 5% of the total issued shares of the Company, or who ranks among the top five shareholders or designate representatives to serve as directors or supervisors of the Company under Article 27, Paragraphs 1 or 2 of the Company Act (except for independent directors established by the Company and its parent company, subsidiaries, or subsidiaries of the same parent company under this Act or the laws of the local country concurrently).
6. Directors, supervisors, or employees of other companies who are not directors or have more than half of the shares with voting rights controlled by the same person (except for independent directors established by the Company and its parent company, subsidiaries, or subsidiaries of the same parent company under this Act or the laws of the local country concurrently).
7. Directors (council members), supervisors, or employees of other companies or institutions who are not the

same person or spouse as the chairman, general manager, or equivalent position of the Company (except for independent directors established by the Company and its parent company, subsidiaries, or subsidiaries of the same parent company under this Act or the laws of the local country concurrently).

8. Directors (council members), supervisors, managers, or shareholders holding more than 5% of the shares of specific companies or institutions that are not financially or business related to the Company (except for a specific Company or institution holds 20% of the Company's total issued shares and less than 50%, and the independent directors established by the Company and its parent company, subsidiaries, or subsidiaries of the same parent Company in accordance with this Act or the laws of the local country concurrently serve as independent directors, except for this limitation).
9. Professionals, sole proprietorships, partnerships, business owners of companies or institutions who do not provide auditing for companies or affiliated companies, or who have received accumulative remuneration of less than NT\$500 thousand in the last two years for commercial, legal, financial, accounting and other related services of owners, partners, directors (council members), supervisors, managers and their spouses. Provided, 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 or related laws or regulations.
10. No spouse or a relative within the second degree of kinship with other directors.
11. Does not meet any descriptions stated in Article 30 of the Company Act.
12. There is no government agency or a juristic person acts as a shareholder of the Company elected stipulated in Article 27 of the Company Act.

(II) Background information of General Manager, Vice Presidents and the heads of various departments and branches

Unit: shares

Title	Nationality	Name	Gender	Date Elected	Shareholding		Shareholdings of Spouse and Underage Children		Shares Held in the Names of Others		Major Career (Academic) Achievements	Current Positions in the Company and Other Companies	Spouse or Relatives of Second Degree or Closer Acting as Managers			Remark
					Quantity	%	Quantity	%	Quantity	%			Title	Name	Relation	
General Manager	Republic of China	Chen, Chun-Hsia	Male	August 24, 2021	4,822,241	7.33%	298,937	0.45%	0	0	Chairman of Cosmo Electronics Corp. Representative of the institutional director of EasyCard Investment Holdings Co., Ltd.	Chairman of MARUMI Electronics Corporation	None	None	None	Note 1
Senior Manager	Republic of China	Wang, Ching-Hung	Male	September 18 2023	0	0	0	0	0	0	Master Program in Business and Operations Management (Accounting), Chang Jung Christian University Senior Manager of United Biomedical, Inc., Asia Manager of UBI Pharma Inc. Deputy Section Manager of Prosperity Dielectrics Co., Ltd.	None	None	None	None	

Note 1: The Chairman of the Company also serves as the General Manager, mainly to improve the efficiency of operation and management and the execution of decision-making; in addition, the chairman also communicates closely with the directors to fully communicate the Company's current operating conditions and planning guidelines to implement corporate governance. Currently, more than half members of the board of directors are not employees or managers. The Company's independent directors account for one-half of the total number of directors, which enhances the functions of the board of directors and strengthen the supervision function; they will also cooperate with the competent authority to promote and implement corporate governance relevant policies.

Note 2: Division Head Chien, Hung-Cheng resigned on May 15, 2024.

II. Remuneration payment to Directors, General Manager, and Vice President in the latest year

(I) Remuneration for directors and independent directors

December 31, 2024/ Unit: NTD thousand; %

Title	Name	Remuneration to Directors								Total amounts of A, B, C, and D, and their percentages of net income after tax (%)		Remuneration as an Employee								Total amounts of A, B, C, D, E, F and G, and their percentages of net income after tax (%)		Remuneration Received from the Invested Companies Other than the Subsidiaries and the Parent Company
		Remuneration (A)		Pension (B)		Remuneration to Directors (C) (Note 1)		Fees for Services Rendered (D)				Salaries, Bonuses, Special Allowances etc. (E)		Pension (F)		Remuneration to Employees (G) (Note 1)						
		The Company	All Companies Shown in the Financial Report	The Company	All Companies Shown in the Financial Report	The Company	All Companies Shown in the Financial Report	The Company	All Companies Shown in the Financial Report	The Company	All Companies Shown in the Financial Report	The Company	All Companies Shown in the Financial Report	The Company	All Companies Shown in the Financial Report	The Company		All Companies Shown in the Financial Report		The Company	All Companies Shown in the Financial Report	
Cash Amount	Stock Amount															Cash Amount	Stock Amount					
Chairman	Hong Cheng Investment Ltd. Representative: Chen, Chun-Hsia	3,708	3,708	0	0	0	0	200	200	3,908 (7.90)	3,908 (7.90)	0	0	0	0	0	0	0	0	3,908 (7.90)	3,908 (7.90)	0
Director	MARUMI Electronics Corporation Representative: Huang, Shan-Jung	240	240	0	0	0	0	200	200	440 (0.89)	440 (0.89)	0	0	0	0	0	0	0	0	440 (0.89)	440 (0.89)	0
Director	MARUMI Electronics Corporation Representative: Wu, Cheng-Che	240	240	0	0	0	0	200	200	440 (0.89)	440 (0.89)	0	0	0	0	0	0	0	0	440 (0.89)	440 (0.89)	0

Title	Name	Remuneration to Directors								Total amounts of A, B, C, and D, and their percentages of net income after tax (%)		Remuneration as an Employee								Total amounts of A, B, C, D, E, F and G, and their percentages of net income after tax (%)		Remuneration Received from the Invested Companies Other than the Subsidiaries and the Parent Company
		Remuneration (A)		Pension (B)		Remuneration to Directors (C) (Note 1)		Fees for Services Rendered (D)				Salaries, Bonuses, Special Allowances etc. (E)		Pension (F)		Remuneration to Employees (G) (Note 1)						
										The Company	All Companies Shown in the Financial Report									The Company	All Companies Shown in the Financial Report	
Cash Amount	Stock Amount	Cash Amount	Stock Amount																			
Director	Hong Yu Investment Ltd. Representative: Chen, Chih-Cheng	240	240	0	0	0	0	200	200	440 (0.89)	440 (0.89)	0	0	0	0	0	0	0	0	440 (0.89)	440 (0.89)	0
Independent Director	Hsu, Ying-Chieh	360	360	0	0	0	0	190	190	550 (1.11)	550 (1.11)	0	0	0	0	0	0	0	0	550 (1.11)	550 (1.11)	0
Independent Director	Chou, Hui-Yu	360	360	0	0	0	0	200	200	560 (1.13)	560 (1.13)	0	0	0	0	0	0	0	0	560 (1.13)	560 (1.13)	0
Independent Director	Li, Kun-Chang	360	360	0	0	0	0	190	190	550 (1.11)	550 (1.11)	0	0	0	0	0	0	0	0	550 (1.11)	550 (1.11)	0
Independent Director	Cheng, Tung-Sheng	360	360	0	0	0	0	200	200	560 (1.13)	560 (1.13)	0	0	0	0	0	0	0	0	560 (1.13)	560 (1.13)	0

Title	Name	Remuneration to Directors						Total amounts of A, B, C, and D, and their percentages of net income after tax (%)	Remuneration as an Employee						Total amounts of A, B, C, D, E, F and G, and their percentages of net income after tax (%)	Remuneration Received from the Invested Companies Other than the Subsidiaries and the Parent Company					
		Remuneration (A)		Pension (B)		Remuneration to Directors (C) (Note 1)			Fees for Services Rendered (D)		Salaries, Bonuses, Special Allowances etc. (E)		Pension (F)				Remuneration to Employees (G) (Note 1)				
		All Companies Shown in the Financial Report		All Companies Shown in the Financial Report		The Company		All Companies Shown in the Financial Report		The Company		All Companies Shown in the Financial Report		The Company		All Companies Shown in the Financial Report		The Company		All Companies Shown in the Financial Report	
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																				All Companies Shown in the Financial Report	

Note 1: Approved the resolution by the Board of Directors on March 6, 2025.

(II) General Manager's and Vice Presidents' remuneration

Unit: NTD thousand

Title	Name	Salary (A)		Pension (B)		Bonuses and Allowances etc. (C)		Remuneration to Employees (D) (Note 2)				Total amounts of A, B, C, and D, and their percentages of net income after tax (%)		Remuneration Received from the Invested Companies Other than the Subsidiaries and the Parent Company
		The Company	All Companies Shown in the Financial Report	The Company	All Companies Shown in the Financial Report	The Company	All Companies Shown in the Financial Report	The Company		All Companies Shown in the Financial Report		The Company	All Companies Shown in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General Manager	Chen, Chun-Hsia	0	0	0	0	0	0	0	0	0	0	0	0	

Note 1: General Manager Chen, Chun-Hsia receives no pay.

Note 2: The employee remuneration amount listed above is an actual amount.

(III) Remuneration of the top five highest-paid executives

Unit: NTD thousand

Title	Name	Salary (A)		Pension (B)		Bonuses and Allowances etc. (C)		Remuneration to Employees (D)				Total amounts of A, B, C, and D, and their percentages of net income after tax (%)		Remuneration Received from the Invested Companies Other than the Subsidiaries and the Parent Company
		The Company	All Companies Shown in the Financial Report	The Company	All Companies Shown in the Financial Report	The Company	All Companies Shown in the Financial Report	The Company		All Companies Shown in the Financial Report		The Company	All Companies Shown in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Division Head (Note 1)	Chien, Hung-Cheng	612	612	0	0	0	0	0	0	0	0	612 (1.24)	612 (1.24)	0
Senior Manager	Wang, Ching-Hung	1,032	1,032	0	0	172	172	0	0	0	0	1,204 (2.43)	1,204 (2.43)	0

Note 1: Resigned on May 15, 2024.

(IV) Name of the managers received remuneration and the distribution of remuneration:

Unit: NTD thousand

Title		Name	Stock Amount	Cash Amount (Note)	Total	As a percentage of net profit after tax (%)
Manager	General Manager	Chen, Chun-Hsia	0	0	0	0
	Division Head	Chien, Hung-Cheng				
	Senior Manager	Wang, Ching-Hung				

Note: The amount of employee remuneration listed above is indeed the actual amount.

(V) Separately compare and describe total remuneration, as a percentage of reports or individual financial reports net income stated in the parent Company only financial reports or individual financial reports, as paid by this Company and by each other Company included in the individual or consolidated financial statements during the last two years to directors, general managers, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. Total remuneration, as a percentage of net income paid by this Company during the last two years to directors, supervisors, general managers, and vice presidents

Unit: NTD thousand

Item \ Year	2024		2023	
	The Company	All Companies Shown in the Consolidated Report	The Company	All Companies Shown in the Consolidated Report
After tax net profit	(49,481)	(49,481)	(86,002)	(86,002)
Total remuneration to directors as a percentage of net profit after tax	(15.05%)	(15.05%)	(8.41%)	(8.41%)
Total remuneration to general managers and vice presidents as a percentage of net profit after tax	0%	0%	0%	0%

2. Policies, standards, and packages for employees listed above payment of remuneration, the procedures for determining remuneration and its linkage to business performance

Remuneration policy, standards, and combinations

- (1) Directors of the Company may be paid remuneration when performing its business. The amount shall be determined based on the degree of participation in the Company's operations and the value of their contribution. In accordance with the Articles of Incorporation, the board of directors is authorized to pay based on the usual level of payment in the industry. In addition, if the Company makes profits in the current year, according to the Articles of Incorporation, no more than 3% should be allocated as directors' remuneration. The Remuneration Committee will consider the results of the annual performance evaluation and the connection with operating performance, and then make recommendations on the actual allocation ratio. The board of directors will make a resolution; as for independent directors, the board of directors determines their monthly fixed remuneration and does not participate in the distribution of remuneration when the Company makes profits.
- (2) The Company's managers' remuneration is based on the relevant salary calculation methods and clearly stipulates various work allowances and bonuses to sympathize with and reward employees for their hard work. Relevant bonuses are also based on the Company's annual operating performance, financial status, operating conditions, and personal work performance; if the Company makes a profit in the current year, it shall allocate no less than 0.5% as employee's remuneration in accordance with the Articles of Incorporation. The Company implements performance appraisal in accordance with relevant performance appraisal methods. As a reference for the issuance of manager bonuses, the manager performance evaluation items are divided into 1. Financial indicators: Based on the Company's profit and loss statement in management, distribution of each business division's contribution to the Company's profit, and take into account the manager's goal achievement rate; 2. Non-financial indicators: the Company's core value implementation and operations management capabilities to calculate the remuneration for its operating performance, and review the remuneration system at any time based on the actual situation and relevant laws.
- (3) The combination of remuneration paid by the Company is determined in accordance with the Remuneration Committee Charter and includes cash remuneration, retirement benefits or severance pay, various allowances and other measures with substantial incentives; its scope is consistent with the Regulations Governing Information to be Published in Annual Reports of Public Companies regarding directors' and managers' remuneration.

Procedure for Determining Remuneration

- (1) In order to regularly evaluate the remuneration of directors and managers, the Company's annual operating conditions and the performance evaluation results of the applicable performance evaluation methods for managers and employees are used as the basis.
- (2) The relevant performance appraisal and remuneration rationality of the Company's directors and managers are regularly evaluated and reviewed by the Remuneration Committee and the board of directors every year. In addition to taking into account individual performance achievement rates and contributions to the Company, we also consider the Company's overall operating performance and industry future risks and development trends. Besides, we will timely review the remuneration system at any time based on actual operating conditions and relevant laws. The actual amount of remuneration paid to directors and managers in 2024 will be reviewed by the Remuneration Committee and then proposed to the board of directors for determination.

Relevance to Operating Performance and Future Risks

- (1) The review of payment standards and systems related to the Company's remuneration policy takes its overall operating conditions as the main consideration, and determines payment standards based on performance achievement rates and contributions, in order to improve the overall organizational team effectiveness of the board of directors and management departments. We also refer to industry standards to ensure that the Company's management remuneration is competitive in the industry to retain outstanding management talents.
- (2) The performance targets of the Company's managers are combined with risk management and control to ensure that possible risks within the scope of responsibilities can be managed and prevented. The results of the ratings are based on actual performance and linked to relevant human resources and related remuneration policies. The important decisions of the Company's management are made after balancing various risk factors. The performance of relevant decisions is reflected in its profitability, and the remuneration of the management is related to the performance of risk control.

III. Corporate governance

(I) Facts about performance by the board of directors:

In 2024, the Company's Board of Directors convened a total of four meetings where the facts of participation by the directors are enumerated below:

Title	Name	Actual Attendance	Proxy Attendance	Actual Attendance (%)	Remark
Chairman	Hong Cheng Investment Ltd. Representative: Chen, Chun-Hsia	4	0	100	
Director	MARUMI Electronics Corporation Representative: Huang, Shan-Jung	4	0	100	
Director	Director: MARUMI Electronics Corporation Representative: Wu, Cheng-Che	4	0	100	
Director	Director: Hong Yu Investment Ltd. Representative: Chen, Chih-Cheng	4	0	100	
Independent Director	Li, Kun-Chang	4	0	100	
Independent Director	Hsu, Ying-Chieh	4	0	100	
Independent Director	Chou, Hui-Yu	4	0	100	
Independent Director	Cheng, Tung-Sheng	4	0	100	

Other remarks:

I. For the operation of the Board of Directors in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:

1. Issues listed in Article 14-3 of the Securities and Exchange Act.

2. Other than the aforementioned issues, the issue objected by an independent director or where an independent director maintains a qualified opinion with record or documented declaration in a decision resolved by the Board of Directors.

The session	Proposal and Follow-up Actions	Matters Specified in Article 14-3 of the Securities and Exchange Act	Independent Directors' Dissenting or Reserved Opinions
March 14 2024 9th meeting of the 7th	1. Approved proposal for the no allocation of remuneration to employees and directors for 2023.	✓	
	2. Approved proposal for appointing the CPA and resolution of CPA's remuneration.	✓	
	Independent Directors' Opinions : None.		
	Company's Response to Independent Directors' Opinions : None.		

	Resolution Result: Approved with unanimous consent of all directors present.		
November 8, 2024 12th meeting of the 7th	1.Approved proposal for replacing the CPA due to coordination with the internal rotation of the accounting firm.	✓	
	2.Approved proposal for the 2024 Managers Year-end Bonus.	✓	
	3.Approved proposal for the amendment to the Internal Control System	✓	
	Independent Directors’ Opinions : None.		
	Company’s Response to Independent Directors’ Opinions : None.		
	Resolution Result: With the exception of the director listed below who abstained due to a conflict of interest, the proposal was approved with the unanimous consent of all other directors present. Except for the recusal of chairman Chen, Chun-Hsia, the acting chairman Hsu, Ying-Chieh consulted all the directors present passed without objection.		
March 6,2025 13th meeting of the 7th	1.Approved proposal for the 2024 Distribution of Remuneration to Directors.	✓	
	2.Approved the proposal for the appointment of the Company’s 2025 CPAs and the review of public fees	✓	
	Independent Directors’ Opinions : None.		
	Company’s Response to Independent Directors’ Opinions : None.		
	Resolution Result: Approved with unanimous consent of all directors present.		

II. The implementation of directors’ avoidance of conflicting interest agendas:

1.The Company discussed on November 8, 2024, the year-end bonus proposal of the Company’s managers in 2024, except for the recusal of chairman Chen, Chun-Hsia, the acting chairman Hsu, Ying-Chieh consulted all the directors present passed without objection.

III. The Company is required to disclose the cycle, duration, scope, method, and content of board self-evaluations (or peer-evaluation) performed:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once a year	2024	Board of Directors, Directors, Functional Committees (including Audit Committee and Remuneration	Self-evaluation	<div>1. The performance evaluation of the board of directors includes five aspects: the degree of participation in the Company’s operations, the improvement of the decision-making quality of the board of directors, the composition and structure of the board of directors, the election and continuing education of directors, and internal control.</div> <div>2. The evaluation content of directors (self or peers) includes six aspects: mastering</div>

			Committee)		<p>company goals and tasks, directors' responsibilities awareness, the degree of participation in the Company's operations, internal relationship management and communication, professional and continuing education of directors, and internal control.</p> <p>3. The performance evaluation of functional committees includes five aspects: the degree of participation in the Company's operations, functional committees' responsibilities awareness, improvement of decision-making quality of functional committees, composition and election of functional committees, and internal control.</p>
<p>IV. Evaluation of the goals and implementation status of strengthening the functions of the board of directors in the current year and the most recent year: To strengthen corporate governance, the Company has established an Audit Committee and a Remuneration Committee, both composed of all independent directors under the Securities and Exchange Act to effectively establish the governance system of the board of directors and improve the supervision function, and strengthen management function.</p>					

(II) The operation of the Audit Committee

In 2024, the Company's Audit Committee convened a total of four meetings where the facts of participation by the independent directors are enumerated below:

Title	Name	Actual Attendance	Proxy Attendance	Actual Attendance (%)	Remark
Convener	Li, Kun-Chang	4	0	100	
Committee	Hsu, Ying-Chieh	4	0	100	
Committee	Chou, Hui-Yu	4	0	100	
Committee	Cheng, Tung-Sheng	4	0	100	
<p>Other remarks:</p> <p>I. Where any one among those enumerated below exists as the performance by the Audit Committee, the convention date, term, contents of agenda, outcome of the decision resolved in the Audit Committee as well as the Company's opinions toward the Audit Committee's opinions should be expressly remarked.</p> <p>(I) Issues listed in Article 14-5 of the Securities and Exchange Act: 4 Audit Committee meetings were held in 2024, and the resolutions were as follows (Note 1). The Audit Committee approved the issues listed in Article 14-5 of the Securities and Exchange Act.</p> <p>(II) Except the aforementioned issue, other issue not yet resolved in the Audit Committee but has been duly resolved by two-thirds majority of the total number of director seats: None.</p> <p>II. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None.</p> <p>III. Facts of communications by and between independent directors and the internal audit supervisors as well as CPA(s):</p> <p>(I) Facts of communications between the internal audit supervisors and Audit Committee: The Company's internal audit supervisors regularly report the audit results to the audit committee via individual meetings and deliver the internal audit report at the audit committee meeting quarterly, and</p>					

also report to the audit committee immediately in case of special circumstances.

Summary of communication sessions in 2024 between internal audit supervisors and the Audit Committee:

Date	Attendee	Matters	Results
March 14 2024	Independent Director Li, Kun-Chang Independent Director Chou, Hui-Yu Independent Director Hsu, Ying-Chieh Independent Director Cheng, Tung-Sheng Audit Supervisor Wu, Te-Hung	The implementation of internal audition on Q4 in 2023.	Consultation on the implementation of the training program for remuneration-labor cycle; The independent directors had no objection.
May 9, 2024	Independent Director Li, Kun-Chang Independent Director Chou, Hui-Yu Independent Director Hsu, Ying-Chieh Independent Director Cheng, Tung-Sheng Audit Supervisor Wu, Te-Hung	The implementation of internal audition on Q1 in 2024.	The independent directors had no objection. The Company was also consulted on the management of investments beyond its business scope, and the management measures to be taken in the event of significant differences in budgets.
August 9, 2024	Independent Director Li, Kun-Chang Independent Director Chou, Hui-Yu Independent Director Hsu, Ying-Chieh Independent Director Cheng, Tung-Sheng Audit Supervisor Wu, Te-Hung	The implementation of internal audition on Q2 in 2024.	The independent directors had no objection; The Company was also consulted on the decisions on investments beyond its business scope.
November 8, 2024	Independent Director Li, Kun-Chang Independent Director Chou, Hui-Yu Independent Director Hsu, Ying-Chieh Independent Director Cheng, Tung-Sheng Audit Supervisor Wu, Te-Hung	The implementation of internal audition on Q3 in 2024.	The independent directors had no objection; The Company was also consulted on the Company's formulation of the implementation rules for the audit of sustainability information management.

(II) The communication between the CPA and governance bodies:

The CPA shall communicate the Company's financial statements (annual and include A parent company only financial statement) with the Audit Committee in writing or in person at the

planning and completion stage in accordance with Statement of Auditing Standards No. 39 Communication with those Charged with Governance of an Audited Entity and the Securities and Futures Bureau's Tai-Cai-Zheng- (VI)-Zi Letter No. 0930105373 dated March 11, 2004. The Audit Committee of the company communicated well with the CPA.

The summary of communication between CPA and governance bodies in 2024 is as follows:

Date	Attendee	Matters	Results
March 14 2024	Independent Director Li, Kun-Chang Independent Director Chou, Hui-Yu Independent Director Hsu, Ying-Chieh Independent Director Cheng, Tung-Sheng CPA Lin, Chia-Hung	1. The CPA explained the audit results of Q4 financial statements in 2023 and communicated and explained key audit items. 2. The CPA discussed and communicated the questions raised by the participants.	The financial statements being approved by the Audit Committee were submitted and have been approved by the Board of Directors, and announced as scheduled and declare to the competent authority.
August 9, 2024	Independent Director Li, Kun-Chang Independent Director Chou, Hui-Yu Independent Director Hsu, Ying-Chieh Independent Director Cheng, Tung-Sheng CPA Yu, Chih-Fan	1. The CPA explained the audit results of Q2 financial statements in 2024 and communicated and explained key audit items. 2. The CPA discussed and communicated the questions raised by the participants.	The Q2 financial statements being approved by the Audit Committee were submitted and have been approved by the Board of Directors, and announced as scheduled and declare to the competent authority.

IV. The annual business highlights and operations:

(I) The annual business highlights

1. Regularly communicate the audit report results with the internal audit supervisors according to the annual audit plan.
2. Regularly communicate and review each quarter's financial statements or the audit report results with the Company's CPA.
3. Review the financial statements.
4. Within the control system's effectiveness.
5. The Auditing CPA's appointment, dismissal, remuneration and services with the matter.
6. Accountants provide an independent assessment of audit and non-audit services.
7. Reviewing assets, derivatives, loaning of funds, endorsement guarantee methods and major assets, loaning of funds, and endorsement guarantee transactions.
8. Regulations to follow.

(II) Operations in 2024: All the proposals of the audit committee have been reviewed or approved by the audit committee, and the independent directors have no objection.

Note 1: The operation of the Audit Committee in 2024:

The session	Discussion	Resolution	The Company's Handling of the Audit Committee's Opinion
March 14 2024 8th meeting of the 4th	<ol style="list-style-type: none"> 1. Proposal for the 2023 Declaration of Internal Control System. 2. Proposal for the 2023 Business Report and Financial Statements. 3. Proposal for the 2023 deficit compensation. 4. Proposal for the Capital Surplus Cash Distribution. 5. Proposal for the amendment to the Company's Implementation Rules for Internal Audit Operations - Other Management Measures 6. Proposal for appointing the annual CPA and resolution of CPA's remuneration. 7. Proposal for evaluating the independence and competence of the CPA 	The chairman consulted the entire committee members present and passed the proposal without objection.	The independent directors had no objection
May 9, 2024 9th meeting of the 4th	Proposal for 2024 Q1 Financial Statements.	The chairman consulted the entire committee members present and passed the proposal without objection.	The independent directors had no objection
August 9, 2024 10th meeting of the 4th	Proposal for 2024 Q2 Financial Statements.	The chairman consulted the entire committee members present and passed the proposal without objection.	The independent directors had no objection
November 8, 2024 11th meeting of the 4th	<ol style="list-style-type: none"> 1. Proposal for 2024 Q3 Financial Statements. 2. Proposal for the 2025 Internal Auditing Plan. 3. Proposal for adding partial provisions of the Company's AM142_Procedures for Preparation and Verification of Sustainability Report. 4. Proposal for the amendment to the Company's AM135_Measures for Handling Cases of Reporting Illegal, Immoral or Dishonest Behaviors. 5. Proposal for formulation of the Company's AM-125_Implementation Rules for Audit of Sustainability Information Management. 6. Proposal for the amendment to the Company's Internal Control System. 	The chairman consulted the entire committee members present and passed the proposal without objection.	The independent directors had no objection

(III) Composition, Responsibilities and Operation of the Remuneration Committee

1. Information on the members of the Remuneration Committee

March 25, 2025

Qualification		Professional Qualification and Experience	Compliance of Independence	Number of Other Public Companies where the Members are also the Members of the Remuneration Committee of these Companies.
Identity	Name			
Independent Director	Li, Kun-Chang	<u>Current position:</u> 1. Professor of Department of Accounting, Soochow University 2. Professor of School of Law, Soochow University 3. Professor of School of Law, Fu Jen Catholic University 4. Independent Director, Remuneration Committee and Audit Committee member of ONANO Industrial Corp. 5. Independent Director, Remuneration Committee, Audit Committee, Sustainable Corporate Governance Committee, and Information Security Committee member of Eastern Media International Corporation 6. Independent Director, Remuneration Committee, Audit Committee and Sustainable Committee member of United Orthopedic Corporation 7. Independent Director, Remuneration Committee and Audit Committee of Tatung Fine Chemicals Co. <u>Education:</u> 1. Doctor of Management, National Central University 2. Dean of Student Affairs Office of Soochow University 3. Dean of Accounting Department of Soochow University 4. Executive Director of Franklin Financial Technology Development Center, Business School of Soochow University 5. Associate Professor of Soochow University 6. Assistant Professor at Soochow University 7. CEO of Premier Think Tank Co., Ltd. 8. CEO of Premier CPAs Firm 9. Audit Department of Deloitte & Touche	Maintain independence within the scope of business execution, have no direct or indirect interest relationship with the Company, and have no one of the following circumstances in the two years before the election and during the term of office. 1. Employed by the Company or any of its affiliated companies. 2. Directors and supervisors of the Company or any of its affiliated companies. 3. The person, spouse, minor children, or natural person shareholders who hold more than 1% of the Company's total issued shares or the top ten shareholders in the name of others. 4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1. or any of the persons stated in preceding two subparagraph. 5. Directors of corporate: shareholders who directly hold more than 5% of the Company's total issued shares, are the top five shareholders, or designate representatives to serve as company directors or supervisors under Article 27, Paragraphs 1 or 2 of the Company Act, supervisor or employee.	3
Independent Director	Hsu, Ying-Chieh	<u>Current position:</u> 1. Director of Hsu, Chung & Partners 2. Supervisor of Liu Yu Culture and	6. More than half of the directors or voting shares of the Company and other companies	3

Qualification Identity Name		Professional Qualification and Experience	Compliance of Independence	Number of Other Public Companies where the Members are also the Members of the Remuneration Committee of these Companies.
		<p>Creative Co., Ltd.</p> <p>3. Juristic-person Director of EasyCard Investment Holdings Co., Ltd.</p> <p>4. Director of Leadsun Wind & Solar Co., Ltd.</p> <p>5. Independent Director, Remuneration Committee and Audit Committee member of ONANO Industrial Corp.</p> <p>6. Independent Director, Remuneration Committee and Audit Committee member of Luo Lih-Fen Holding Co., Ltd.</p> <p>7. Independent Director, Remuneration Committee and Audit Committee member of Allied Biotech Corp.</p> <p>8. Independent Director, Remuneration Committee and Audit Committee of Taiwan Paiho Limited</p> <p>9. Director of Shiner Education Foundation</p> <p><u>Education:</u></p> <p>1. EMBA of College of Management, National Taiwan University</p> <p>2. Department of Law, National Taipei University</p> <p>3. Taiwan Taipei District Court Mediation Committees Member</p> <p>4. Taiwan Changhua District Court Mediation Committees Member</p> <p>5. The 5th and 6th Legal Counsel of the Federation of Labor</p> <p>6. Counsel of General Chamber of Commerce</p> <p>7. Legal Counsel of Taiwan Chamber of Commerce & Industry</p> <p>8. Supervisor of Grand Hall Enterprise Co., Ltd.</p> <p>9. Director of Changhua PS TV Foundation</p>	<p>are controlled by the same person, who is a director, supervisor, or employee of the other Company.</p> <p>7. If the chairman, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director (council member), supervisor, or employee of that other company or institution.</p> <p>8. A director (council member), supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>9. A professional individual who, or an owner, partner, director (council member), supervisor, or officer of a sole proprietorship, partnership, company, or institution that, 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 in the last two years has received cumulative</p>	
Independent Director	Chou, Hui-Yu	<p><u>Current position:</u></p> <p>1. Independent Director of ONANO Industrial Corp.</p> <p>2. Independent Director of Finemat Applied Materials Co., Ltd.</p> <p>3. Independent Director of King's Metal Fiber Technologies Co., Ltd.</p> <p>4. Independent Director of KHGears International Limited</p> <p>5. Vice President of Operational</p>	<p>compensation exceeding NT\$500 thousand, or a spouse thereof. Provided 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</p>	3

Qualification		Professional Qualification and Experience	Compliance of Independence	Number of Other Public Companies where the Members are also the Members of the Remuneration Committee of these Companies.
Identity	Name			
		Headquarters, Fair Friend Enterprise Co., Ltd. <u>Education:</u> 1. LL.M., In-service Master Program, Soochow University 2. Department of Accountancy, National Cheng Kung University 3. CEO of Jan Da Construction Co., Ltd. 4. Vice President/ Spokesperson of Radium Life Tech. CO., Ltd. 5. Vice President of Action Electronics Co., Ltd.	powers pursuant to the Securities and Exchange Act, the Business Mergers and Acquisitions Act, or related law and regulations.	
Independent Director	Cheng, Tung-Sheng	<u>Current position:</u> 1. Independent Director, Remuneration Committee and Audit Committee member of ONANO Industrial Corp. 2. Chairman of UC Tech Corp. <u>Education:</u> 1. The University of Akron, Ohio, USA School of Polymer Science and Polymer Engineering Doctoral Degree		None

2. Responsibility of the Remuneration Committee

The remuneration committee shall handle responsibly, and faithfully perform the official powers listed below, regularly evaluate, review and formulate the policies, systems, standards, and structure of performance evaluation and remuneration of directors and managers, and shall submit its recommendations for deliberation by the board of directors for discussion.

3. Information on the operation of the Remuneration Committee

(1) The Company's Remuneration Committee has four Committee members in total.

(2) Tenure of Committee members in the current session: June 16, 2022 - June 15, 2025.

In 2024, the Remuneration Committee convened in a total of two meetings.

The participation facts of the Committee members are enumerated below:

Title	Name	Actual Attendance	Proxy Attendance	Actual Attendance (%)	Remark
Convener	Hsu, Ying-Chieh	2	0	100	
Committee	Li, Kun-Chang	2	0	100	
Committee	Chou, Hui-Yu	2	0	100	
Committee	Cheng, Tung-Sheng	2	0	100	

Other remarks:

I. Where the board of directors does not adopt or amend the proposal(s) posed by the Remuneration Committee: The Company shall expressly elaborate on the date, term while the board of directors meeting was convened, contents of the issues, outcome of decisions resolved in the board of directors and the Company's response to the opinions posed by the Remuneration Committee(For instance, if the salary pay resolved by the board of directors is higher than that proposed by the Remuneration Committee, the Company should elaborate on the fact of differential gap and the cause thereof): None.

II. Where a decision resolved in the Remuneration Committee is found in contravention of rules or in qualified opinion as verified with records or documented declaration, the Company shall expressly elaborate on the date, terms of the meeting convened by the Remuneration Committee, contents of agenda, opinions of all members and acts taken in response to such opinions: None.

III. Discussion reasons and resolution results of the remuneration committee and the Company's handling of members' opinions:

Remuneration Committee Date	Proposals	Resolution Results and All Members' Opinions
March 14, 2024	Proposal for the no allocation of remuneration employees and directors for 2023.	The proposal has been approved by the entire committee members present voting in favor without objection
November 8, 2024	Proposal for the 2024 Year-end bonus for managers.	The proposal has been approved by the entire committee members present voting in favor without objection

IV. Scope of Duties and Powers of the Remuneration Committee:

The Remuneration Committee Members shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the Board of Directors:

1. Formulate and review the performance evaluation and remuneration policy for directors and managers.
2. Periodically evaluate and prescribe the remuneration of directors, and managers.

(IV) Performance in corporate governance and the differential gap between corporate governance and Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the cause thereof:

Assessment Items	Actual Governance (Note)			Deviation and Causes of Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
I. Will the Company based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies set up and disclose the Company's corporate governance best-practice principles?	✓		The Company has Corporate Governance Best-Practice Principles, which aim to protect the rights and interests of shareholders, strengthen the functions of the board of directors, respect the rights and interests of stakeholders, and improve information transparency. For the Company's corporate governance principles and related measures, please inquire on the Company's website.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
II. Shareholding structure and shareholders' equity.				
(I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	✓		The Company has a spokesperson system and a dedicated shareholder service contact window (public@onano-nm.com) to reply to shareholders' feedback and handle shareholder suggestions, doubts, disputes, and litigation matters.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
(II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	✓		The Company shall report the change of shareholding of insiders (directors, managers, and major shareholders holding more than 10% of the shares) to the website MOPS designated by the competent authority under the law, and maintain a good relationship with investors; Establish the Regulations for the Exercise of Power and Participation in Resolutions by Controlling Corporate Shareholders will help the controlling corporate shareholders to follow when exercising their rights and participating in resolutions.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	✓		The Company formulates the Regulations on the Supervision and Management of Subsidiaries, Administrative Measures for Group Enterprises, Specific Companies, and Related Persons Transactions, and Related Operating Standards for Financial Business between Related Enterprises to establish and implement firewalls with related companies and risk control mechanisms.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assessment Items	Actual Governance (Note)			Deviation and Causes of Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies								
	Yes	No	Summary Description									
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	✓		The Company has established a Management Operation to Prevent Insider Trading to regulate all employees, managers, and directors of the Company, as well as anyone who knows the Company’s information based on occupation or control relationship, and prohibits any behavior that may involve insider trading to protect the investor and safeguard the Company’s rights and interests, and regularly organize internal education and publicity.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies								
III. The constitution and obligations of the board of directors												
(I) Does the board of directors formulate and implement diversity policies, specific management objectives?	✓		<div>1. The Company’s Corporate Governance Best-Practice Principles has a diversity policy in Chapter 3 Strengthening the Functions of the Board of Directors.</div> <div>2. According to the Company’s Corporate Governance Best-Practice Principles and Director Election Method, the members of the board of directors should consider diversity. Except that the number of directors who concurrently serve as Company managers should not exceed one-third of the directors, consider their operations, business models, and development needs. Formulate appropriate multi-dimensional policies, including but not limited to the following two aspects standards:<div>(1) Basic conditions and values: gender, age, etc.</div><div>(2) Professional knowledge and skills: professional background, skills and industry experience, etc.</div><div>(3) The specific management objectives and achievement of the Company’s diversification policy are as follows:</div><table><tr><th>Management Objectives</th><th>Implementation</th></tr><tr><td>Establish at least three independent directors and at least one independent female director</td><td>Achieved</td></tr><tr><td>Set up independent directors with legal, accounting and industrial backgrounds respectively</td><td>Achieved</td></tr><tr><td>Directors who concurrently serve as managers of the Company shall not exceed quarter of the number of</td><td>Achieved</td></tr></table></div> <td>Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</td>	Management Objectives	Implementation	Establish at least three independent directors and at least one independent female director	Achieved	Set up independent directors with legal, accounting and industrial backgrounds respectively	Achieved	Directors who concurrently serve as managers of the Company shall not exceed quarter of the number of	Achieved	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
Management Objectives	Implementation											
Establish at least three independent directors and at least one independent female director	Achieved											
Set up independent directors with legal, accounting and industrial backgrounds respectively	Achieved											
Directors who concurrently serve as managers of the Company shall not exceed quarter of the number of	Achieved											

Assessment Items	Actual Governance (Note)			Deviation and Causes of Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies																																																
	Yes	No	Summary Description																																																	
			<table><tr><td>directors</td><td></td></tr><tr><td>At least one of the independent directors has obtained the national qualification examination and certificate related to the Company's business. For example: lawyer or accountant etc.</td><td>Achieved</td></tr></table>	directors		At least one of the independent directors has obtained the national qualification examination and certificate related to the Company's business. For example: lawyer or accountant etc.	Achieved																																													
			directors																																																	
			At least one of the independent directors has obtained the national qualification examination and certificate related to the Company's business. For example: lawyer or accountant etc.	Achieved																																																
			3. Implementation of diversity policy of the 7th board of directors:																																																	
			<table><tr><th rowspan="2">Diversity Core Item Name of director</th><th rowspan="2">Gender</th><th colspan="2">Professional Knowledge and Skills</th><th colspan="3">Age</th></tr><tr><th>Industry or Technology</th><th>Law, Finance or Accounting</th><th>Age 41-50</th><th>Age 51-60</th><th>Age > 61</th></tr><tr><td>Hong Cheng Investment Ltd. Representative: Chen, Chun-Hsia</td><td>Male</td><td>✓</td><td></td><td></td><td></td><td>✓</td></tr><tr><td>Hong Yu Investment Ltd. Representative: Chen, Chih-Cheng</td><td>Male</td><td>✓</td><td></td><td></td><td></td><td>✓</td></tr><tr><td>MARUMI Electronics Corporation Representative: Huang, Shan-Jung</td><td>Male</td><td>✓</td><td>✓</td><td></td><td></td><td>✓</td></tr><tr><td>MARUMI Electronics Corporation Representative: Wu, Cheng-Che</td><td>Male</td><td>✓</td><td></td><td>✓</td><td></td><td></td></tr><tr><td>Li, Kun-Chang</td><td>Male</td><td>✓</td><td>✓</td><td></td><td>✓</td><td></td></tr></table>	Diversity Core Item Name of director	Gender	Professional Knowledge and Skills			Age			Industry or Technology	Law, Finance or Accounting	Age 41-50	Age 51-60	Age > 61	Hong Cheng Investment Ltd. Representative: Chen, Chun-Hsia	Male	✓				✓	Hong Yu Investment Ltd. Representative: Chen, Chih-Cheng	Male	✓				✓	MARUMI Electronics Corporation Representative: Huang, Shan-Jung	Male	✓	✓			✓	MARUMI Electronics Corporation Representative: Wu, Cheng-Che	Male	✓		✓			Li, Kun-Chang	Male	✓	✓		✓		
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Assessment Items	Actual Governance (Note)									Deviation and Causes of Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description							
			Hsu, Ying-Chieh	Male	✓	✓	✓			
			Chou, Hui-Yu	Female	✓	✓		✓		
			Cheng, Tung-Sheng	Male	✓			✓		
(II) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?	✓		In addition to the remuneration committee and the audit committee, the Company also has a cross-departmental sustainable committee to promote corporate social responsibility and integrity management, and toward the Company to sustainable development.							Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
(III) Does the company establish a method to evaluate board performance and evaluate board performance every year? Are the performance evaluation results reported to the board and used as a reference for the remuneration and nomination for re-election of directors?	✓		The Company has established the Performance Evaluation Method of the Board of Directors, and the Remuneration Committee regularly reviews the policies, systems, standards, and structure of performance evaluation and remuneration of directors and managers, and submits the recommendations to the Board of Directors for discussion. According to Article 6 of the Company’s Performance Evaluation Method of the Board of Directors, the Company’s board of directors should conduct an internal board performance evaluation at the end of each year, which is divided into board performance evaluation, board members (self or peers) and functional committee performance self-evaluation questionnaire. The board performance appraisal has five aspects: participation in the Company’s operations, improvement of the board’s decision-making quality, board composition and structure, director election and continuing education, and internal control, with a total of 45 items. Board members (self or peers) evaluate six aspects: mastering Company goals and tasks, director responsibilities awareness, degree of participation in company operations, internal relationship management and communication, professional and continuing education of directors, and internal control, with a total of 22 items. The performance evaluation of functional committees has five aspects: the degree of participation in the Company’s operations, the recognition of the responsibilities of							Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assessment Items	Actual Governance (Note)			Deviation and Causes of Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			<p>functional committees, the improvement of the decision-making quality of functional committees, the composition of functional committees, and the election of members, and internal control, with a total of 24 items.</p> <p>In 2024, the average actual attendance rate of the board of directors was 100%, the actual attendance rate of the audit committee and the remuneration committee was 100%, and all directors had completed the required training hours for directors. The board of directors and the functional committee operate quite mature overall. Relevant compliance with laws and regulations, risk control, and auditing matters can all be competent and perform the duties of directors' supervision.</p> <p>According to Article 20 of the Articles of Incorporation, the remuneration of the Company's directors shall not exceed 3% of the annual profit. The remuneration committee and the board of directors shall be based on the Company's operating results and the Directors and Supervisors' Remuneration Distribution Method and refer to the performance evaluation results of directors to set directors' remuneration.</p> <p>According to the performance evaluation results of the board of directors in 2024, the overall operation of the board of directors is excellent. The results of this performance evaluation were presented in the Board Report dated March 6, 2025.</p>	
(IV) Will the Company have the independence of the public accountant evaluated regularly?	✓		<p>The audit committee of the Company evaluates the independence of the CPA regularly every year and reports the evaluation results to the board of directors.</p> <p>Assessment mechanism:</p> <ol style="list-style-type: none"> 1. The CPA of the Company is not related to the Company and the directors. 2. The Company complies with the provisions of the Corporate Governance Best-Practice Principles to handle the rotation of CPAs. 3. The CPAs report to the Audit Committee on compliance with the implementation of review/audit content and independence every six months. 4. Regularly Acquisition Accountant's Independence Statement. <p>Assessment Result for 2024:</p>	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assessment Items	Actual Governance (Note)			Deviation and Causes of Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			<p>1. The independence between CPA and the Company complies with the relevant provisions of the Certified Public Accountant Act and the CPA code of professional ethics.</p> <p>2. The Company has not appointed the same CPA for seven consecutive years.</p> <p>The Company has included audit quality indicators as the basis for evaluation of audit service appointments. CPA Firm has made relevant reports with the Audit Committee before the appointment of audit services in 2025.</p>	
IV. Does a public company equip an appropriate number of eligible governance personnel and assign the governance officer to take charge of company's governance affairs (including, without limitation, providing directors and supervisors with the data required for business operations, assistance for the legal compliance of directors and supervisors, handling affairs related to holding a board meeting or a general meeting of shareholders and producing minutes for board meetings and general meetings of shareholders)?	✓		The Company's corporate governance affairs are supervised by the chairman's office, and the finance department is responsible for implementing various corporate governance-related affairs. The Company established a governance officer in 2023 to protect shareholders' rights and strengthen the functions of the board of directors. The duty of the governance officer is to handle the affairs related to holding the board meeting or the general meeting of shareholders, producing the minutes for board meetings and general meetings of shareholders, providing directors and independent directors with the data required for business operations, assisting directors and independent directors in maintaining legal compliance.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
V. Has the Company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded	✓		<p>1. The Company attaches great importance to the balance of rights and obligations among interested parties such as stakeholders, employees, customers, and suppliers. In addition to maintaining good communication with interested parties, the Company also publishes on the Company website (URL:http://www.onano-nm.com/interest.html) an e-mail box for interested parties to complain, and it will be handled by a specially-assigned person.</p>	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assessment Items	Actual Governance (Note)			Deviation and Causes of Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
appropriately to the important corporate social responsibilities concerned by the stakeholders?			2. The Company's website has a Corporate Governance section for investors to inquire and download relevant regulations on corporate governance; there is also a section for interested parties to properly respond to relevant issues of concern to interested parties, including corporate social responsibility.	
VI. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	✓		The Company mandates the Registrar & Transfer Agency Department of KGI Securities Co. Ltd. to be the Company's shareholder services agent and to handle the affairs of the shareholders' meeting.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
VII. Disclosure of information				
(I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	✓		<p>The Company set up a public website and regularly disclose the financial business and corporate governance relevant information. The Company website is: http://www.onano-nm.com/.</p> <p>Disclosure of financial information: The Company's website has an investor section to disclose financial information, which is regularly updated for investors' reference.</p> <p>Disclosure of business information: The Company's website provides information on various business products of the Company in terms of "main production services", "production substrate size", "slimming capability", and "product application" according to various product services.</p> <p>Disclosure of corporate governance information: The Company has disclosed major information and announcements, performance evaluation of the board of directors, members of the board of directors/audit committee/remuneration committee, independent directors, internal audit supervisors, and CPA(s) communication situation, corporate governance regulations and other information under the corporate governance item of the investor section on the website.</p>	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Assessment Items	Actual Governance (Note)			Deviation and Causes of Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)?	✓		The Company has set up an English website, the URL is: http://www.onano-nm.com/index_EN.html . In addition, there is a specially-assigned person responsible for the collection and disclosure of information, and a spokesperson system and a dedicated shareholder service unit have been established. Information is updated on the Company website in real-time.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(III) Does the company announce and report its financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2 and Q3 as well as status of monthly operations?		✓	The Company completed the 2024 consolidated and individual financial report announcement and declaration on March 13, 2025; the consolidated financial report for the first, second, and third quarters of 2024 and the monthly revenue were also announced on the MOPS before the prescribed deadline. Declare and upload to the Company's website simultaneously.	The Company will discuss and formulate the possibility of announcing and submitting the annual financial report within two months after the end of the fiscal year.
VIII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability	✓		<ol style="list-style-type: none"> 1. In addition to establishing an employee welfare committee and implementing a pension system, employees are encouraged to participate in various training courses and technical seminars at home and abroad, plan employee group insurance and arrange regular health checkups, pay attention to labor relations, and provide equal employment opportunities. 2. The Company has established a complete spokesperson system and discloses company information in accordance with relevant laws and regulations to protect the basic rights and interests of investors. 3. The Company has established a supplier evaluation and review procedure, and only those who pass the review can become partners, and the Company has a good 	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Assessment Items	Actual Governance (Note)			Deviation and Causes of Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?			<p>relationship with suppliers and smooth communication channels.</p> <p>4. The Company attaches great importance to the balance of rights and obligations among interested parties. In addition to maintaining good communication with interested parties, the Company also publishes information on the Company website (URL: http://www.onano-nm.com/interest.html) with an e-mail which is used for the complaints of interested parties and will be handled by a specially-assigned person.</p> <p>5. Continuing education for directors: The directors of the Company have completed the training in 2024 in accordance with the hours specified in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies.</p> <p>6. Implementation of risk management policies and risk measurement standards: The Company focuses on its business and cooperates with relevant laws and regulations to implement various policy promotions to reduce and avoid any possible risks.</p> <p>7. Implementation of customer policy: The Company and customers have designated personnel as regular communication channels to keep abreast of customer dynamics and ensure the best interests of both parties through a good negotiation mechanism.</p> <p>8. The Company purchases liability insurance for directors: the Company has purchased liability insurance for directors and managers and will report to the board of directors the insured amount, scope of coverage, and insurance premium rate of the liability insurance.</p>	
<p>IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Governance Center of Taiwan Stock Exchange in recent years, and propose the matters with priority for improvement and the respective measures and Corporate:</p> <p>The Company ranked 66%-80% in the 2023 Taiwan Stock Exchange Corporate Governance Evaluation. The Company continues to improve corporate governance, regularly self-examines the protection of shareholders' rights and interests, the functions of the board of directors and the audit committee, information transparency, internal control and internal audit systems, business strategies, and the actual implementation of evaluation indicators interested parties and social responsibilities. Continuously demonstrate sustainable strength with all aspects of the economy, environment, and society, and will continue to uphold the corporate core value of integrity and integrity, and take long-term sustainable responsibility to all interested parties and society.</p>				

Assessment Items	Actual Governance (Note)			Deviation and Causes of Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(I) Status of Improvement				
Evaluation Indicator Content			Status of Improvement	
Has the company evaluated potential risks or opportunities related to the community, taken appropriate measures in response, and disclosed the specific actions and outcomes on its website, in the annual report, or in the sustainability report?			The specific measures taken and their outcomes have been disclosed on the company's website.	
Has the company established and disclosed in detail on its website a whistleblower system for reporting illegal (including corruption) and unethical behavior by both internal and external personnel?			The system and procedures have been established and disclosed on the company's website.	
(II) Unresolved Issues and Proposed Strengthening Actions				
Priority Strengthening Actions			Improvement Measures	
Has the company held its Annual General Meeting (AGM) by the end of May?			The AGM will be held on May 23, 2025.	
Has the company reported the directors' compensation at the AGM, including compensation policy, individual compensation details, and amounts?			The compensation policy, individual compensation details, and amounts will be reported separately at the 2025 AGM.	

Note: The operation is based on the Company as the main body. Check “Yes” and “No”, and please refer to the content of the summary.

(V) Implementation of the promotion of sustainable development and the deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Promotion Items	Performance (Note)			Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No	Summary Description							
I. Does the Company have a specific (or part-time) unit set up to promote the sustainable development governance framework, and the Board of Directors authorizing the management to handle matters and report the supervision results to the Board of Directors?	✓		<p>The Company plans to establish a Sustainability Committee in 2025. This committee will report to the Board of Directors on a regular annual basis regarding the implementation of corporate sustainability and social responsibility initiatives, and will propose plans and targets for sustainable development for the following year.</p> <p>Its responsibilities will include promoting corporate social responsibility (CSR) practices, closely monitoring developments in domestic and international CSR standards, as well as changes in the business environment. Based on these observations, the committee will review and improve the Company’s existing CSR framework to enhance the effectiveness of its CSR implementation.</p>	Comply with the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies						
II. Does the company assess the risk of environmental, social, and governance (ESG) issues in relation to corporate operations based on the materiality principles and establish policies or strategies in relation to risk management?	✓		<div><div><div>1. The scope of this disclosure covers the all plants of the Company.</div><div>2. The Company based on the principle of materiality describes the assess the environmental, social, and governance (ESG) issues concerning operations based on the materiality principles and establishes policies or strategies with risk management as follows:</div></div><table><tr><th>Issues</th><th>Risk Assessment</th><th>Risk Management Policies or Strategies</th></tr><tr><td>Environment</td><td>Hazard risk</td><td>The Company is committed to environmental protection, implements energy saving and carbon reduction, resource recovery, and reuse of waste and recycled chemicals, which</td></tr></table></div>	Issues	Risk Assessment	Risk Management Policies or Strategies	Environment	Hazard risk	The Company is committed to environmental protection, implements energy saving and carbon reduction, resource recovery, and reuse of waste and recycled chemicals, which	Comply with the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
Issues	Risk Assessment	Risk Management Policies or Strategies								
Environment	Hazard risk	The Company is committed to environmental protection, implements energy saving and carbon reduction, resource recovery, and reuse of waste and recycled chemicals, which								

Promotion Items	Performance (Note)					Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description			
					effectively reduces pollution emissions and impact on the environment; at the same time, plans and programs for implementation are formulated every year and regularly track and review the progress of each goal to ensure the achievement of the goal.	
			Society	Operation risk	The Company conducts various industrial safety inspections and inspections daily to actively improve and strengthen the safety of the workplace environment to reduce the risks to employees’ health and safety. In addition, in terms of talent management, besides character and ability, the first requirement is based on the right person and the right place, and an employee suggestion box is set up to construct two-way communication.	
			Corporate governance	Operation risk	Actively research and develop new products in response to changes in the industry’s prosperity. In addition, continue to develop customers and	

Promotion Items	Performance (Note)					Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description			
					suppliers to reduce supply chain risks.	
III. Environmental issues						
(I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?	✓		In addition to the establishment of an environmental protection unit, the Company is committed to complying with relevant environmental protection regulations, and the factory has introduced the ISO 14001 environmental management system.			Comply with the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
(II) Is the Company committed to enhancing all resources efficiency and using renewable materials that are with low impact on environmental impacts?	✓		The Company complies with various laws and regulations related to environmental protection and responds to the reuse of waste, the use of recycled chemical solutions, and the recycling and classification of resources, and at the same time publicizes the importance of environmental protection to employees.			Comply with the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
(III) Does the Company assess the present and	✓		The United Nations has clearly defined carbon reduction targets through the Paris			Comply with the

Promotion Items	Performance (Note)			Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies				
	Yes	No	Summary Description					
future potential risks and opportunities of climate change on the Company and take actions to related?			<p>Agreement in 2015 and the impact and impact of climate change on the global economy, society, and environment has become more and more significant. Therefore, the issue of climate change has now become the focus of attention. Green operation, environmental protection, and sustainable development are the Company’s social responsibilities and commitments. Based on this, the Company comprehensively promotes environmental protection work, clearly stipulates the Company’s obligation to implement environmental protection in the Corporate Social Responsibility Practice Rules, and incorporates climate change issues into risk management, relevant departments conduct regular risk assessments and reviews in order to respond and deal with them immediately and reduce the impact of risk events.</p> <p>The Company currently establishes a management and control mechanism for the potential risks of climate change and energy as follows:</p> <table><tr><th>Climate Change Risk</th><th>Countermeasures and Related Actions in the Current Year</th></tr><tr><td>The change caused the intensity of the storm to increase, and the Taipower Company grid was cut off without warning, resulting in operational interruption and increased risk of manpower repairs;</td><td>Taipower Company’ power source adopts an underground cable design to avoid weather disasters affecting the power transmission and distribution network of utility poles and installs fire emergency generators and ATS power switches to use diesel generators to provide the use of major equipment to reduce loss of power failures without warning. 1. The high-voltage power equipment will be</td></tr></table>	Climate Change Risk	Countermeasures and Related Actions in the Current Year	The change caused the intensity of the storm to increase, and the Taipower Company grid was cut off without warning, resulting in operational interruption and increased risk of manpower repairs;	Taipower Company’ power source adopts an underground cable design to avoid weather disasters affecting the power transmission and distribution network of utility poles and installs fire emergency generators and ATS power switches to use diesel generators to provide the use of major equipment to reduce loss of power failures without warning. 1. The high-voltage power equipment will be	Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
Climate Change Risk	Countermeasures and Related Actions in the Current Year							
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Promotion Items	Performance (Note)				Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description		
			abnormal energy equipment affects the operation of process equipment and the risk of production yield.	regularly inspected by the electromechanical testing company every month, and the infrared temperature measurement and maintenance of the whole plant will be carried out every year to ensure that the main power supply equipment in the plant is normal. 2. Emergency generators and ATS power switch use diesel generator set and maintain and test according to the maintenance cycle.	
(IV) Did the Company produce statistics on greenhouse gas emissions, water consumption, and total waste in the last two years? Has the Company established policies for greenhouse gas reduction, water conservation, and waste management?	✓		The Company has set greenhouse gas emissions, water consumption, and waste reduction goals compared with the previous year. The self-inspection of the whole plant for 2024 and 2023 is estimated to be 1,770,541Kg and 3,217,411Kg of carbon dioxide emissions based on electricity and water bills. Reduced by 44.97%; Water consumption was 40,142 metric tons and 77,485 metric tons, a decrease of 48.19%; total waste was 897.81 metric tons and 1,813.65 metric tons, a decrease of 50.49%. Without third-party assurance, the Company plans to complete the inventory and verification of individual entity data for 2027 by 2028. Continue to teach employees how to turn off the lights, encourage colleagues to go up and down floors to take the stairs instead, and implement control measures such as setting the temperature of air conditioners and saving energy, to improve the use of resources and achieve the goals of the green operation, environmental protection, and sustainable development.		Comply with the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
IV. Social issues					

Promotion Items	Performance (Note)			Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	✓		The Company abides by the Labor Standards Act and other relevant laws and regulations, formulates employee work rules, and protects the rights and interests of employees. For non-national employees employed, all respect the internationally recognized basic labor human rights principles and protect their legitimate rights and interests. In addition, comprehensively consider relevant international standards, including the International Bill of Human Rights, the International Labor Organization-Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the United Nations Global Compact, to treat and respect all employees, contracts and temporary personnel, interns, etc. with dignity.	Comply with the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
(II) Has the company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?	✓		The Company formulates reasonable welfare measures such as salary design, employee vacations, and employee benefits, all of which are formulated and implemented in accordance with relevant management methods. Conduct employee performance appraisals at the mid-term and year-end. Through appraisal interviews, verification and appraisal are achieved, and the appraisal results are used as the basis for promotion and payment of remuneration. In addition, Article 20 of the Articles of Incorporation stipulates that if the Company makes a profit in the current year, it should allocate no less than 0.5% of the employee's remuneration.	Comply with the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		The Company measures the labor operation environment according to the law to provide necessary safety protection and a comfortable working environment. In addition to regular health checks for employees, follow-up health management is carried out based on the results of the physical examination. Special operation	Comply with the Corporate Sustainable Development Best-Practice

Promotion Items	Performance (Note)			Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			<p>inspection personnel are included in case management. At the same time, doctors are hired to visit the factory to provide health consultation services for colleagues. In addition, the Company's safety and health education and training are classified according to the nature of the work as follows:</p> <ol style="list-style-type: none"> 1. New recruits and general labor safety and health education and training: <ol style="list-style-type: none"> A. Outline of Laws and Regulations Related to Occupational Safety and Health B. Occupational safety and health concept and safety and health work rule C. Automatic inspection before, during and after operation D. Standard operating procedures E. Emergency response F. Fire and first aid knowledge and drills G. Other safety and health knowledge related to labor operations 2. Hazardous and harmful substances safety and health education and training: <ol style="list-style-type: none"> A. Hazardous and harmful substances communication Plan, labeling content and meaning B. Hazardous substances, characteristics of harmful substances and hazards to human health C. Emergency procedures D. Safe operating procedures for the use, storage, handling and disposal of hazardous and harmful Substances 3. Safety and health education and training for business executives at all levels: <ol style="list-style-type: none"> A. Safety and health management and execution B. Automatic check C. Improve working methods 	Principles for TWSE/TPEX Listed Companies

Promotion Items	Performance (Note)			Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			<p>D. Safe Operating Standards</p> <p>4. Those who engage in operations that are particularly harmful to health shall receive special safety and health education and training and must work under the supervision of on-site supervisors who have obtained qualification certificates.</p> <p>5. In 2024, the Company recorded two occupational injury cases: one due to slipping and one due to a sprain caused by stepping on an object. These incidents accounted for 4.2% of the total number of employees. In response to the identified issues, corresponding management measures were implemented, including: changing and evaluating the types of footwear used within the facility, enhancing occupational safety and health awareness among employees, and strengthening safety communication regarding transportation and movement within the premises.</p> <p>6. In 2024, there were no fire incidents</p> <p>7. Without third-party assurance, the Company plans to complete the inventory and internal verification of entity-level data for 2027 by 2028.</p>	
(IV) Does the Company have an effective career capacity development training program established for the employees?	✓		<p>In order to improve the quality of human resources and enhance the working knowledge and skills of employees, the Company conducts training for new recruits, on-the-job training, and external education and training from time to time according to the employees' own conditions and work needs; At the same time, to ensure mastery of training direction and implementation effectiveness, in the fourth quarter, the Human Resources Department launched the drafting of the education and training plan based on the Company-wide annual policy and training needs survey. The content of the plan includes the Company-wide</p>	Comply with the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies

Promotion Items	Performance (Note)			Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			education and training plan, cross-departmental and internal departmental training plans, and is reviewed on a quarterly basis Implementation status, and proposed correction and improvement measures for unreached items, so as to effectively grasp the effectiveness of specific training for employees.	
(V) Does the company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, marking communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and procedures for grievances?	✓		<p>1. In response to the EU Directive on the Restriction of Hazardous Substances (RoHS) in electrical and electronic equipment and the EU's new chemical policy (REACH), the Company's responsible units have grasped the fact of substances of very high concern (Substances of Very High Concern, SVHCs) in products to ensure to in line with the spirit of REACH, we also regularly collect major international environmental laws and regulations to keep abreast of the latest international regulatory trends.</p> <p>2. For the health and safety of products and services, customer privacy, marketing, and labeling, the Company follows relevant laws and regulations, and international norms, properly protects the natural environment, and must not deceive, mislead, cheat, or do anything else that undermines consumer trust and damages consumers' rights and interests. At the same time, set up sufficient and professional customer service personnel, and provide a special meeting room for customers to give feedback on product information and solve customer complaints in real time. In addition, customer satisfaction surveys are carried out every six months. If the analysis of satisfaction data fails to meet the standard, the responsible unit should implement the improvement strategy and reviews it in the management review meeting of senior executives.</p>	Comply with the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies

Promotion Items	Performance (Note)			Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(VI) Has the Company established policies for management to request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety, and labor human rights? Does the Company keep track of the implementation of such policies?	✓		The Company is committed to building a sustainable supply chain and promotes suppliers' awareness and reflection of corporate social responsibility, including environmental protection, safety, health, hygiene, management systems, and business ethics. Only those who pass the review can become partners. At the same time, the Company formulates an annual audit plan to conduct audits based on the supplier's economic, environmental, and social risks. If there is a major violation of corporate social responsibility and the principle of business integrity, the business relationship will be terminated or terminated at any time. In addition, all suppliers and outsourcers are required to sign the Contractor and Supplier Work Safety Discipline Commitment Letter, which includes occupational safety, industrial hygiene, environmental protection, and labor rights, etc., to ensure that suppliers and outsourcers abide by various Safety and health, environmental protection and other related regulations.	Comply with the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
V. Did the company, following internationally recognized guidelines, prepare and publish reports such as its sustainable environment report to disclose non-financial information of the company? Did the company apply for assurance or guarantee of such reports to a third-party certification body?		✓	The Company does not prepare and publish reports such as its sustainable environment report to disclose non-financial information of the Company currently.	The Company will prepare when necessary
VI. If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the principles and their implementation: The Company has a Corporate Social Responsibility Principles, which has relevant regulations for environmental protection, community participation, social contribution, social service, social welfare, customer rights, human rights, safety, and health, etc., which can be downloaded on the Company website				

Promotion Items	Performance (Note)			Deviation and Causes of Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(http://www.onano-nm.com/info_2.html); For the Company's sustainable development strategy and implementation, please refer to (V) Promotion of Sustainable Development Implementation in Corporate Governance Report of this annual report.				
<p>VII. Other important information for the implementation of sustainable development:</p> <p>In addition to working hard in the business, the Company upholds the spirit of taking from society and giving back to society. It organizes volunteer services, and charity bazaars, donates materials to rural schools, disadvantaged groups, and social welfare organizations, and supports local agriculture. In addition, it actively provides job opportunities for people with disabilities to reward the locals. In terms of promoting social services and public welfare, we hope to do our best.</p> <p><u>Promoting the Employment of People with Disabilities</u></p> <p>For a long time, the Company has actively provided assistance and investment in employment services for people with disabilities, so that they can return to society smoothly and have stable employment.</p>				

Note: The operation is based on the Company as the main body. Check "Yes" and "No", and please refer to the content of the summary.

(VI) Implementation status of climate-related information

Item	Implementation status		
1. Describe the board of directors and management supervision and governance of climate-related risks and opportunities.	In accordance with the regulations of the Taiwan Stock Exchange, the greenhouse gas inventory and verification schedule will be submitted to the board of directors quarterly starting from June 2022. A Sustainability Committee is planned to be established in 2025, with annual reporting to the Board of Directors on sustainability and corporate social responsibility (CSR) performance, as well as proposed goals and plans for the coming year.		
2. Describe how the identified climate risks and opportunities impact the Company’s business, strategy, and finances (short-term, medium-term, and long-term).	Short term is defined as the next 1-3 years, medium term as the next 3-5 years, and long term as more than 5 years in the future. Based on the climate risk and opportunity factors recommended by TCFD, we evaluate short-term, medium-term, and long-term risk values and opportunity values based on the probability, frequency, and possible impact, and identify priority physical and transition risks. The impact on the business, strategy and finance of the Company is described as follows:		
	Period	Risk factor	Scope of impact
	Short-term	Scale and frequency of extreme weather	Increase in premiums, plant and equipment maintenance costs.
	Short- to medium-term	Adjustment of policies and regulations (increase in carbon tax)	Increase in operating costs.
	Long-term	Green products, low-carbon production	Revenue decrease or operating costs increase.
3. Describe the financial impact of extreme climate events and transition actions.	Risk of extreme climate events	Transition action	Potential financial impact
	Stronger (longer) heat waves lead to increased temperatures	1. Conduct greenhouse gas inventory and continuously dynamically monitor and understand the carbon emission data of our own factories. 2. Introduce energy-saving and carbon-reducing equipment, and replace old equipment to improve efficiency and reduce carbon emissions. 3. Actively invest in the construction of energy management systems (EMS), diagnose equipment operation problems, and formulate	1. Electricity consumption increases, carbon emissions increase, and fires are prone to cause losses. 2. Drought and water shortage increase the number of water tanker trips and the adequate intake of water, which affects production and causes losses. 3. Suspension losses caused by typhoons, heavy rains, and flood damage to factory buildings and equipment. 4. Revenue declines and operating costs increase.
	The number of continuous dry weather days increases (Own operations and supply chain)		
	Strong typhoons and heavy rainfall intensity increases (Own operations and supply chain)		

Item	Implementation status		
		energy-saving management strategies.	
	The extreme weather events increased due to climate change, but there have been no significant losses to the plants due to extreme weather.		
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	Regarding the TCFD discussion, through cross-departmental discussions according to its structure, policies and regulations, technology, market and reputation, and the impact of immediate and long-term climate risks on the Company will be analyzed one by one. Identification reviews will be performed periodically to ensure that the identification results are in line with the current situation. Based on the climate risk identification results, we develop response plans, incorporate them into tracking management, improve according to the PDCA cycle, and achieve effective management through long-term and continuously improved operations.		
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described.	Scenario analysis is currently not used to assess resilience to climate change risks.		
6. If there is a transition plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	There are currently no transition plans to manage climate-related risks.		
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be described.	A planning tool for carbon pricing is currently not used.		
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of offset carbon reduction or the quantity of Renewable Energy Certificates (RECs) should be described.	Currently, no climate-related targets have been set.		
9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.	The Company is currently conducting greenhouse gas inventory according to the greenhouse gas inventory and verification plan, formulating talent training, strategic goals, control mechanisms, and internal and external verification plans. The estimated schedule plan is as follows: Greenhouse gas inventory: The voluntary inventory 2024 is expected to be completed in 2025. The certification company conducts external verification: The external verification is expected to be completed in 2027.		

1-1 Greenhouse gas inventory and assurance of the Company in the last two years

1-1-1 Greenhouse gas inventory information

Describe greenhouse gas emissions (tons of CO ₂ e), intensity (tons of CO ₂ e/NT\$1 million), and data coverage in the last two years.						
Year	Factory	Category 1 (Metric Tons CO ₂ e)	Category 2 (Metric Tons CO ₂ e)	Total (Metric Tons CO ₂ e)	Intensity (Metric Tons CO ₂ e/Million NTD)	
2023	All Plants	0.6311	3,217	3,217.6311	15.39	
2024	All Plants	0.1798	1,771	1,771.1798	13.44	

1-1-2 Greenhouse gas assurance information

Describe the assurance situation in the last two years and up to the publication date of the annual report, including the scope of assurance, the assurance organization, the assurance criteria, and the assurance opinion.
Still under evaluation.

1-2 Greenhouse gas reduction targets, strategies and specific action plans

Describe the base year of greenhouse gas reduction and its data, reduction targets, strategies and specific action plans, and achievement of reduction targets.
Still under evaluation.

(VII) Performance in ethical corporate management inconsistency with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”

Assessment Items	Actual Governance (Note)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Business Integrity Policy and action plans				
(I) Has the Company established policies for ethical corporate management approved by the board of directors and stated such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?	✓		On April 9, 2013, the board of directors of the Company formulated the Business Integrity Principle and respectively amended on June 11, 2015 and November 7, 2019. After its formulation and amendment resolution of the board of directors is passed, the report of the regular shareholders’ meeting is submitted and disclosed on the MOPS and the Company’s website, which stipulates the Company’s business integrity policies, practices, and directors, managerial officers, and employees should abide by the laws and regulations when performing business, and the board of directors and management promise to actively implement and strictly follow in internal management and external business activities.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Assessment Items	Actual Governance (Note)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(II) Has the Company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”?	✓		The Company has formulated Ethical Corporate Management Best Practice Principles as a plan to prevent dishonest behavior, assessed the business activities with high unethical risk within the business scope, and strengthened relevant preventive measures.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(III) Has the Company established in the preventive programs the operating procedures for unethical behavior prevention, penalties and grievance systems of breaching the guidelines for conduct, and implemented and periodically review them?	✓		On November 4, 2016, the Company formulated the Measures for Handling Cases of Reporting Illegal, Immoral, or Dishonest Behaviors, and established internal and external reporting channels and handling systems. In addition, the Ethical Conduct Norm and Work Rules strictly regulate the Company’s business confidentiality and avoidance of interests. When employees have dishonest behaviors, they will be handled according to the Company’s reward and punishment system depending on the severity of the behavior.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
II. Proper enforcement of business integrity				

Assessment Items	Actual Governance (Note)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(I) Does the Company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	✓		The Company adheres to the business integrity principle in dealing with customers and suppliers and does not conduct transactions with those who have a record of dishonest behavior. If the counterparty of the transaction is involved in dishonest behavior, the Company may terminate or cancel the terms of the contract at any time.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the Company established a dedicated (concurrent) unit to implement ethical corporate management under Board of Directors and report regularly (at least once a year) to BOD the status of implementation and supervision of ethical management policy and preventive programs of unethical behavior?	✓		The Company's General Manager Office is the unit responsible for promoting ethical corporate management policy. To fulfill the supervision responsibility of integrity management, the Company's board of directors has established various organizations and channels, for example: audit committee, remuneration committee, internal audits, etc. The Company is mainly assisted by the Sustainable Committee to promote the Company's integrity management, and the internal audit will also report the implementation status to the board of directors regularly. Under the supervision of the board of directors, the Company's managers must ensure that the Company's financial information reported by the securities competent authority or otherwise disclosed to the outside world is complete, fair, accurate, timely, and understandable.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Assessment Items	Actual Governance (Note)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	✓		The Company stipulates and provides appropriate channels for directors, managers, and other interested parties who attend or attend the board of directors as non-voting delegates to actively explain whether they have potential conflicts of interest with the Company in the Ethical Corporate Management Best Practice Principles.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(IV) Has the Company established an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit?	✓		The Company has always paid attention to ensuring the accuracy of its financial reporting process and its control and designed relevant internal control systems for operating procedures with potentially high risks of dishonesty. The internal audit also draws up annual audit plans based on risk assessment results to conduct various inspections and report the audit results and follow-up improvement plans to the board of directors and management to implement the audit results. In addition, through the annual internal control self-assessment, all departments of the Company must self-examine the effectiveness of the design and implementation of the internal control system.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(V) Has the Company organized corporate management internal and external education and training programs on a regular basis?	✓		In addition to conducting integrity promotion courses for new recruits, the Company also regularly organizes education and training to require employees not to directly or indirectly provide, promise, request or accept any form of illegitimate benefits. The attendance of relevant education and training courses reached 3 in 2024, with a total of 6 hours.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Assessment Items	Actual Governance (Note)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
III. The operations of the Company's Report System				
(I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?	✓		If the relevant persons of the Company's various businesses find any violation of honesty and integrity during the execution of their business, they can report through their direct supervisors, managers, internal audit supervisors, or the audit committee. After the report, the investigation procedure will be initiated, a committee will be established to conduct the investigation, and the special personnel includes the auditing unit.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the Company established standard operating procedures for investigating reported events, follow-up measures to be taken after the investigation was completed, and related confidentiality mechanisms?	✓		The Company has established the Measures for Handling Cases of Reporting Illegal, Immoral or Dishonest Behaviors, and Articles 3 to 5 of the Measures, specify reporting channels and acceptance procedures, standard operating procedures for the investigation of accepted reporting matters, and confidentiality mechanism, the Company will keep confidential the whistleblowers, investigators, and their contents	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(III) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	✓		To encourage employees to report violations, the Company abides by the confidentiality of personal information, and lets employees know that the Company will do its best to protect the safety of the reporter from retaliation.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Assessment Items	Actual Governance (Note)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
IV. Enhanced information disclosure Does the Company have the contents of Ethical Corporate Management Best Practice Principles and its implementation disclosed on the website and MOPS?	✓		The Company has announced the Ethical Corporate Management Best Practice Principles and Ethical Conduct Norm on the MOPS. In addition, relevant and reliable information related to integrity management is also disclosed in the annual report.	Comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
V. Where a Company has worked Ethical Corporate Management Guiding Principles in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”, please expressly elaborate on the differential gap between the substantial performance and the Practice Principle: The Company complies with the regulations of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and has formulated the Ethical Corporate Management Best Practice Principles and Ethical Conduct Norm, and follows them under relevant content regulations.				
VI. Other vital information that helps to understand the practice of business integrity of the Company (e.g., the review and revision of the best-practice principles of the Company in Ethical Corporate Management Best Practice Principles): None.				

Note: The operation is based on the Company as the main body. Check “Yes” and “No”, and please refer to the content of the summary.

(VIII) Other significant information that is helpful to better awareness of performance in corporate governance may disclose as well.

Please refer to the Corporate Governance section on our company's website..

http://www.onano-nm.com/info_2.html

(IX) Hands-on performance in the Internal Control System shall disclosed the following matters

1. Statement of Internal Control System: please refer to Page 109.

2. Review report issued by the commissioned CPA in the review of the internal control system: None.

(X) Major resolution of the board the shareholders' meeting in the latest year and up to the publication date of the annual report:

1. The major resolutions of the shareholders' meeting on June 14, 2024 are as follows:

(1) Approved the proposal for 2023 Business Report and Financial Statements.

Resolution: As a result of voting, the number of votes in favor meets the statutory requirements, and the proposal is approved as it is.

Implementation status: The relevant forms have been submitted to the competent authority for reference and announcement declaration in accordance with the Company Act and other relevant laws and regulations.

(2) Approved the proposal for the 2023 deficit compensation

Resolution: As a result of voting, the number of votes in favor meets the statutory requirements, and the proposal is approved as it is.

Implementation status: The resolution was approved.

2. Significant decisions resolved in the board matter:

Date	Significant Decisions Resolved
March 14 2024	<ul style="list-style-type: none"> ◆ Approved proposal for the 2023 Statement of Internal Control System. ◆ Approved the Company's 2023 Business Report and Financial Statements. ◆ Approved proposal for the 2023 deficit compensation. ◆ Approved proposal for the Capital Surplus Cash Distribution. ◆ Approved proposal for the no allocation of remuneration to employees and directors for 2023. ◆ Approved amendments to the Rules of Procedure of the Board of Directors. ◆ Approved the amendment to the Measures for the Management of Job Authorization and Agent Systems. ◆ Approved proposal for adding partial provisions of the Company's Regulations for the Security and Maintenance of Personal Information Files. ◆ Approved proposal for adding partial provisions of the Company's Measures for the Operation and Management of the Audit Committee. ◆ Approved proposal for adding partial provisions of the Company's Measures for the Administration of Shareholder Services. ◆ Approved the amendment to the Implementation Rules for Internal Audit Operations - Other Management Measures. ◆ Approved proposal for the 2024 regular shareholders' meeting to hold related matters. ◆ Approved the proposal for endorsement for a credit line and exposure limit with E.SUN Bank. ◆ Approved proposal for appointing the CPA and resolution of CPA's remuneration. ◆ Approved proposal for evaluating the independence and competence of the CPA.
May 9, 2024	<ul style="list-style-type: none"> ◆ Approved proposal for the 2024 Q1 Financial Report. ◆ Approved the endorsement for credit line with Taipei Fubon Bank. ◆ Approved the amendment of the Corporate Governance Best

Date	Significant Decisions Resolved
	<p>Practice Principles.</p> <p>◆ Approved the amendment of the Corporate Sustainable Development Best Practice Principles.</p>
August 9, 2024	<p>◆ Approved proposal for the 2024 Q2 Financial Report.</p> <p>◆ Approved the amendment to the Measures for the Administration of Budgets.</p> <p>◆ Approved the amendment to the Directions for the Implementation of Continuing Education for Directors.</p> <p>◆ Approved the amendment to the Procedures for Handling Significant Inside Information.</p> <p>◆ Approved the amendment to the Rules Governing Financial and Business Matters Between this Corporation and its Related Parties.</p> <p>◆ Approved the amendment to the Management Operation for Insider Data Declaration.</p> <p>◆ Approved the amendment to the Management Measures for Preventing Insider Trading.</p>
November 8, 2024	<p>◆ Approved proposal for replacing the CPA due to coordination with the internal rotation of the accounting firm.</p> <p>◆ Approved proposal for the 2024 Q3 Financial Report.</p> <p>◆ Approved proposal for the 2024 Managers Year-end Bonus.</p> <p>◆ Approved proposal for the plan of internal auditing in 2025.</p> <p>◆ Approved proposal for the 2025 Operation Plan and Budget.</p> <p>◆ Approved proposal for adding partial provisions of the Company's Sustainable Development Committee Charter.</p> <p>◆ Approved proposal for adding partial provisions of the Company's AM142_Procedures for Preparation and Verification of Sustainability Report.</p> <p>◆ Approved proposal for amendment to the Company's AM135_Measures for Handling Cases of Reporting Illegal, Immortal or Dishonest Behaviors.</p> <p>◆ Approved proposal for adding partial provisions of the Company's AM-125_Implementation Rules for Sustainability Information Management Audit.</p> <p>◆ Approved proposal for the amendment to the Internal Control System.</p>

Date	Significant Decisions Resolved
March 6, 2025	<ul style="list-style-type: none"> ◆ Approved proposal for the 2024 Statement of Internal Control System. ◆ Approved the Company's 2024 Business Report and Financial Statements. ◆ Approved proposal for the 2024 deficit compensation. ◆ Approved proposal for the distribution of cash dividends by capital surplus. ◆ Approved proposal for the 2024 Distribution of Remuneration to Directors. ◆ Approved the amendment to the Company's Articles of Incorporation. ◆ Approved the proposal for Election of the 8th Board of Directors (including independent directors) for the Company. ◆ Approved the proposal for nomination of candidates for the 8th Board of Directors (Including Independent Directors) of the Company. ◆ Approved the proposal for cancellation of the non-competition restriction on the Company's directors. ◆ Approved proposal for the 2025 regular shareholders' meeting to hold related matters. ◆ Approved the proposal for the appointment of the Company's 2025 CPAs and the review of public fees. ◆ Approved proposal for evaluating the independence and competence of the CPA. ◆ Approved the extension for comprehensive credit line with bank.

(XI) In the latest year and up to the publication date of the annual report, where the directors passed significant decisions with different opinions as backed with records or declarations, the major contents: None.

IV. Information in public fees of the certified public accountant association:

Unit: NTD thousand

CPA Firm	Name of CPA	CPA Auditing Period	Audit Remuneration	Non-audit Fee	Total	Remark
PwC Taiwan	Yu, Chih-Fan; Lin, Chia-Hung	January 1, 2024 - September 30, 2024	1,200	550	1,750	1. Non-audit fees include tax compliance audit, foreign language translation, etc. 2. In line with the internal adjustment of the accounting firm, the chief signing and countersigning accountants have been changed since the third quarter of 2024.
	Tu, Chan-Yuan; Yu, Chih-Fan	September 30, 2024 - December 31, 2024				

V. Changes in CPA:

(I) Former CPAs

Date of Change	November 8, 2024		
Reasons and Explanation of Changes	In conjunction with the internal adjustment of PwC Taiwan, the Company’s chief signing accountant will be changed from CPA Yu, Chih-Fan to CPA Tu, Chan-Yuan starting in the third quarter 2024, and the countersigning accountant will be changed from CPA Lin, Chia-Hung to CPA Yu, Chih-Fan.		
Indicate that the appointer or CPA has terminated or refused to accept the appointment.	Participants		CPA
	Status		Consignor
	Termination of appointment	Not available	Not available
	No longer accepted (continued) appointment	Not available	Not available
Other issues (except for unqualified issues) in the audit reports within the last two years	None.		
Whether there is any disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Other
	None	✓	
Description: Not available			
Other disclosures	None.		

(II) Successor CPA

CPA firm	PwC Taiwan
Name of CPA	CPA Tu, Chan-Yuan and CPA Yu, Chih-Fan
Date of appointment	Approved by the Board of Directors on November 8, 2024.
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(III) Reply from the former CPA on matters Item 1 and 2-3, Paragraph 6, Article 10 of this Code: Not available.

VI. Where the company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified any accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held the implementation: None.

VII. In the latest year until the date as of annual report issuance, the fact regarding transfer or pledge stock equity by the Company's directors and managerial officers and key shareholders holding over 10% in shareholding:

(I) Information on Net Change in Shareholding and Net Change in Share Pledged by Directors, Managers, and Shareholders of 10% Shareholding or More

Unit: shares

Title	Name	2024		From January 1, 2025 to March 25, 2025	
		Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Collateralized	Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Collateralized
Chairman	Hong Cheng Investment Ltd.	-	-	-	-
	Representative: Chen, Chun-Hsia	-	-	-	-
Director	Hong Yu Investment Ltd.	-	-	-	-
	Representative: Chen, Chih-Cheng	-	-	-	-
Director	MARUMI Electronics Corporation	-	-	-	-
	Representative: Huang, Shan-Jung	-	-	-	-
Director	MARUMI Electronics Corporation	-	-	-	-
	Representative: Wu, Cheng-Che	-	-	-	-
Independent Director	Li, Kun-Chang	-	-	-	-

Title	Name	2024		From January 1, 2025 to March 25, 2025	
		Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Collateralized	Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Collateralized
Independent Director	Hsu, Ying-Chieh	-	-	-	-
Independent Director	Chou, Hui-Yu	-	-	-	-
Independent Director	Cheng, Tung-Sheng	-	-	-	-
General Manager	Chen, Chun-Hsia	-	-	-	-
Senior Manager	Wang, Ching-Hung	-	-	-	-

Note: It is filled with the incumbent managers up to the publication date of the annual report.

(II) The relative of the equity transfer is a related party: None.

(III) The relative of the equity pledge is a related party: None.

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

March 25, 2025; Unit: shares

Name of major shareholders	Shares Held in Own Name		Shareholdings of Spouse and Underage Children		Shares Held in the Names of Others		The Name and Relationship Information, if Among the 10 Largest Shareholders any One is a Related Party, or is the Spouse or a Relative within the Second Degree of Kinship of Another.		Remark
	Quantity	%	Quantity	%	Quantity	%	Name	Relation	
Chen, Chun-Hsia	4,822,241	7.33	298,937	0.45	0	0	E-Du Co., Ltd. MARUMI Electronics Corporation Hong Cheng Investment Ltd. Cheng, Meng-Yao	The representative is relative of second degree of marriage Representative in person The representative is relative of second degree of marriage Relative of second degree in-law	
E-Du Co., Ltd.	4,620,952	7.02	0	0	0	0	Chen, Chun-Hsia MARUMI Electronics Corporation Hong Cheng Investment Ltd. Cheng, Meng-Yao	The representative is relative of second degree of marriage	
Representative: Cheng, Meng-Yao	1,407,143	2.14	0	0	0	0		The representatives of both parties are second-degree relatives-in-law Representative is the same person Representative in person	
MARUMI Electronics Corporation	3,915,239	5.95	0	0	0	0	Chen, Chun-Hsia E-Du Co., Ltd. Hong Cheng Investment Ltd. Cheng, Meng-Yao	Representative in person The representatives of both parties are second-degree relatives-in-law	
Representative: Chen, Chun-Hsia	4,822,241	7.33	298,937	0.45	0	0		The representatives of both parties are second-degree relatives-in-law The representative is relative of second degree of marriage	

Name of major shareholders	Shares Held in Own Name		Shareholdings of Spouse and Underage Children		Shares Held in the Names of Others		The Name and Relationship Information, if Among the 10 Largest Shareholders any One is a Related Party, or is the Spouse or a Relative within the Second Degree of Kinship of Another.		Remark
	Quantity	%	Quantity	%	Quantity	%	Name	Relation	
Wu, Jung-Pin	3,633,700	5.52	1,929,000	2.93	0	0	Chang, Ya-Wen	Spouse	
Hong Cheng Investment Ltd.	3,594,580	5.46	0	0	0	0	Chen, Chun-Hsia E-Du Co., Ltd. MARUMI Electronics Corporation Cheng, Meng-Yao	The representative is relative of second degree of marriage	
Representative: Cheng, Meng-Yao	1,407,143	2.14	0	0	0	0		Representative is the same person The representative is relative of second degree of marriage Representative in person	
Chang, Ya-Wen	1,929,000	2.93	3,633,700	5.52			Wu, Jung-Pin	Spouse	
Hong Yu Investment Ltd.	1,444,158	2.19	0	0	0	0	None	None	
Representative: Chen, Chih-Cheng	846,111	1.29	215,512	0.33	0	0			
Cheng, Meng-Yao	1,407,143	2.14	0	0	0	0	Chen, Chun-Hsia E-Du Co., Ltd. MARUMI Electronics Corporation Hong Cheng Investment Ltd.	Relative of second degree in-law Representative in person The representative is relative of second degree of marriage Representative in person	
Chen, Ying-Chun	971,298	1.48	0	0	0	0	None	None	
Citi custody Berkeley Capital SBL/PB investment account	920,000	1.40	0	0	0	0	None	None	

IX. Investments jointly held by the Company, the Company's directors, managers, and enterprises directly or indirectly controlled by the Company. Calculate shareholding in aggregate of the above parties: None.

Funding Status

I. Capital and shares

(I) Sources of share capital

1. Formation of capital

March 25, 2025; Unit: shares; NTD

Year / month	Price of issuance (NTD)	Authorized capital		Paid-up capital		Remark		
		Quantity	Amount	Quantity	Amount	Sources of share capital	Paid in properties other than cash	Other
July 2004	10	1,000,000	10,000,000	1,000,000	10,000,000	Establishment of the Company (cash)	-	Note 1
September 2005	10	5,000,000	50,000,000	2,908,000	29,080,000	Cash capital increase NT\$19,080,000	-	Note 2
November 2005	10	5,000,000	50,000,000	5,000,000	50,000,000	Cash capital increase NT\$20,920,000	-	Note 3
April 2006	20	20,000,000	200,000,000	7,000,000	70,000,000	Cash capital increase NT\$20,000,000	-	Note 4
June 2007	20	20,000,000	200,000,000	8,777,000	87,770,000	Cash capital increase NT\$17,770,000	-	Note 5
March 2010	15	20,000,000	200,000,000	10,777,000	107,770,000	Cash capital increase NT\$20,000,000	-	Note 6
July 2010	10	20,000,000	200,000,000	12,000,000	120,000,000	Capitalization of capital surplus NT\$8,996,900 Capitalization of retained earnings NT\$3,233,100	-	Note 7
September 2010	15	20,000,000	200,000,000	13,200,000	132,000,000	Employee stock option convertible shares NT\$12,000,000	-	Note 8
December 2010	20	40,000,000	400,000,000	22,200,000	222,000,000	Cash capital increase NT\$90,000,000	-	Note 9
September 2011	10	40,000,000	400,000,000	26,196,000	261,960,000	Capitalization of retained earnings NT\$39,960,000	-	Note 10
August 2012	10	150,000,000	1,500,000,000	39,294,000	392,940,000	Capitalization of retained earnings NT\$130,980,000	-	Note 11

Year / month	Price of issuance (NTD)	Authorized capital		Paid-up capital		Remark		
		Quantity	Amount	Quantity	Amount	Sources of share capital	Paid in properties other than cash	Other
November 2012	110	150,000,000	1,500,000,000	41,500,000	415,000,000	Cash capital increase NT\$22,060,000	-	Note 12
July 2013	10	150,000,000	1,500,000,000	60,175,000	601,750,000	Capitalization of retained earnings NT\$186,750,000	-	Note 13
November 2013	55	150,000,000	1,500,000,000	65,800,000	658,000,000	Cash capital increase NT\$56,250,000	-	Note 14

Note 1: Taipei City Government Fu Jian Shang Zi Doc. No. 09315902810.

Note 2: Taipei City Government Fu Jian Shang Zi Doc. No. 09418270700.

Note 3: Taipei City Government Fu Jian Shang Zi Doc. No. 09424631000.

Note 4: Taipei City Government Fu Jian Shang Zi Doc. No. 09575112100.

Note 5: Taipei City Government Fu Jian Shang Zi Doc. No. 09685322710.

Note 6: Ministry of Economic Affairs Jing Shou Zhong Zi Doc. No. 09931856960.

Note 7: Ministry of Economic Affairs Jing Shou Zhong Zi Doc. No. 09932270420.

Note 8: Ministry of Economic Affairs Jing Shou Zhong Zi Doc. No. 09932615930.

Note 9: Ministry of Economic Affairs Jing Shou Zhong Zi Doc. No. 09933023590.

Note 10: Ministry of Economic Affairs Jing Shou Zhong Zi Doc. No. 10032456910.

Note 11: Ministry of Economic Affairs Jing Shou Zhong Zi Doc. No. 10132430570.

Note 12: Ministry of Economic Affairs Jing Shou Zhong Zi Doc. No. 10132752270.

Note 13: Ministry of Economic Affairs Jing Shou Shang Zi Doc. No. 10201136160.

Note 14: Ministry of Economic Affairs Jing Shou Shang Zi Doc. No. 10201249820.

2. Share category

March 25, 2025; Unit: shares

Share category	Authorized capital			Remark
	Outstanding shares	Unissued shares	Total	
Registered ordinary shares	65,800,000	84,200,000	150,000,000	Reserve 2,000,000 shares for employee stock option convertible shares

3. Information on self-registration system: None

(II) List of major shareholders

March 25, 2025; Unit: shares; %

Shareholding Name of major shareholders	Quantity of shareholding	Ratio of Shareholding
Chen, Chun-Hsia	4,822,241	7.33
E-Du Co., Ltd.	4,620,952	7.02
MARUMI Electronics Corporation	3,915,239	5.95
Wu, Jung-Pin	3,633,700	5.52
Hong Cheng Investment Ltd.	3,594,580	5.46
Chang, Ya-Wen	1,929,000	2.93
Hong Yu Investment Ltd.	1,444,158	2.19
Cheng, Meng-Yao	1,407,143	2.14
Chen, Ying-Chun	971,298	1.48
Citi custody Berkeley Capital SBL/PB investment account	920,000	1.40

(III) Dividend policy and implementation

1. Dividend policy formulated under the Articles of Incorporation

If the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, appropriating as a legal reserve 10% of the remaining profit, except when the accumulated amount of such legal reserve equals to the Company's total issued capital, appropriating or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which shall be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

If the stock dividend and bonus or legal reserve and capital surplus defined by the Article 241 of the Company Act are distributed in cash in whole or in part,

the Board shall be authorized to make a decision in a session attended by more than two-thirds of the Directors and a simple majority of the Directors in session and reported to the shareholders' meeting.

The Company's dividend distribution policy shall be formulated by the board of directors based on factors such as the Company's current and future investment environment, capital needs, domestic and foreign competition conditions, and capital budgets, taking into account shareholders' interests, balanced dividends, and the Company's long-term financial planning, etc. which shall not exceed the after-tax surplus of the current year as the principle, but it can also be distributed as a capital reserve or accumulated distributable surplus under special circumstances. And the dividends to shareholders can be distributed in cash or shares, but cash dividends shall be no less than 10% of the total dividends.

2. Dividend distribution proposed for the year

The Company's undistributed earnings at the beginning of 2024 were NT\$1,106,464,400, deducting the retained earnings adjustment of NT\$38,898 for disposal of equity instruments at fair value through other comprehensive income and the net loss after tax of NT\$49,482,002, the undistributed earnings at the end of 2024 were NT\$1,056,943,500.

The Company approved the capital surplus cash distribution of NT\$6,580,000 (that is per share distributed cash NT\$0.1) on March 6, 2025.

3. Explanation of major changes on expected dividend policy: None.

(IV) The impact of the issuance of bonus shares proposed in the year upon the Company's business performance and earnings per share: Not applicable.

(V) Remuneration to the employees and Directors

1. The percentage or range of employee dividends and directors' compensation as stated in the Articles of Association:

If the Company makes profits in the year, it should allocate no less than 0.5% as employee remuneration, which is distributed by the Board of Directors in the form of stock or cash. The recipients of the payment include the employees of subsidiaries of the Company meeting certain specific requirements. The Company can allocate no more than 3% of the above profit amount as director remuneration by resolution of the Board of Directors. The remuneration proposal to the employees and the Directors shall be reported to the shareholders' meeting. However, when the Company still has accumulated losses, it should reserve the profit to make up for the loss before allocate

employee remuneration and director remuneration in proportion to the preceding paragraph.

2. The grounds to estimate the remuneration to employees and directors: In case of a differential gap between remuneration to employees in amount of actual distribution to be distributed in stocks and the previously estimated amount:
The grounds to estimate employee and director remuneration is under the Articles of Incorporation. If there is still a change in the amount after the annual consolidated financial report is published, it will be treated as a change in accounting estimate and will be made an adjusting entry in the next year.
3. Remuneration to be distributed as resolved in the board of directors:
The Company's 2024 employee remuneration and director and supervisor's remuneration approved by the resolution of the board of directors are all NT\$0, with no difference compared to the amounts recognized in the 2024 financial statements.
4. The actual distribution of employee and director remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director remuneration, additionally the discrepancy, cause, and how it is treated: The Company's 2023 employee remuneration and director's remuneration approved by the resolution of the board of directors are consistent with the amounts recognized in the 2023 financial statements.

(VI) Share repurchase by the Company: None.

II. Corporate bond application: None.

III. Preferred stock: None.

IV. Sponsor issuance of global depositary receipts: None.

V. Employee stock option: None.

VI. Employee restricted stocks: None.

VII. Status of new shares issuance in connection with mergers and acquisitions: None.

VIII. Financing Plans and Implementation: None.

Business Performance

I. Content of business

(I) Scope of business operation

1. The Company's main content of the business, business proportion and commodity (service) items

The Company has specialized in photoelectric glass processing service; it has slimming, polishing, and film coating technologies for LCD screens, mobile device panels, and solar glass to meet the market's "light" and "slim" needs for 3C products and industrial displays. The products mainly apply to mobile devices such as smartphones, tablet computers, and ultra-thin notebook computers. The Company's operating income in 2024 was NT\$131,808 thousand, mainly coming from slimming and film coating processing in the panel industry.

2. New products (services) under development

The Company will continue to research and develop technology for opto-electronic glass slimming, and the future plan will be refined in the following directions:

- (1) Mini-LED/Micro-LED and other ultra-slim panel slimming coating technology.
- (2) Slimming processing of automotive panels and obtaining relevant certifications.
- (3) Wafer stripping and grinding technology improvement and mass production.
- (4) TGV technology for 3D-IC heterogeneous integrated packaging.
- (5) Low Temperature Co-Fired Ceramic (LTCC) Substrate Technology for Millimeter-Wave Communication Applications.

(II) Industrial overview:

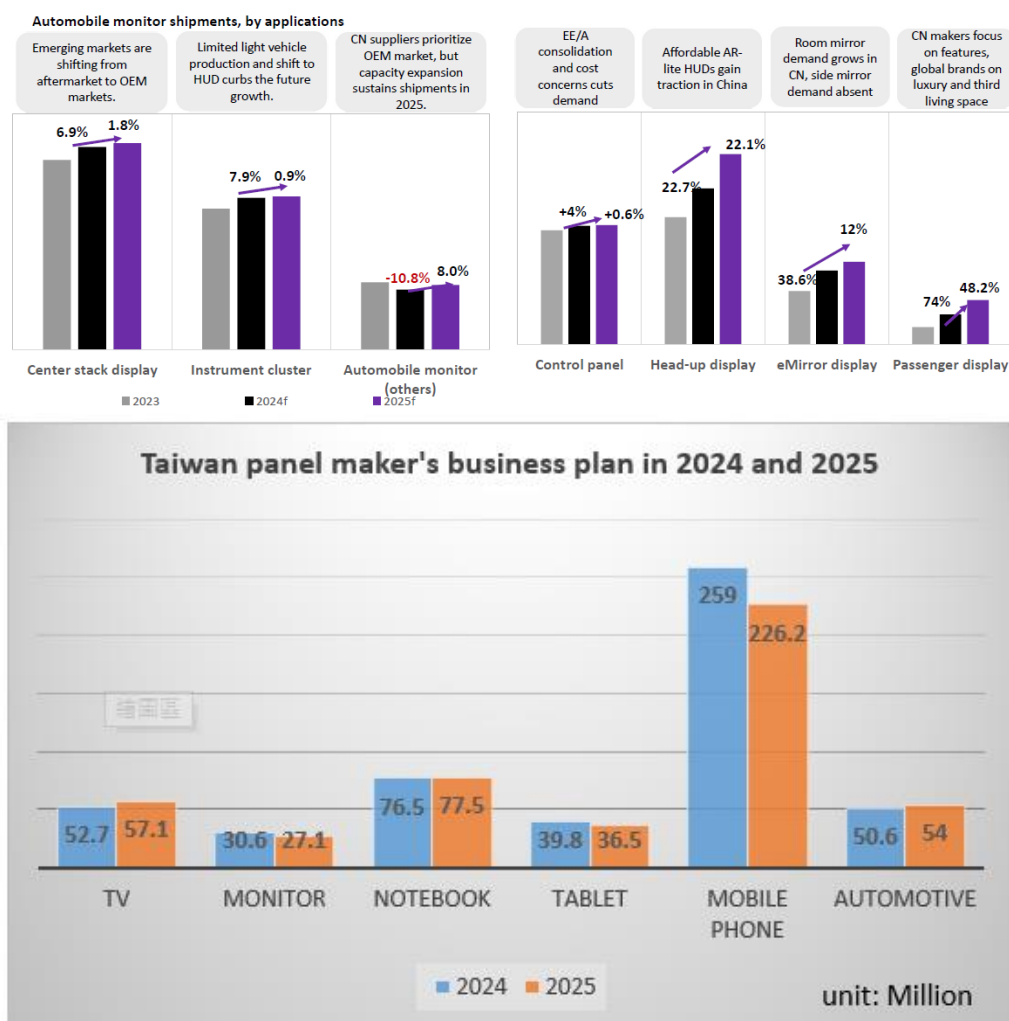
1. Progress and Development of the industry

(1) Small and medium size monitors

In 2024, raw materials, currencies, and market fluctuated sharply due to the global geopolitical impacts, overall industry demand below expectation, and the ongoing Russia-Ukraine conflict. Later, the regional war in the Middle East affected transportation and geopolitical factors, resulting in weakness in the European and American markets. Therefore, except for semiconductor and AI-related industries, the global manufacturing industry is still in recession. The global economic conditions have led to revenue decline, sluggish panel prices, and increasing losses in the panel industry. Taiwan's major panel manufacturers have also been affected. Among them, AUO has successively closed its Tainan factories, and Innolux has also downsized and closed some factories. Therefore, the slimming demand, followed by the panel semi-finished goods processing, is also deeply affected. It witnessed consecutive losses in each month of 2024 and no signs of recovery.

(2) Automotive panel

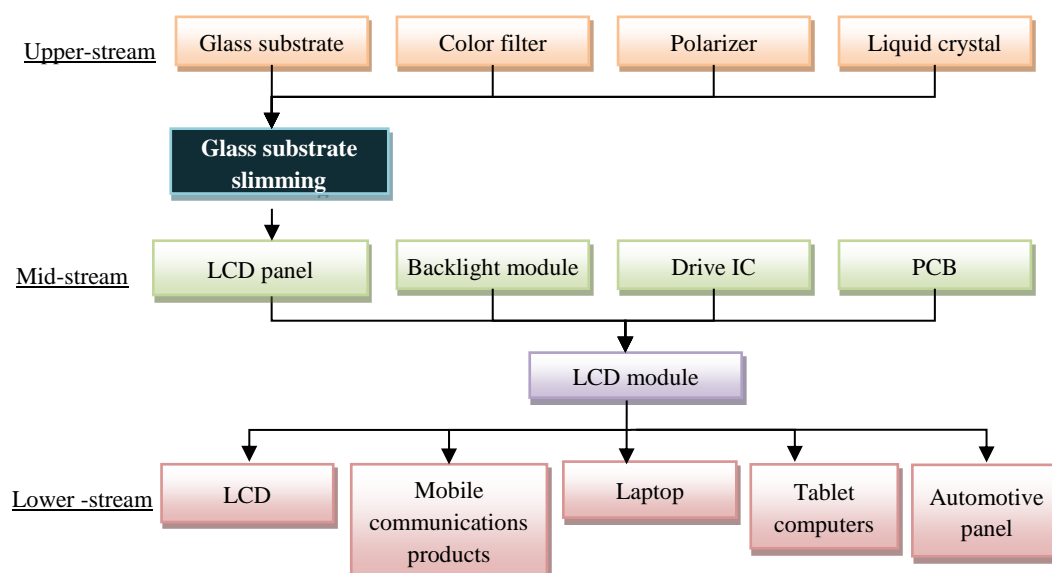
Compared with the gross profit margin of other displays, the gross profit margin and orders of automotive panels are relatively stable. Once certified, they are less prone to be replaced at will. In the sluggish global panel demand, automotive panels show the least recession and still retain the potential momentum to gestate the market. Therefore, various major LCD panel manufacturers have invested a certain proportion of resources into this field one after another, which stands out as the originally unobtrusive automotive field to become the focus of products.



(Profile of Source: Omdia_48th Display Japan Forum January 23 - 24, 2025)

2. Association among the up-, mid- and down streams

The Company is an opto-electronic glass substrate slimming manufacturer, which belongs to the middle process of the panel manufacturing process. After the glass substrate is slimmed by the Company, the LCD module is processed to reach the downstream portable smart phone or tablet computer. To slimmer and lighter electronic products, the relationship among the upper, middle, and lower streams of the panel industry is shown in the following figure:



3. Product development trends

- (1) Technological products are constantly changing, while the thickness of glass substrates continues to shrink

The demand for slimmer panels is still necessary under the demand for the slimmer and lighter design of portable mobile devices. In addition to using slimmer glass for production, panel manufacturers still rely on the processing services of slimmer manufacturers to a certain extent. The thickness of the glass substrate is reduced from 0.5mm or 0.4mm to 0.1~0.2mm, making the overall panel thickness reduced to 0.2~0.4mm, so as to solve the huge cost of glass substrate equipment transformation, poor yield rate, and the production line oversize of more than 6 generations. If it is too large, it is not conducive to use glass slim and other problems in the process.

- (2) Automotive panel market demand increases

The rapid development of electric vehicles and the demand for digital vehicle dashboards have become standard equipment for vehicles of this generation. Only multi-functional panels can cope with increasingly smart vehicle functions. Under the development trend of smart driver seats, functions such as instrument panels, head-up displays, in-vehicle infotainment systems, and voice recognition are gradually integrated into the same system. The man-machine interaction interface function has gone beyond that just driving, for instance, before the driver enters the vehicle, through the intelligent calculation of the system, the vehicle automatically recognizes the driver's identity and adjusts the driver's seat, steering wheel, seat-angle position, driving mode, and changes the screen background of the exclusive driver's cockpit at the same time according to the driver's preferences or habits. Even the body temperature automatically adjusts the air conditioner in the car, etc. Users do not need to adjust the settings of various devices in the vehicle, but automatically adjust through voice or the smart cockpit platform, and use artificial intelligence and digital systems to provide personalized services to consumers through panels and various sensors. The car will not be just a moving tool but also an artificial intelligence outcome. Therefore, automotive panels must also conform with these changes and innovations to meet the requirements of no interference, more accurate touch, and beautiful bend, and most industry analysis agencies are optimistic about various applications of automotive panels.

4. Competition status

In terms of industry competition, there are currently local glass substrate slimming factories in countries or regions such as China, and Taiwan. However, risk factors such as glass substrates are prone to breakage during transportation between the panel factory and the slimming processing factory, resulting in this industry a certain degree of geographical proximity. Recently, the old panel factories have been gradually closed down and transformed, and the Korean factories have withdrawn from the TFT-LCD. Taiwan's panel makers below the G6 generation, in addition to the production of IT and automotive panels, are also actively transforming and developing new technologies, such as: Mini LED, Micro LED, under-display fingerprint sensor and panel-level packaging; due to the US-China-Taiwan relations and other geopolitical factors, based on the diversification of risk and the convenience of the quality control research, a certain percentage of the display production will be left in Taiwan for processing.

At present, the Company is the largest equipment capacity manufacturer among the professional glass substrate slimming factories in Taiwan. At the beginning of

its establishment, the Company's position in the glass substrate slimming field. Over the years, it has specialized in chemical etching recipes, etching processes and polishing. And the Company's production yield, product quality, and service delivery time are recognized by various major domestic panel manufacturers.

(III) Technological research and development:

1. The technical level and research and development of the business affairs

Currently, the glass slimming process can be roughly divided into two methods: chemical etching and physical grinding. Chemical etching uses hydrofluoric acid as the main raw material. The glass substrate is immersed in the etching solution, and the chemical reaction between the glass substrate and the etching solution is used to achieve the effect of glass slimming. Compared with physical slimming, chemical etching requires a shorter process time and can be mass-produced quickly. The physical grinding process uses a grinding machine with a grinding liquid to grind and polish the glass surface to achieve the glass slimming effect. However, as mentioned above, physical grinding is time-consuming and may cause damage to the panel. Therefore, since the Company engaged in the optoelectronic glass slimming business, it has mainly used chemical etching, supplemented by physical grinding, to achieve both mass production and quality requirements.

The design of etching equipment fixtures and processes is based on accumulated years of slimming experience, and according to the material characteristics and dimensions of different glass substrates, a suitable etching solution formula and manufacturing process have been developed, which have been recognized by most major panel manufacturers currently.

To sum up, the Company can provide customized services for its process technology and equipment and fixture development capabilities, thus our production yield and quality are deeply recognized by customers. In the future, the Company will continue to refine the glass substrate slimming technology and the glass-related continuation process to meet the market trend and demand, and continue to provide high-quality processing services.

2. R&D expenditure in the latest year and up to the publication date of the annual report

Unit: NTD thousand; %

Item \ Year	2024	March 25, 2025
R&D expenditure	57,707	11,912
Revenue amount	131,808	198
Ratio in amount revenue	44	6,016

(IV) Long- and short-term business development programs

1. Short term

(1) Operation strategy: The Company's technologies and services are primarily applied in end-use markets such as smartphones, notebook computers, tablet devices, and gaming consoles. Building on our accumulated expertise in mass production and our strengths in quality, we continue to provide production capacity and technical collaboration for new products from panel manufacturers. This enables us to reinforce our position and market share in the domestic market for ultra-thin glass used in optoelectronic applications.

Furthermore, we are leveraging our extensive experience in etching to expand into through-hole applications required for semiconductor packaging, with the aim of transforming into a specialized processing provider in the advanced packaging sector in the future.

- (2) Production strategy: By optimizing the existing slimming technology, we provide a one-stop solution of substrate slimming, polishing, and film coating services, and assist our customers to improve product competitiveness, meet market demand, as well as improve process production time, and enhance qualification yield, to achieve a win-win situation between the Company and customers.
- (3) Marketing strategy: Provide customers with all-round customized opto-electronic glass solutions and flexible and sufficient production capacity to respond to customer demand changes in the market, and form a good partnership with customers.
- (4) Financial strategy: The Company emphasizes sound financial planning. Through sound financial operations, it coordinates and allocates its resources to achieve the greatest comprehensive benefits, and establishes close relationships with financial institutions to support the Company's short-term capital needs.

2. Medium and long term plan

- (1) Operation strategy: Continue to deepen the domestic market and plan to expand overseas markets, focus on customer needs, provide other technical services and all-round customer services, expand business areas, and maintain the Company's industrial competitiveness and profitability. Investing in innovative product development sustains the business at the same time.
- (2) Production strategy: The Company will continue to strengthen production management, invest in core technology development, enhance the environmental protection process and new material research and development, and increase the automated production ratio to improve process technology and increase production yield. In addition to effectively reducing production costs, it can also meet customer needs, so as to enhance the Company's competitive advantage.
- (3) Marketing strategy: Grasp the pulse of market demand, use existing technologies and advantages, provide customized services in cooperation with customers' new product development plans, and continue to improve marketing and business promotion capabilities to continue expand the product market share.
- (4) Financial strategy: Use sound and diversified financial management tools in the capital market to raise funds at a lower cost to strengthen the financial structure and funds needed for long-term development.

II. Markets, production and marketing in summary

(I) Market analyses

1. Sales (distribution) regions of key products (services)

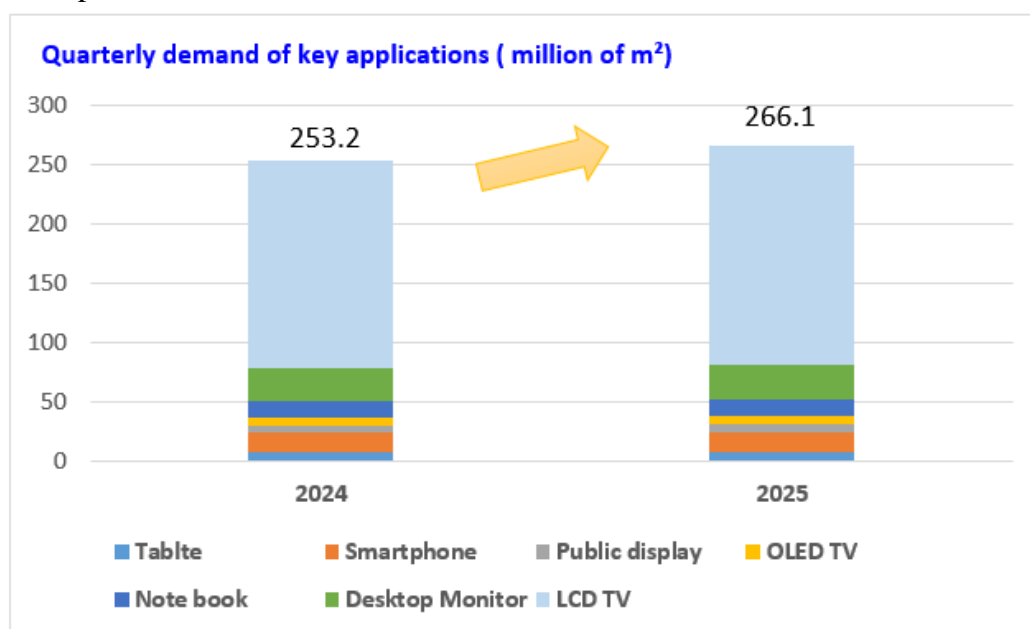
Year Region	2024		2023	
	Sales amount	Ratio in net revenue(%)	Sales amount	Ratio in net revenue(%)
Taiwan	131,808	100	209,016	100
Other	0	0	0	0

2. Market share

The Company's main business is opto-electronic slimming glass. Since the end-products using opto-electronic slimming glass are quite diversified and dispersed, the panel industry has moved from competition in scale to competition in value, and the main customers of opto-electronic slimming glass in Taiwan have shifted to high-value-added products. Overall, the Company accounts for approximately 60% of the Taiwan market.

3. The future market supply and demand and growth potential

On January 20, 2025, the second-term Trump administration took office and subsequently announced plans to significantly increase tariffs and tighten regulations on China, which remains a major source of demand for small and medium-sized panels. These policy changes may have a considerable impact on the smartphone and automotive markets:



(Profile of Source: Omida_48th Display Japan Forum January 23 - 24, 2025)

4. Competitive advantage

(1) An experienced business team

The main cadres of the Company's management team are professionals with many years of relevant industry experience, the main R&D employees also have backgrounds and experiences in chemicals, equipment, and production processes. With long-term accumulated experiences, the Company can fully grasp the industry's real-time information and timely response to adjustments.

At present, in addition to providing high-quality opto-electronic slimming glass, in response to market trends, it has gradually increased technology for packaging businesses' investment in research and development in recent years, hoping to expand the business structure horizontally based on the existing foundation.

(2) Complete production line

The Company has a full processing services production line such as sealing, etching, polishing, and film coating. It provides highly customized and complete process solutions for panel factories and shortens product delivery.

(3) Excellent customer service

In the face of increasingly complex industrial competition, the Company develops its own proprietary etching liquid formula according to the material characteristics and dimensions of the panels provided by each customer and cooperates with its manufacturing processes such as operating methods to fully master autonomous technology and deeply cultivate it. The development of technology enables the Company to maintain excellent production quality, earning deep trust and recognition from customers.

(4) Process equipment development capability

The Company has in-house developed equipment and fixtures for various related processes, which effectively control the cost of products and continuously improve product quality, and can flexibly adjust the production process to increase competitiveness in response to customer product specification changes.

(5) Mature technology

Since the establishment of the factory in 2005, the Company has accumulated many years of rich experience in the slimming glass field. It has established the technical threshold of self-preparation of chemical solution and polishing processing in the industry, and can provide high-quality and high-stability slimming glass service for customers.

In recent years, we have also utilized our rich experience in chemical etching to meet the demand for glass substrates for advanced packaging, and we have also obtained technical certifications from major domestic manufacturers while developing related technologies.

5. Advantages and disadvantages of development and countermeasures

(1) Advantages

Complete industry supply chain

On the one hand, although mainland panel factories have become the global panel supply main force, Taiwan has experienced long-term development in the opto-electronic field. There are many manufacturers of upstream glass substrates and color filters, midstream LCD panels and backlight modules, and downstream LCD assembly input to form a complete supply chain. Before then, considering international political factors such as geopolitics and chip supply, Taiwan panel factories have successively transferred higher-end products back to Taiwan for testing and production. Currently, in addition to the supply of LCD panels such as LCD TVs, LCD monitors, notebook computers (NB), and digital cameras, automotive system manufacturers with strict quality requirements have also established good cooperative relations with domestic well-known panel manufacturers.

(2) Disadvantages and countermeasures

A. Competitors increase

Competitors in Mainland China have been expanding their production capacity in recent years, affecting the supply and demand of the panel industry.

Countermeasures:

Glass slimming technology asks for several accumulated experiences. Based on years of experience in cooperating with panel factories, the Company will continue to improve its technical capabilities and flexibly adjust its manufacturing process in response to individual customer needs, so as to maintain its competitive advantage with cost control such as manpower and differentiated services.

B. Labor cost increases

Changes in the international situation have led to a contraction in market demand, and due to inflation and basic wages increasing year by year, the costs of highly labor-intensive industries have increased, making industrial development even more severe.

Countermeasures:

In addition to providing a good welfare system for employees, the Company will also hope to reduce unit labor costs and save labor costs through the introduction of multi-skilled labor plans and production efficiency.

C. Global economy affects

With the uncertainties of the Russia-Ukraine War, Middle East tensions, and US-China relations in recent years, overall consumer spending is likely to be affected by uncertainties such as inflation, high interest rates, energy shortages due to war, and international instability.

The demand for stay-at-home Economy brought by the epidemic in the past has also faded as the world is gradually adopting an open attitude to cope with the situation.

Countermeasures:

The Company will continue to optimize its product portfolio, expand market applications, and accelerate its transformation to reduce the impact of fluctuations in consumer sentiment on its operations, and flexibly adjust production schedules and workdays to meet market expectations in response to customer needs.

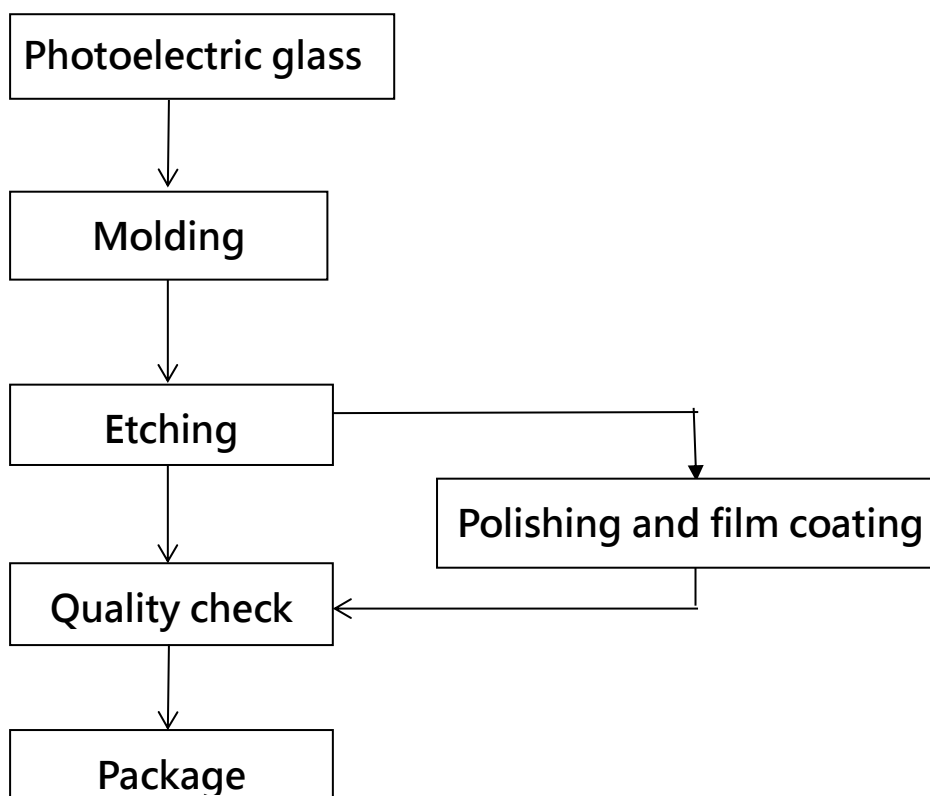
(II) Manufacturing process and key purposes of our principal products

1. Key purposes of our principal products

The Company's primary products are derived from glass-based LCD panels. While thin LCD panels are widely used in 3C (computer, communication, and consumer electronics) products, other key application areas include industrial control systems, medical equipment, and in-vehicle displays.

2. The manufacturing process of key products

The opto-electronic glass slimming process is as follows:



(III) Supply status of major raw materials

To ensure that the purchase price is competitive in the market and to ensure sufficient sources of supply, the Company maintains a good supply relationship with suppliers. All the suppliers' quality and delivery times are normal over the years. Besides, there is no shortage of supply or any interruption. Currently, the raw materials required for production and manufacturing are mainly hydrofluoric acid, and the supply is in good condition.

(IV) Customers accounting for at least 10% of annual purchases (sales) in any of the last two years, customers names and their purchases (sales) amount and proportion, and the reason for increase or decrease:

1. Suppliers that have accounted for 10% or more of the Company's procurements in either of the last two years

Unit: NTD thousand

	2023				2024			
Item	Name	Amount	Ratio to net purchases in the whole year (%)	Relation with issuer	Name	Amount	Ratio to net purchases in the whole year (%)	Relation with issuer
1	DD	8,029	32.14	None	DD	4,427	38.42	None
2	MM	7,111	28.46	None	MM	2,646	22.96	None
3	UU	4,148	16.60	None	JJ	1,784	15.48	None
4	JJ	3,020	12.09	None	EE	689	5.98	None
5		-	-	-	HH	648	5.62	None
	Other	2,674	10.71	-	Other	1,328	11.54	-
	Net purchase	24,982	100.00		Net purchase	11,522	100.00	

Reasons for increase or decrease:

The Company mainly purchases hydrofluoric acid, acid and alkali resistant adhesive film, polishing powder, etc., and has established long-term good cooperative relations with major suppliers. The change in the purchase amount of major suppliers in the last two years is due to a decrease in shipments in 2024 compared with 2023, resulting in a decrease in the purchase of raw materials.

2. Setting forth the names of any customers that have purchased 10% or more of the Company's sales in either of the last two years

Unit: NTD thousand

	2023				2024			
Item	Name	Amount	Ratio to net sale in the whole year(%)	Relation with issuer	Name	Amount	Ratio to net sale in the whole year(%)	Relation with issuer
1	F	150,044	71.79	None	F	94,657	71.81	None
2	D	58,706	28.09	None	D	35,965	27.29	None
	Other	266	0.12	-	Other	1,186	0.90	-
	Net sales	209,016	100.00		Net sales	131,808	100.00	

Reasons for increase or decrease:

Due to the global economic conditions, panel prices have been sluggish, and losses in the panel industry have gradually increased. Taiwan's major panel manufacturers have been impacted, and the demand for slimming in semi-finished panel processing has also been deeply affected. As a result, there is no sign of a reversal in the consecutive months of losses in 2024, leading to a sharp decline in shipments in 2024. Revenue fell by approximately 37% compared to 2023.

III. Profile of employees in the last two years and up to the publication date of the annual report

Year		2023	2024	From January 1, 2025 to March 25, 2025
Number of employees	Direct employee	95	6	4
	Indirect employee	70	41	39
	Total	165	47	43
	male	99	33	31
	female	65	14	12
	Total	165	47	43
Average age		41.4	43.2	44.3
Average years of service		7.50	8.08	8.11
Academic qualification (%)	Doctor	0.76	4.65	4.88
	Master	7.58	18.60	19.51
	Bachelor's Degree	42.42	51.16	51.23
	High school	33.34	18.61	17.07
	Below high school	15.90	6.98	7.31

IV Environmental spending

Disbursements for environmental protection: any losses suffered by the Company in the latest year and up to the publication date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in the environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the content of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If it cannot be reasonably estimated, the fact should be stated: None.

V. Employee relation

(I) Employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees

1. Employee benefits:

(1) Insurance

All employees are covered by the Company's labor insurance and national health insurance according to laws and regulations, and enjoy the right to insurance benefits according to relevant laws and regulations. For the benefits of birth, injury, disability, old age, death, etc. of colleagues, the Company also transfers the payment to the Bureau of Labor Insurance and the Health Insurance Administration in accordance with the Labor Insurance Act and National Health Insurance Act.

(2) Health and security

- A. The Company measures the labor operation environment legally to provide necessary safety protection and a comfortable working environment. In addition to holding regular employee health checks, follow-up health management is carried out based on the results of the physical examination, and special operation inspection personnel are included in case management to ensure all colleagues' healthy.
- B. The Company regularly invites medical staff to come to the factory every month to provide free health consultation services and health care suggestions for colleagues.
- C. The Company organizes health promotion activities such as weight loss classes, physical fitness, stress management, chronic disease lectures, and various health-related lectures irregularly according to the needs of colleagues, and sets up courts, fitness centers, sports classrooms, etc. in the factory area.
- D. To prevent occupational accidents and ensure the safety and health of employees, the Company regularly organizes labor safety and health education and disaster prevention training.

(3) Leaves

The Company provides monthly holidays and annual leave in accordance with the provisions of the Labor Standards Act and regularly provides statistical reports for supervisors to care for employees and understand their leave status, so as to help employees achieve a work-life balance.

(4) Female employee

The Company's employees who need childcare can apply for leave without pay. During the period of leave without pay for childcare, they can apply for childcare leave without pay allowances from the Bureau of Labor Insurance in accordance with regulations, for up to six months. A female-friendly workplace environment is also provided. The comfortable breastfeeding room allows female employees to relax and breastfeed after giving birth.

(5) Employees remuneration and bonuses

To improve the well-being of employees, improve the solidarity of employees with the Company and share the business results, if the Company makes profits in the year, it will allocate employee remuneration, and the distribution targets include subordinate employees who meet certain conditions. And will offer performance bonuses to those with excellent performance.

(6) Employee meal

The Company has a restaurant to provide meals for employees to solve employees' dietary problems.

(7) Various supplement

The Company set up an employee welfare committee under the law to allocate employee welfare funds to handle various employee welfare activities, such as holiday bonuses, employee travel, emergency assistance, hospital condolences, weddings and funerals, childbirth subsidies, and other benefits.

2. Staff engage in advanced studies, training, and implementations

In order to improve the quality of human resources and enhance the working knowledge and skills of employees, the Company conducts training for new recruits, on-the-job training, and external education and training from time to time according to the employees' own conditions and work needs; At the same time, to ensure mastery of training direction and implementation effectiveness, in the fourth quarter, the Human Resources Department launched the drafting of the education and training plan based on the Company-wide annual policy and training needs survey. The content of the plan includes the Company-wide education and training plan, cross-departmental and internal departmental training plans, and is reviewed on a quarterly basis Implementation status, and proposed correction and improvement measures for unreached items, so as to effectively grasp the effectiveness of specific training for employees. In 2024, the Company organized 70 training courses, with a total training time of 87 hours, and a total of more than 565 people participated in the courses.

3. Retirement system

According to the Labor Pension Act, the Company has established a retirement measurement for all employees to determine the contribution. The contribution method is based on the employee's monthly salary contribution table according to the labor pension, and 6% of the pension is allocated monthly to the individual labor pension special account of the Bureau of Labor Insurance, employee pensions are paid in the form of monthly pension or one-time pension according to

the employee's pension special account and the amount of accumulated income, to fully protect the rights and interests of employees.

4. Employee agreement

Labor relations coordination has always been the focus of our efforts. The Company adopts an open two-way communication method to promote all policies and learn employees' opinions, to maintain a harmonious relationship between labor and management. In 2024 and up to the publication date of the annual report, the Company has not suffered any major losses due to labor disputes.

5. Implementation of employee rights protection measures

- (1) In addition to establishing the Employee Welfare Committee in accordance with the law, the Company coordinates the planning, appropriation, storage, and use of employee welfare funds and related matters regulated by relevant laws and regulations. As a bridge of communication between labor and the Company, the protection of various rights and interests of employees and the implementation of the welfare system are based on laws and regulations.
- (2) The Company pays attention to internal communication and provides channels for employees to express their opinions, such as setting up online and physical employee suggestion boxes, providing immediate complaints and feedback channels, proposals to improve the system, regular labor-management meetings, and group dining meetings to accurately convey Company information, and maintain smooth communication with employees and interaction to establish a harmonious labor-management relationship.
- (3) The Company supports and respects internationally recognized human rights protection, diversity, inclusiveness and equal treatment, and ensures that employees are not subjected to any form of discrimination or unfair treatment on the basis of race, color, gender, marriage, age, religion, politics, nationality or social origin.

6. Protection measures for the working environment and staff safety

- (1) Under the Occupational Safety and Health Act, the Company provides labor safety and health education and training for new recruits, implements regular health checks for current employees, and implements health checks for specific items for those engaged in operations that are particularly harmful to health, and implements health management, and regularly hold safety and health education and training courses, such as the use and management of dangerous and harmful substances and fire drills and other courses.
- (2) The Company's factory and office areas are equipped with access control security controls, and there are 24-hour security guards on regular patrols and

monitoring systems to monitor and control to ensure personnel and property safety.

(3) In order to effectively prevent occupational diseases and occupational accidents, in addition to formulating an occupational accident prevention plan in accordance with the Occupational Safety and Health Act, the Company set up occupational safety and health full-time employee, regular environmental testing and irregular inspections, and made internal the labor safety and health promotion video enables employees to have a deeper understanding of the concept of safety and health and internalize it in the employees lives.

(4) The Company has installed automatic external defibrillator (AED) first aid equipment in the office, and has allocated a suitable first aid personnel.

(5) Continuous monitoring and auditing

For the operation of environmental safety and health in the factory area, in addition to carrying out various environmental testing and employee operating environment measurement under the law, a complete audit procedure has been established. In addition to daily inspections, high-risk operation inspections, and supervisor inspections, domestic and foreign third parties are accepted relevant audits of verification units or customers irregularly. Besides, the general manager regularly reviews various environmental safety affairs, reviews the operation status and sets goals and directions, implements continuous improvement, and enhances environmental safety performance.

(6) Work rules related to labor safety and health are disclosed on the Company's internal website for every employee to refer to anytime. A summary of the main implementation measures is as follows:

A. Labor safety & health management and supervise at each level responsibilities

B. Equipment inspection and maintenance

C. Occupational safety and health standards

D. First aid and rescue

E. Fire safety principle

F. Electric safety principle

G. Safety rules for material handling and storage

H. Preparation, maintenance, and use of protective equipment

I. Incident notification and report

(II) Describing any losses suffered by the Company due to labor disputes in the latest year and up to the publication date of the annual report due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and countermeasures. If a reasonable estimate cannot be made, an explanation of the facts shall be provided: None.

VI. Cyber Security Policy

(I) Information security risk management

The Company is committed to protecting its confidential information, and attaching importance to the security protection of confidential information is its commitment to customers, employees, and all shareholders.

Information security will be related to the Company's current and future competitive advantages. To properly control its information security, the Company continues to strengthen the protection of confidential information and enhance employees' correct concepts and alertness to confidential information security protection, reducing the disclosure risks of confidential information accidents to ensure the best interests of the Company, shareholders, employees, customers, and suppliers.

(II) Information security risk management framework

The Company's information security unit is the MIS Department, and it has established an information security supervisor approved by the resolution of the board of directors on November 9, 2023. The supervisor is responsible for formulating internal information security policies, planning and implementing information security operations, and promoting and implementing information security policies.

The Company's supervisory unit of information security supervision is the Auditing Department, whose responsibility is supervising the implementation of internal information security. If any deficiencies are found in the audit, the inspected unit will be required to propose relevant improvement plans and specific actions, and the improvement results will be tracked regularly to reduce internal information security risk.

(III) Resources Invested in Information and Communication Security Management

Information security protection	
Measures	Description
Prevent hacking/cyber attacks	The Company comprehensively inspects its internal information security to prevent its confidential information from being stolen and affecting normal production and operation. In addition to setting up a firewall to prevent external intrusion, internal management is also hierarchically controlled according to employee account authority. Besides implementing its confidential information, in case an individual computer is invaded, thus also minimizes the scope of influence. To strictly control information security, the Company also has completely inspected and managed information equipment and network usage regulations for external visitors.
Education, publicity	The Company regularly implements "Information Security

	Education and Training” for new recruits and educates employees to understand the concept of information security and enhance all awareness of information security through the “Information Security Education and Training” courses.
Genuine/legal software	(1) Purchase and use only licensed/legal software. (2) Restrict software installation privileges to IT personnel; general users are not permitted to install software independently.

(IV) The Company implements information security management measures as follows:

Information security management		
Type	Description	Related operations
Authority management	Employee account, authority management	<ul style="list-style-type: none"> ●Employee account authority management and audit ●Periodic inventory of Employee account authority
Access management	Control measures for personnel access to internal and external systems and data transmission channels	<ul style="list-style-type: none"> ●System and server highly secure management to prevent personnel from accessing unauthorized information ●Internal and external access control measures, regularly change user passwords ●Action trajectory analysis
External threat	Potential weaknesses of internal systems, poisoning pipelines, and protective measures	<ul style="list-style-type: none"> ●Host/computer vulnerability detection and control measures ●A firewall blocks external malicious attacks, avoids information outflow, and improves information security ●Virus protection and malware detection
System availability	Keep the system available and countermeasures to system interruptions	<ul style="list-style-type: none"> ●System/network status and monitoring mechanism ●Response mechanism for service interruption ●Data backup measures - daily data backup for important information systems ●Regular disaster recovery drills ●The information computer room is equipped with a fire protection system, a constant temperature and humidity air-conditioning system, and an uninterruptible power supply system, and regularly inspects and maintains the equipment in the computer room to reduce the risk of environmental accidents in the information system

(V) The losses, possible impacts, and countermeasures from major cyber security incidents in the latest year and up to the publication date of the annual report: None for the Company.

VII. Important contract: None.

Financial Status and Performance Review Analysis and Risks

I. Financial status

Unit: NTD thousand

Item \ Year	December 31, 2024	December 31, 2023	Difference	
			Amount	%
Current assets	673,254	1,604,369	(931,115)	(58.04)
Property, plant and equipment	861,259	910,401	(49,142)	(5.04)
Other assets	922,118	39,953	882,165	2,208.01
Total assets	2,456,631	2,554,723	(98,092)	(3.84)
Current liabilities	18,964	79,142	(60,178)	(76.04)
Non-current liabilities	5,803	61	5,742	9,413.11
Total liabilities	24,767	79,203	(54,436)	(68.73)
Share capital	658,000	658,000	-	-
Capital surplus	453,849	460,429	(6,580)	(1.43)
Retained earnings	1,307,928	1,357,448	(49,520)	(3.65)
Other equity interest	12,087	(357)	12,444	3,485.71
Total equity	2,431,864	2,475,520	(43,656)	(1.76)
Description:				
1. The main causes and impact analysis of significant changes in assets, liabilities, and equity in the last two years (if the change is more than 20% in the previous and later periods, and the amount of change reaches NT\$10 million) are as follows:				
(1) Current assets decreased mainly due to cash and cash equivalents used to acquire financial assets.				
(2) Other assets increased mainly due to an increase in financial assets measured at fair value through other comprehensive.				
(3) Current liabilities decreased mainly due to a decrease in other payables.				
(4) Total liabilities decreased mainly due to a decrease in current liabilities.				
(5) Other equity increased mainly due to an increase in unrealized valuation gains on financial assets measured at fair value through other comprehensive income.				
2. Future contingency plan for significant repayments affecting items: None.				

II. Financial performance

Unit: NTD thousand

Item \ Year	2024	2023	Increase (decrease)	Change percentage (%)
Revenue	131,808	209,106	(77,208)	(36.94)
Operating costs	138,222	213,428	(75,206)	(35.24)
Gross profit	(6,414)	(4,412)	(2,002)	(45.38)
Operating expenses	98,173	113,016	(14,843)	(13.13)
Operating income (loss)	(104,587)	(117,428)	12,841	10.94
Non-operating income and expenses	67,127	33,299	33,828	101.59
Profit (loss) before tax	(37,460)	(84,129)	46,669	55.47
Income tax expenses	12,021	1,873	10,148	541.80
Profit	(49,481)	(86,002)	36,521	42.47
Current other comprehensive income (net)	12,405	7,008	5,397	77.01
Total comprehensive income	(37,076)	(78,994)	41,918	53.06

Description:

- The main reasons for significant changes in operating revenue, operating net profit, and pre-tax net profit in the last two years (if the change is more than 20% in the previous and later periods, and the amount of change reaches NT\$10 million), the main reasons and impact analysis are as follows:
 - Operating revenue decreased mainly due to significant decline in revenue as a result of decreased orders.
 - Operating costs decreased mainly due to a decrease in operating revenue and operating costs.
 - Non-operating income increased mainly due to an increase in foreign currency exchange benefits.
 - Income tax expense increased mainly due to an increase in deferred tax.
 - Net profit and total comprehensive income for the period increased mainly due to the increase in foreign currency exchange benefits from non-operating income.
- Expected sales volume and basis: Please refer to Page 1 Letter to Shareholders.
- Future contingency plan for significant repayments affecting items: We are also engaged in the development of glass substrate technology related to IC carriers, extending our many years of experience in etching to the application of glass substrates for advanced packaging, transforming into a professional advanced packaging processor.

III. Cash flow

(I) 2024 Analysis of the cash flow change and corrective plans for liquidity shortage:

Unit: NTD thousand

Opening Cash Balance	Net cash Flow from Operating Activities in the Year	Annual Cash Inflow (Outflow)	Cash Surplus (Deficit)	Countermeasure for Cash Deficits	
				Investment Plans	Financing Plans
1,126,034	30,067	(551,270)	604,831	None	None
<p>1. Operating activities: Net cash inflow from operation activities was NT\$30,067 thousand mainly due to an increase in revenue and profit.</p> <p>2. Investment activities: Net cash outflow from investment activities was NT\$544,690 thousand mainly due to obtaining financial assets.</p> <p>3. Financing activities: Net cash outflow from financing activities was NT\$6,580 thousand mainly due to capital surplus distribution.</p>					

(II) Corrective plans and liquidity analysis for liquidity shortage: No cash liquidity shortage for the Company.

(III) Analyses on the cash liquidity in one year ahead:

Unit: NTD thousand

Opening Cash Balance	Expected Net Cash Inflow (Outflow) from Operating Activities in Year-round	Expected Year-round Cash Inflow (Outflow)	Expected Cash Surplus (Deficit)	Countermeasure for Cash Deficits	
				Investment Plans	Financing Plans
604,831	(7,781)	(21,600)	575,450	None	None
<p>Analysis on the cash flow change for next year:</p> <p>The annual cash outflow is mainly due to the capital expenditure.</p>					

IV. The impact of the significant capital expenditure in the latest year upon the financial performance:

(I) Major capital expenditure and sources of funding: None.

(II) Expected future benefits: Not applicable.

V. The outward investment policies in the latest year. The key reasons leading to the profit or loss, the corrective plans and the investment plan in one year ahead

The Company will continue to diversify the development of the Group and continue to uphold a prudent evaluation of the reinvestment plan. The investment strategy takes into account risk, income, and asset growth, and achieves income and asset growth goals under risk control.

VI. In the latest year and up to the publication date of the annual report, the risk items shall be analyzed and evaluated

(I) The impact incurred by change in interest rate, exchange rate, inflation upon the Company's profit and/or loss and the future countermeasures

1. The impact incurred by change in interest rate upon the Company's profit and/or loss and the future countermeasures

The Company had no fair value interest rate risk.

2. The impact incurred by change in exchange rate upon the Company's profit and/or loss and the future countermeasures

Unit: NTD thousand

Item \ Year	2024	2023
Exchange gain (loss)	31,510	(6,458)
Operating revenue - net	131,808	209,016
Profit (loss) before tax	(37,460)	(84,129)
Proportion of exchange gain (loss) to net operating revenue	23.91%	(3.09%)
Proportion of exchange gain (loss) to profit (loss) before tax	(84.12%)	(7.68%)

Profile of Source: Financial reports audited by CPA

The items listed in the financial report of each entity of the Company and its subsidiaries are measured in the currency of the primary economic environment where the entity operates. The exchange (gain) loss in 2024 and 2023 was NT\$31,510 thousand and NT\$-6,458 thousand, respectively, and the exchange gain (loss) in each period accounted for 23.91% and -3.09% of the operating revenue, and -84.12% and -7.68% of the profit (loss) before tax, respectively. In the latest year and up to the publication date of the annual report, exchange rate changes have a certain degree of impact on the Company's profits.

The Company and its subsidiaries adopt a prudent and conservative approach to foreign currency funds management. On weekdays, they collect relevant information on the foreign currency positions they hold at any time to fully grasp the exchange rate changes. To avoid the possible adverse effects of exchange rate fluctuations, refer to the recommendations of major correspondent banks to determine a favorable exchange time point, so as to effectively control the risks brought about by exchange rate fluctuations.

3. The impact of inflation on the Company's profit and loss and future countermeasures

According to the data released by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the annual growth rate of the average consumer price index (CPI) in 2024 was 2.18%, indicating a slowdown in the rate of price increases and a reduction in inflationary pressure. As the government closely monitors price fluctuations and implements corresponding countermeasures, there is currently no significant threat of severe inflation. Therefore, inflation has not had a material impact on the company's financial performance at this time.

(II) The major causes for engaging in high-risk, high-leverage investment, lending of funds to others, endorsements/guarantees and derivative financial instruments, the profits or loss and the future countermeasures.

1. Policies for engaging in high-risk and high-leverage investment, main reasons for profit or loss, and future countermeasures: The Company and its subsidiaries have not engaged in high-risk and high-leverage investment in the latest year and up to the publication date of the annual report.
2. Policies for the loaning of funds to others, endorsements and guarantees, and derivatives trading, main reasons for profit or loss, and future countermeasures: The Company and its subsidiaries have established Operating Procedures for Loaning of Funds to Others and Operating Procedures for Endorsement and Guarantees and Acquisition or Disposal of Assets Procedures and other operational rules have been approved by the resolution of the shareholders' meeting, and in 2024 and up to the publication date of the annual report, no high-risk, high-leverage investment, nor endorsement and guarantee, loaning of funds to others and derivatives trading.

In the future, if there is a need to engage in the loaning of funds to others, endorsement and guarantees, or derivatives trading due to business needs, the Company and its subsidiaries will follow the Loaning of Funds to Others and Operating Procedures for Endorsement and Guarantees and Acquisition or Disposal of Assets Procedures.

(III) The future research & development plans and the expenses anticipated to be invested into research & development

The Company has specialized in researching, developing, manufacturing, and serving opto-electronic glass slimming since established. We continue to invest in R&D in the in-house development and manufacturing of the equipment, fixture, and chemical recipes. Fully master autonomous technology, and strengthen the overall competitiveness of the Company. To build the entry barriers and prolong competitive advantage, the future research and development plan is as follows:

1. Development of high-quality and complete glass slimming process.
2. High performance chemical etching development.
3. Other new product development.

The Company estimates that it will invest NT\$100 million to NT\$150 million in research and development in the next two years, which will make timely adjustments depending on the global market conditions and the Company's actual operating conditions.

(IV) The possible impacts by government policies and laws at home and abroad upon the Company's financial conditions and the Company's countermeasures:

The Company will always concern with the important policies and laws and regulations implemented by the governments of various countries in the industry to which it belongs, adopt appropriate business strategies, and meanwhile develop new technologies and products that conform to the industry to expand the market territory. In addition, the Company daily operates under the relevant laws and regulations at home and abroad, and it is always necessary to concern with important policy development trends and changes in laws and regulations at home and abroad, and collect relevant information to provide references for decision-making by business management, to fully grasp changes in the business environment and adjust the Company's operations promptly. Up to the publication date of the annual report, no possible impacts by important policies and legal developments at home and abroad upon the Company's financial conditions.

- (V) The impacts generated by change in science and technology (including ICT security risk) and change in industries upon the Company's financial conditions and the Company's countermeasures:

The Company always concern with technological changes and technological developments related to its industry, evaluates the impact on the Company's operations and makes corresponding adjustments. In addition, the Company is also actively developing technologies and services that meet future market needs to ensure the Company's market competitiveness, to strengthen the Company's business development and financial position.

- (VI) The impacts created by a change in corporate image upon the management over crisis, and the Company's countermeasures:

Since its establishment, the Company has been committed to strengthening internal management capabilities and improving service quality to build up and maintain corporate image and reputation, so that customers can recognize the Company's services. In addition, the Company also maintains a harmonious employee-employer relationship and an excellent corporate image. Therefore, in the latest year and up to the publication date of the annual report, there has been no adverse impact on the Company due to changes in corporate image.

- (VII) The benefits anticipated from the merger/acquisition (M&A) efforts, the potential risks and the Company's countermeasures:

The Company and its subsidiaries have no mergers and acquisitions plans in the latest year and up to the publication date of the annual report. If there were plans in the future, it will uphold a prudent evaluation and consider whether the merger can bring specific synergies to the Company, to ensure shareholders' rights and interests are protected.

- (VIII) The risks anticipated from the expansion of the plant buildings, and the Company's countermeasures:

The Company's plant expansion has undergone a professional feasibility assessment by the relevant technical team. However, as the market situation may change drastically and cannot be expected, the market demand forecast may change significantly at any time. Up to the publication date of the annual report, the capacity expansion benefits are still in line with the Company's expectations.

- (IX) The risks anticipated from the centralized input or output undertakings and the Company's countermeasures:

1. The risks of input

The Company mainly purchases raw materials such as hydrofluoric acid. Since using raw materials involves quality problems of slimming glass, we keep long-term cooperative suppliers. However, each raw material maintains more than two purchase sources to ensure a safe supply. Up to now, there has been no running out of materials or shortage of materials.

2. The risks of output

The Company's main operating revenue comes from the slimming process for opto-electronic glass, which main sale to the panel factory. Due to the large-scale and economic scale requirements, the panel factory is gradually consolidated. The Company has served existing customers and also devoted itself to improving the technology and process of panel slimming glass since established. It has also continued to develop new products and expand new markets to reduce the risk of sales concentration.

(X) The impacts and risks anticipated from the massive transfer of shareholding by directors or key shareholders who hold more than 10% in shareholding and the Company's countermeasures: None.

(XI) The impacts and risks anticipated from the change in the managerial powers and the Company's countermeasures: None.

(XII) List major litigious, non-litigious, or administrative disputes that: involve the Company director, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10%, and or any Company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the securities, the facts of the dispute, the amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute up to the publication date of the annual report: None.

(XIII) Other critical risks and response measures: None.

VII. Other important disclosures: None.

Special Disclosure

- I. Relevant information of affiliated enterprises: None
- II. Where the company has carried out a private placement of securities in the latest year and up to the publication date of the annual report: None.
- III. Other supplementary information: None.

Occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the latest year and up to the publication date of the annual report that significantly impacted shareholders' equity or security prices: None.

ONANO INDUSTRIAL CORP.

Statement of Internal Control System

Date: March 6, 2025

The following declaration is based on the 2024 self-audit over the Company's internal control system:

- I. The Company is aware that the establishment, execution, and maintenance of its internal control system is the responsibilities the Company's board of directors and managers. The internal control system was implemented throughout the Company. The purpose is to provide a reasonable assurance on the achievement of the goals, including the effectiveness and efficiency of operations (including profitability, performance and security of assets, etc.) and the report with effectiveness, timeliness, transparency, and compliance with the relevant requirements and regulations and laws.
- II. Internal control system is prone to limitations. No matter how robustly designed, effective internal control system merely provides reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control system. However, self-supervision measures were implemented within the Company's internal control system to facilitate immediate rectification once procedural flaws have been identified.
- III. Pursuant to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Governing Regulations"), the Company should study and judge whether the Company's internal control system is effective in design and implementation. The criteria introduced by "The Governing Principles" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, 5. Supervision. Each element further contains several items. Please refer to "The Governing Principles" for details.
- IV. The Company has adopted the aforementioned judgment items for the internal control system to evaluate the effectiveness of the Company's internal control system in both design and implementation.
- V. On the grounds of the outcome of evaluation mentioned in the preceding Paragraph, the Company firmly holds that the Company's internal control system as of December 31, 2024 (including supervisory control and management over subsidiaries), notably the effect of the business operation, extent of accomplishment of the target where the report proves trustworthy, transparent in real time, the design and implementation of the Company's internal control system proves effective, capable of assuring accomplishment of the aforementioned targets.
- VI. This declaration forms part of the main contents of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or non-disclosure relating to the public statement above are subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Declaration of the Internal Control System was duly approved at the Board of Directors meeting held on March 6, 2025. The meeting was attended by six directors, none of whom raised any objections. All directors present unanimously consented to the contents of the Declaration. This matter is hereby duly stated.

ONANO INDUSTRIAL CORP.

Chairman & CEO: Chen, Chun-Hsia