Stock Code：4979

LUXNET CORPORATION

2025 Annual Report

Notice to readers

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

Annual report is available at
Market Observation Post System: **https://mops.twse.com.tw** and
LuxNet website: **http://www.luxnetcorp.com.tw**

Published on March 31, 2026

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5. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: N/A

6. Corporate Website：http://www.luxnetcorp.com.tw

Table of Contents

I. **Letter to Shareholders**

Dear Shareholders,

In 2025, the global economic environment continues to face challenges on multiple fronts, including escalating geopolitical tensions, unresolved conflicts in the Middle East and the Russia-Ukraine war, the intensifying impacts of climate change, the rise of protectionism, increased policy uncertainty, and issues related to U.S. tariffs. These factors are driving ongoing adjustments to global supply chains, accelerating the coexistence of economic integration and regional divergence, thereby further heightening the challenges faced by businesses and governments in operational planning and investment decisions.

At the same time, artificial intelligence (AI) has evolved from a single technology into a core force reshaping corporate investment and industrial structures, profoundly impacting operational efficiency and business models. As demand for generative models and large-scale training and inference surges, enterprises are accelerating the adjustment of their data centers, cloud architectures, and computing configurations, driving rapid growth in the demand for high-bandwidth, low-latency fiber-optic communications and high-speed interconnections. Overall, while the global economic and political environment in 2025 remains uncertain, the acceleration of AI commercialization and the upgrading of optical communications infrastructure have become key drivers of industrial and technological competition. Optical communications not only enhance high-speed interconnections in data centers but have also become a crucial cornerstone for countries seeking to boost their digital competitiveness and modernize their infrastructure. Driven by this trend, the optical communications market continues to grow steadily. As AI and cloud computing become more widespread, the demand for higher bandwidth is accelerating the rapid adoption of fiber optics, WDM technology, and high-speed optical modules, with 400G to 1.6T transmission products gradually becoming the market mainstream. In 2025, the Company benefited from strong demand for AI data centers, with high-speed optical communication products driving operational growth and improved utilization rates. To meet market growth, the Company also actively expanded capital expenditures, achieving its best performance since listing in 2025.

FY 2025 Operating Results:

1. Corporate Management Policies and Implementation Overview:

Upholding a corporate culture of “integrity as the foundation, harmony and unity, performance orientation, and sustainable operations,” the Company adheres to the management philosophy of “accountability and continuous innovation,” and is committed to the business objectives of new product development and continuous improvement in product quality.

In recent years, the company's core development has focused on the manufacturing technology and services for high-speed AI data center products. By maintaining a market niche centered on in-house development and manufacturing services, while pursuing complementary technological advancements and implementing systematic operational management, the company has gradually improved its business performance.

2. Results of Business Plan Implementation:

The Company's revenue for the 2025 fiscal year was NT$4.385 billion, an increase of 27.06% from NT$3.451 billion in the 2024 fiscal year; net profit after tax for the 2025 fiscal year was NT$764 million, with basic earnings per share of NT$5.43.

3. Analysis of Financial Performance and Profitability:

In 2025, cash inflows from operating activities totaled NT$680 million, while cash outflows from investing activities amounted to NT$1.05 billion and cash outflows from financing activities totaled NT$220 million. The net cash outflow for the period was NT$580 million, with cash on hand at the end of the period standing at NT$2.54 billion and a debt-to-equity ratio of 25%. In 2025, profit growth was driven by continued revenue growth in North America, increased revenue contributions from other products, and ongoing lean management and product portfolio optimization. For other financial details, please refer to the attached financial statements.

4. Research and Development Status:

The products developed by the Company are primarily used in AI data centers, with transmission distances ranging from 500m to 80km. We have successfully developed 800G ZR modules and 70mW CW LDs for DC/DCI data transmission, as well as PD-type photodetectors. Current development priorities include 70/100mW CW LDs for 800G/1.6T applications, as well as co-packaged optical (CPO) and silicon photonics application technologies.

The company's future development strategy is influenced by the external competitive landscape, regulatory environment, and overall business conditions. While the global economy faces uncertainties stemming from various trade policies, it is also benefiting from the positive impact of the rapid growth of AI technology. The company will more actively leverage its vertical integration capabilities to develop high-speed products and expand its foundry business, deepen its R&D capabilities, and achieve comprehensive customer satisfaction through lean management and continuous improvement to enhance corporate value. Regarding corporate sustainability, we continue to actively promote environmental sustainability, social engagement, and strengthened corporate governance. Moving forward, in addition to pursuing corporate growth, we will actively fulfill our corporate sustainability responsibilities, uphold integrity in business operations, strengthen corporate governance, promote energy conservation and carbon reduction, and build a happy workplace, striving to achieve shared social benefits and create a sustainable future for the company.

We look forward to achieving even better operating performance in 2026 to reward our shareholders for their support. We would like to take this opportunity to express our sincere gratitude to our shareholders for their support and trust, and we ask for your continued encouragement. Thank you.

Chairman

Huei Ming Chien

II. Corporate Governance Report

2.1 Information on the Company's Directors, Supervisors, President, Vice President and Management of all company's divisions and branch units

2.1.1 Directors

2.1.1.1 Information of Directors

2026/3/31：Unit: shares; %

Title	National	Name	Gender Age	Date of election	Term (Years)	Date (First Elected)	Shareholding when elected: Shares	Shareholding when elected: (%)	Number of shares currently held: Shares	Number of shares currently held: (%)	Current shareholding of spouse and minor children: Shares	Current shareholding of spouse and minor children: (%)	Shareholding by nominee arrangement: Shares	Shareholding by nominee arrangement: (%)	Main experience (educational background)	Current adjunct positions at the Company and other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship: Title	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship: Name	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship: Rela-	Note
Director	R.O.C	Ming Shing Investment Co., Ltd.	—	2024/6/14	3	2024/6/14	1,000	0	1,000	0	0	0	0	0	—	—	—	—	—	None

Title	National	Name	Gender Age	Date of election	Term (Years)	Date (First Elected)	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Share-holding by nominee arrange-ment		Main experience (educa-tional background)	Current adjunct posi-tions at the Company and other companies	Other managers, directors or super-visors with rela-tionship of spouse or within second degree of kinship			Note
							Shares	(%)	Shares	(%)	Shares	(%)	Shares	(%)			Title	Name	Rela-	
Chair-man (CSO)	R.O.C	Rep-re-sentative: Huei Ming Chien	Fe-male 51~60	2025/1/10	3	2021/7/7	12,000	0.01	31,541	0.02	508,000	0.36	0	0	University of Central Ok-lahoma Master President Optoway Tech-nology Inc	CSO LUXNET Corp. Chirman Optoway Technology Inc	—	—	—	None
Direc-tor	R.O.C	Hsing Hsien Kung	Male 71~80	2024/6/14	3	2002/6/12	11,045	0.01	11,045	0.01	37,900	0.03	0	0	UC - Berkeley Ph.D. in Electrical Engineering Co-founder SDL Inc., VP manufacturing Pine photonics founder & CEO	—	—	—	—	None

Title	National	Name	Gender Age	Date of election	Term (Years)	Date (First Elected)	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Shareholding by nominee arrangement		Main experience (educational background)	Current adjunct positions at the Company and other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship			Note
							Shares	(%)	Shares	(%)	Shares	(%)	Shares	(%)			Title	Name	Rela-	
Director	R.O.C	Zhenjia Investment Co., Ltd.	—	2024/6/14	3	2024/6/14	1,000	0	1,000	0	0	0	0	0	—	—	—	—	—	None
	R.O.C	Representative: : Todd Swanson	Male 51~60	2025/2/4	3	2025/2/4	0	0	0	0	0	0	0	0	MIT MBA Proficium CEO Intel VP/GM Finisar COO	Proficium CEO	—	—	—	None

Title	National	Name	Gender Age	Date of election	Term (Years)	Date (First Elected)	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Share-holding by nominee arrange-ment		Main experience (educa-tional background)	Current adjunct posi-tions at the Company and other companies	Other managers, directors or super-visors with rela-tionship of spouse or within second degree of kinship			Note
							Shares	(%)	Shares	(%)	Shares	(%)	Shar es	(%)			Title	Name	Rela-	
Inde-pendent Director	R.O.C	Ruei Ming Jamp	Male 71~80	2024/6/14	3	2017/5/26	0	0	0	0	0	0	0	0	Ph.D. in Computer Sci-ence, Pennsylvania State University, US Partner Acorn Campus	Director, Sino-Amer-ican Wantai Technol-ogy Co., Ltd. Director, Toplogis, Inc. Director, Taiwan Wisdom Information Co., Ltd. Director, Liquid Light Solid-State Lighting Co., Ltd. Director, Aidmics Bi-otechnologyDirector Aidmics Biotechnol-ogy.	—	—	—	None

Title	National	Name	Gender Age	Date of election	Term (Years)	Date (First Elected)	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Share-holding by nominee arrange-ment		Main experience (educa-tional background)	Current adjunct posi-tions at the Company and other companies	Other managers, directors or super-visors with rela-tionship of spouse or within second degree of kinship			Note
							Shares	(%)	Shares	(%)	Shares	(%)	Shares	(%)			Title	Name	Rela-	
Inde-pendent Director	R.O.C	Shun Long Weng,	Male 61~70	2024/6/14	3	2024/6/14	60,000	0.04	5,000	0	0	0	0	0	President of Hsinchu MacKay Memorial Hospi-tal	Note4	—	—	—	None
Inde-pendent Director	R.O.C	Ding Kang Huw	Male 51~60	2024/6/14	3	2024/6/14	0	0	0	0	0	0	0	0	Master of Accounting from Long Island Univer-sity, New York General manager LuxNet Corp. Managing Director TGVEST Capital. Managing Director UMC Capital. Deputy Manager Direct		—	—	—	None

Title	National	Name	Gender Age	Date of election	Term (Years)	Date (First Elected)	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Share-holding by nominee arrange-ment		Main experience (educa-tional background)	Current adjunct posi-tions at the Company and other companies	Other managers, directors or super-visors with rela-tionship of spouse or within second degree of kinship			Note
							Shares	(%)	Shares	(%)	Shares	(%)	Shares	(%)			Title	Name	Rela-	
															Investment Department of China Development In-dustrial Bank					
Inde-pendent Director	R.O.C	Yen Chih Wang	Male 51~60	2024/6/14	3	2024/6/14	0	0	0	0	0	0	0	0	Master , Finance at Na-tional Taiwan University Vice president, Invest-ment Department, Taishin Venture Investment Co., Ltd.Deputy General Man-ager, Investment Depart-ment, Far Eastern Life In-surance Co., Ltd.	Vice president, In-vestment Depart-ment, Taishin Ven-ture Investment Co., Ltd. Chairman, Hongying Ltd. Supervisor, Pronol-ogy Services Inc., Ltd.	—	—	—	None

Notes:

1. Note 1: The directors listed in the table above were elected during the Company's Annual General Meeting held on June 14, 2024, and constitute the members of the Company's 8th Board of Directors.
2. On June 14, 2024, the Board of Directors elected Mr. Su Zhao-yang as Chairman. Chairman Su Zhao-yang resigned from his position as director on January 16, 2025, due to his busy personal business schedule. On the same day, the Board of Directors elected Ms. Jian Hui-min as Chairman.
3. Note 2: At the time of appointment, the representative of Ming Hsing Investment Co., Ltd. was Mr. Shi Ming; on January 10, 2025, Ms. Jian Hui-min was appointed as the representative.
4. Note 3: At the time of appointment, the representative of Zhen Jia Investment Co., Ltd. was Mr. Su Zhao-yang; on February 4, 2025, Mr. Todd Swanson was appointed as the representative.President, Hsinchu Mackay Memorial Hospital Chief Coordinator of Medical Experts, Northern District Branch, Hospital Medical Services Review Executive Committee, Taiwan Hospital Association Chairperson, Northern District Branch, Hospital Medical Services Review Executive Committee, Taiwan Hospital Association Honorary President, Northern District Hospital Presidents' Association Supervisor, Taiwan Endometriosis Society Director, Taiwan Society of Gynecological Artificial Intelligence and Robotic-Assisted SurgeryExecutive Director, Taiwan Society of Fertility Preservation Chairman, Taiwan Strategic Alliance Association Director, Regional Hospitals Association of the Republic of China Supervisor, Taiwan Association of Church-Affiliated Medical Institutions Executive Director, Hsinchu City Medical Association Member, Hsinchu City Government Medical Affairs Review Committee Member, Medical Disciplinary Committee, Hsinchu City Government Member, Medical Dispute Mediation Committee, Hsinchu City Government Member, Regional Management Committee of the Northern Medical Network, Hsinchu County Health Bureau Member, Review Committee for Compensation to Crime Victims, Taiwan High Prosecutors' Office Member, Taiwan Hsinchu Branch, Crime Victims Protection Association Adjunct Associate Professor/Clinical Professor, Department of Medicine, Mackay Medical College Independent Director, Star Asia Vision Co., Ltd..

2.1.1.2 Major Shareholders of Corporate Shareholders

Name of corporate	Name of corporate	Shareholding ratio%
Ming Shing Investment Co., Ltd.	CHEN WEN XUAN	52
	CHEN CHONG XUAN	24
	CHEN JING CHUN	24
Zhenjia Investment Co., Ltd.	SHEN CHEN SHU	28
	SU CHAO YANG	27
	SU GU JIA XUAN	23
	SU GU JIA PENG	11
	SU GU JIA QIAN	11

2.1.1.3 Major Shareholders of Major Corporate Shareholders：None

2.1.1.4 The expertise of the directors, the diversity policy of the board and the independence of the board

A. Disclosure of professional qualifications of directors and independence of independent directors.

2026/3/31

Criteria / Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Huei Ming Chien	1. Professional qualifications and experience of directors please refer to page 10 -14 and page18-21. 2. None of directors is under any of the following circumstances of Company Act article 30.	Not applicable	-
Hsing Hsien Kung			-
Todd Swanson			-
Ruei Ming Jamp		(Note)	-
Shun Long Weng			1
Ding Kang Huw			-
Yen Chih Wang			-

Note：All independent directors qualify for independence as follows：

1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.
2. No more than three independent directors of other public companies.
3. During the two years prior to the election and during the term of office, there has been no of the following circumstances：
   (1) To be an employee of the company or any of its affiliates.
   (2) A director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations

of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

(3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

(4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.

(5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

(6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

(7) If the chairman, president, 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: not a director (or governor), supervisor, or employee of that other company or institution.

(8) A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.

(9) A professional individual who, or an owner, partner, director, 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 past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee.

B. Diversity of the Board of Directors:

Board Diversity: The Company has established a Corporate Governance Practice Code to define the structure of the Board of Directors. Considering the Company's scale of business development and the shareholding status of major shareholders, the appropriate number of director seats shall be determined based on practical operational needs. The composition of the Board should align with the operational and developmental needs of the Company by adopting a suitable diversification policy, including but not limited to the following two major criteria:

(A) Basic qualifications and values: gender, age, nationality, race and culture, etc.

(B) Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

Management Objectives：

(A) Independent directors account for more than half of the board seats.
(B) Directors, respectively, serving as company managers do not exceed one-third of the board seats.
(C) No more than two directors have spousal or second-degree familial relationships with each other.
(D) Directors of any one gender constitute at least one-third of the board seats.

Target achievement:

(A) Board of Directors the Company elected a total of 7 directors (including 4 independent directors) at the 2024 Annual General Meeting of Shareholders (20124/6/14), of which 57.14% are independent directors.
(B) One of the directors of the Company is also a manager of the Company.
(C) There is no spouse or relative within two degrees of kinship among the directors.
(D) One-third of the number of directors of either gender: Not achieved.

Reason: There was one female director among the nine directors in the 7th term of the Company's Board of Directors, and the re-election of directors at the Annual General Meeting of Shareholders in FY2024 failed to reach one-third of the number of directors of each gender due to the difficulty in finding talents within a short period of time due to the plan for the number of seats (nine seats were reduced to seven) and the characteristics of the industry at that time.

Measures taken: On January 10, 2025, the Board of Directors appointed a female director as its representative. The Company emphasizes gender equality in the composition of the Board of Directors and aims to increase the number of female directors to more than one-third of the Board. In the future, the Company will endeavor to increase the number of female directors by consulting with a variety of channels for the recommendation of talents, in order to enhance the effectiveness of corporate governance and implement the policy of diversification of the Board of Directors.

Diversification of the Board of Directors.

Status of Goal Achievement

(A) Board of Directors: At the Company's 2024 Annual General Meeting (June 14, 2024), a total of seven directors (including four independent directors) were elected, with independent directors accounting for 57.14% of the board.

(B) One director of the Company also serves as an employee of the Company.

(C) There are no spousal or first- or second-degree kinship relationships among the directors.

(D) One-third of the board seats held by directors of a single gender: Not achieved.

Reason: Among the seven directors of the Company's 8th Board, there is one female director. Due to the nature of the industry, it is difficult to recruit talent.

Measures Taken: The Company places great importance on gender equality in the composition of the Board of Directors and aims to increase the proportion of female directors to one-third (i.e., 33%) or more. In the future, the Company will seek talent recommendations through multiple channels and make every effort to increase the number of female directors to enhance corporate governance effectiveness and implement the policy of Board member diversity.

Board Diversity Status

At the 2024 Annual General Meeting of Shareholders (June 14, 2024), the Company elected a total of 7 directors (including 4 independent directors), of whom 57.14% were independent directors and 14.28% were employee directors. All members possess industry experience and have extensive expertise and professional backgrounds spanning business and management fields, in addition to diverse professional backgrounds and work experiences. This strengthens governance and promotes diversity and complementarity, enabling board members to effectively fulfill their duties and align with the management objectives of the board diversity policy.

The diversity profile of the Company's seven directors (including four independent directors) is as follows:

The Company places great importance on the diversity of the Board's composition and views diversity as a crucial foundation for enhancing the Board's oversight effectiveness, strengthening governance quality, and supporting the Company's long-term sustainable development. When nominating and selecting directors, in addition to professional competence and integrity, the Company comprehensively considers diverse factors such as gender, age, nationality, professional background, industry experience, and whether the candidate is an employee, in order to build a Board with a broad perspective and complementary capabilities.

I. Composition and Independence of the Board of Directors

The Company completed the re-election of its directors on June 14, 2024. The current Board consists of seven directors, including four independent directors. Independent directors account for more than half of the seats, which complies with legal requirements and further strengthens the Board's independent oversight function.

II. Diversity of Professional Backgrounds

Board members possess diverse and complementary professional backgrounds, covering:

Venture capital and corporate governance practices

Finance, accounting, and U.S. CPA expertise

Healthcare and management practices

Experience in the semiconductor, optical communications, and high-tech industries

Corporate management and international operations management

Among them, the four independent directors come from the fields of venture capital, finance and accounting, healthcare management, and industrial investment; the remaining three non-independent directors have deep expertise in the optical communications industry and international high-tech business operations, having previously held senior management positions in multinational corporations. They are able to provide professional advice from the perspectives of industry trends, operational strategies, and international markets. The Board's overall professional composition effectively supports the Company's strategic planning, risk management, and operational decision-making.

III. Diversity in Gender, Age, and Nationality

Gender Composition: There is one female director on the Board (14% of the total).

Age Distribution:

51–60 years old: 4 members

61–70 years old: 1 member

71–80 years old: 1 member

81–90 years old: 1

Combining the practical experience of mid-career professionals with the strategic vision of senior directors.

Nationality Composition: Six directors are Taiwanese nationals and one is a U.S. national, which helps introduce international

industry experience and a multinational perspective.

IV. Employee Directors and Governance Participation

The Board includes one director who is an employee (representing 14% of the Board), which helps the Board gain a more timely understanding of operational conditions, employee perspectives, and internal governance issues, thereby promoting transparent communication and practical decision-making.

V. Diversity Policy and Future Direction

The selection of the Company's directors is based on their possession of the knowledge, skills, and qualities necessary to perform their duties. We continue to enhance the diversity of the Board in the following areas:

Continuously strengthen the balance of gender and age composition

Introduce more cross-industry and international experience

Enhance the Board's overall understanding of new technologies, new markets, and sustainability issues

Through a Board composition that balances independence, professionalism, and diversity, the Company is committed to establishing a sound corporate governance framework to support sound business operations and long-term sustainable development.

The Company held a Board of Directors election on June 14, 2024. The current Board consists of seven directors, including four independent directors, with independent directors constituting more than half of the Board membership. The four independent directors are Mr. Cheng Jui-Ming, representative of Oak Garden; Mr. Weng Shun-Lung, President of Hsinchu Mackay Memorial Hospital; Mr. Hu Ding-Kang, former Managing Director of a venture capital firm and a U.S.-certified public accountant; and Mr. Wang Yen-Chih, Assistant Manager of the Investment Department at Taishin Venture Capital. They possess expertise in venture capital practice, financial accounting, industry knowledge, and operational judgment, respectively. The three non-independent directors are Ms. Jian Huimin, Chairwoman of LuxNet; Dr. Gong Xingxian, founder of Huaxing Guangtong; and Mr. Todd Swanson, former VP/GM at Intel and COO at Finisar. All possess expertise in industry development and corporate operations. Furthermore, to enhance diversity, the board not only features younger members but also incorporates diverse professional perspectives. The selection of directors takes into account the knowledge, skills, and qualities generally required to perform their duties, with professional backgrounds spanning industry, academia, finance, accounting, and business management, to achieve the ideal goals of corporate governance. Ms. Jian Huimin, representative of Mingxing Investment Co., Ltd., previously served as the Company's 7th Chairperson. Ms. Jian has deep roots in the optical communications industry and possesses expertise ranging from business development to operational practices (including financial accounting and taxation). Mr. Todd Swanson, representative of Zhenjia Investment Co., Ltd., has held key management positions at major U.S. semiconductor and optical communications companies, bringing a global perspective to industry and operational decision-making.

The members of the Board of Directors are diversified according to their academic experience, areas of expertise and relevant backgrounds：

Core Diversity Item / Name of Director	Basic information			Industry Experience/ Professional Skill							
	Gender	Age	Employee	Judgment of Operation	Analysis of accounting and finance	Business management	Crisis management	Industry Knowledge	Perspective of International Market	Leadership	Decision Making
Huei Ming Chien	Female	51~60	V (note)	v	v	v	v	v	v	v	v
Hsing Hsien Kung	Male	81~90		v		v	v		v	v	v
Todd Swanson	Male	51~60		v	v	v	v		v	v	v
Ruei Ming Jamp	Male	71~80		v	v	v	v	v	v	v	v
Shun Long Weng,	Male	61~70		v	v	v	v			v	v
Ding Kang Huw	Male	51~60		v	v	v			v		
Yen Chih Wang	Male	51~60		v	v					v	

Note：Chairman Huei Ming Chien also assumed the role of Chief Strategy Officer on March 16, 2023.

C. Independence of the Board of Directors:

At the Annual General Meeting on June 14, 2024, a total of seven directors were elected, including four independent directors, making up 57.14% of the board. One independent director has served more than three consecutive terms but continues to serve because of his ability to provide forward-looking guidance to the Company's industry and his familiarity with related corporate governance, which is beneficial to the Company.

There is no spouse or relative within the second degree among the directors and there is no Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act).

The directors shall exercise with a high degree of self-discipline and shall not participate in the discussion of or vote on any resolution proposed by the board of directors if they have an interest in the resolution or the legal entity they represent, and shall recuse themselves from the discussion of or vote on the resolution if it is harmful to the interests of the Company. (See page 33-34: Enforcement of Directors' Objections to Interests)

2.1.2 Information on the Company’s Directors, Supervisors, President, Vice President and Management of all company’s divisions and branch units

2025/4/26：Unit：Share：%

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman(CSO)	R.O.C	Huei Ming Chien (Note1)	Female	2023/3/16	31,541	0.02	508,000	0.36	0	0	University of Central Oklahoma Master Chairman, Optoway Technology Inc. Chairman, Luxnet corp.	—	—	—	—	None
Vice President	R.O.C	Ta Tsung Lin	Male	2021/8/5	0	0	0	0	0	0	Master of Optoelectronic Engineering, National Chiao Tung University Associate Director of Product R&D Department, Zhengji Technology .	—	—	—	—	None

Note 1: Ms. Huei Ming Chien, the 7th Chairman of the Board of Directors of the Company, concurrently served as the Chief Strategy Officer on 2023/3/16 and was dismissed on 2024/6/14 due to the expiration of her term as a director. On 2024/6/14, the Board of Directors elected Mr. Chao Yang Su as the 8th Chairman of the Board, and Chairman Chao Yang Su resigned as a director on 2024/1/16 due to his busy personal business, and on the same day, the Board of Directors elected Ms. Huei Ming Chien as the Chairman.

Note 2: Ta Tsung Lin , deputy general manager of the company, has temporarily acted as general manager since November 24, 2023.

2.2 Remuneration of Directors, President and Vice President within the most recent year

2.2.1 Remuneration paid to Directors and Independent Directors

Unit: NT$ thousands

Title	Name	Remuneration to Directors								The sum of A, B, C and D in proportion to Earnings After Tax (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration Perceived from invested companies other than subsidiaries
		Remuneration(A) Pension(B)		Remuneration(A) Pension(B)		Remuneration(A) Pension(B)		Remuneration(A) Pension(B)				Salaries, bonus and special subsidies(E))		Pension(F		Repay for employee(G)						
		The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company		All companies included into the financial		The Company	All companies included into the financial	
																Cash dividend	Stock dividend	Cash dividend	Stock dividend			
Chairman	Ming Shing Investment Co., Ltd. Representative ： Huei Ming Chien																					None
	Ming Shing Investment Co., Ltd. Representative ： Shi Ming	0	0	0	0	9,567	9,567	42	42	1.26	1.26	9,238	9,238	0	0	6,797	0	6,797	0	3.36	3.36	None
Director	Hsing Hsien Kung																					None

Title	Name	Remuneration to Directors								The sum of A, B, C and D in proportion to Earnings After Tax (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration Perceived from invested companies other than subsidiaries
		Remuneration(A) Pension(B)		Remuneration(A) Pension(B)		Remuneration(A) Pension(B)		Remuneration(A) Pension(B)				Salaries, bonus and special subsidies(E))		Pension(F		Repay for employee(G)						
		The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company		All companies included into the financial		The Company	All companies included into the financial	
																Cash dividend	Stock dividend	Cash dividend	Stock dividend			
Director	Zhenjia Investment Co., Ltd. Representative Chao Yang Su																					None
Director	Zhenjia Investment Co., Ltd. Representative Todd Swanson																					None
Independent Director	Ruei Ming Jamp																					None
Independent Director	Shun Long Weng,	2,400	2,400	0	0	7,168	7,168	560	560	1.33	1.33	0	0	0	0	0	0	0	0	1.33	1.33	None
Independent Director	Ding Kang Huw																					None

Title	Name	Remuneration to Directors								The sum of A, B, C and D in proportion to Earnings After Tax (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration Perceived from invested companies other than subsidiaries
		Remuneration(A) Pension(B)		Remuneration(A) Pension(B)		Remuneration(A) Pension(B)		Remuneration(A) Pension(B)				Salaries, bonus and special subsidies(E))		Pension(F		Repay for employee(G)						
		The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company	All companies included into the financial	The Company		All companies included into the financial		The Company	All companies included into the financial	
																Cash dividend	Stock dividend	Cash dividend	Stock dividend			
Independent Director	Yen Chih Wang																					None

Note 1: At the Company's Annual General Meeting held on June 14, 2024, all directors were re-elected, and the Board of Directors elected Mr. Su Zhao-yang as Chairman. On January 16, 2025, Chairman Su Zhao-yang resigned from his position as director due to a heavy personal workload,and on the same day, the Board of Directors elected Ms. Jian Hui-min as Chairman. At the time of appointment, the representative of Ming Hsing Investment Co., Ltd. was Mr. Shi Ming; on January 10, 2025, Ms. Jian Hui-min was appointed as the representative. At the time of appointment, the representative of Zhen Jia Investment Co., Ltd. was Mr. Su Zhao-yang; on February 4, 2025, Mr. Todd Swanson was appointed as the representative.

Note 2: This section establishes the Company's policy, system, standards, and structure for director compensation, and explains the relationship between the amount of compensation paid and factors such as responsibilities, risks, and time commitment: Pursuant to the Company's Articles of Incorporation, directors are entitled to receive regular compensation, including travel allowances and salaries, regardless of the Company's operating profit or loss. The Board of Directors is authorized to determine the amount of such compensation based on the directors' level of participation in the Company's operations and the value of their contributions, while taking into account industry standards both domestically and internationally.

Note 3: On March 5, 2026, the Company's Board of Directors approved director compensation for 2025 in the amount of NT$167.35 million.

Note 4: In addition to the disclosures in the table above, the following is a summary of compensation received by the Company's directors in the most recent fiscal year for services provided to all companies included in the financial statements (e.g., serving as non-employee consultants): None

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements (I)
Less than NT$ 1,000,000	Zhenjia Investment Co., Ltd. Representative Chao Yang Su	Zhenjia Investment Co., Ltd. Representative Chao Yang Su	Zhenjia Investment Co., Ltd. Representative Chao Yang Su	Zhenjia Investment Co., Ltd. Representative Chao Yang Su
NT$1,000,000 ~ NT$1,999,999	Ming Shing Investment Co., Ltd. Representative Huei Ming Chien	Ming Shing Investment Co., Ltd. Representative Huei Ming Chien	0	0
	Hsing Hsien Kung	Hsing Hsien Kung	Hsing Hsien Kung	Hsing Hsien Kung
	Zhenjia Investment Co., Ltd. Representative Todd Swanson	Zhenjia Investment Co., Ltd. Representative Todd Swanson	Zhenjia Investment Co., Ltd. Representative Todd Swanson	Zhenjia Investment Co., Ltd. Representative Todd Swanson
	Shun Long Weng,	Shun Long Weng,	Shun Long Weng,	Shun Long Weng,
	Ding Kang Huw	Ding Kang Huw	Ding Kang Huw	Ding Kang Huw
	Yen Chih Wang	Yen Chih Wang	Yen Chih Wang	Yen Chih Wang
	Ruei Ming Jamp	Ruei Ming Jamp	Ruei Ming Jamp	Ruei Ming Jamp
	0	0	0	0
NT$2,000,000 ~ NT$3,499,999	0	0	0	0
	0	0	0	0
NT$3,500,000 ~ NT$4,999,999	0	0	0	0
NT$5,000,000 ~ NT$9,999,999	0	0	0	0
NT$10,000,000 ~ NT$14,999,999	0	0	Ming Shing Investment Co., Ltd. Representative Huei Ming Chien	Ming Shing Investment Co., Ltd. Representative Huei Ming Chien
NT$15,000,000 ~ NT$29,999,999	0	0	0	0
NT$30,000,000 ~ NT$49,999,999	0	0	0	0
NT$50,000,000 ~ NT$99,999,999	0	0	0	0
Greater than or equal to NT$100,000,000	0	0	0	0
Total	8	8	8	8

2.2.2Remuneration of Supervisors：

Since the Company has established the Audit Committee in replacement of the supervisors, this is not applicable.

2.2.3 Remuneration of the President and Vice Presidents

Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note)
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman(CSO)	Huei Ming Chien (Note1)	5,170	5,170	108	108	6,233	6,233	8,228	0	8,228	0	2.58	2.58	None
President	Ta Tsung Lin (Note2)													

Note1：Note 1: Ms. Huei Ming Chien, the 7th Chairman of the Board of Directors of the Company, concurrently served as the Chief Strategy Officer on 2023/3/16 and was dismissed on 2024/6/14 due to the expiration of her term as a Director. On 2024/6/14, the Board of Directors elected Mr. Chao Yang Su as the 8th Chairman of the Board, and Chairman Chao Yang Su resigned as a director on 2025/1/16 due to his busy personal business, and on the same day, the Board of Directors elected Ms. Huei Ming Chien as the Chairman.

Note 2：Ta Tsung Lin, deputy general manager of the company, has temporarily acted as general manager since November 24, 2023.

Note 3：The Board of Directors approved the employee compensation of NT$41,838 thousand for 2025 and the amount of employee compensation in this table represents the 2025 actual amount distributed

Range of Remuneration

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements (E)
Less than NT$ 1,000,000	-	-
NT$1,000,000 ~ NT$1,999,999	-	-
NT$2,000,000 ~ NT$3,499,999	-	-
NT$3,500,000 ~ NT$4,999,999	Ta Tsung Lin	Ta Tsung Lin
NT$5,000,000 ~ NT$9,999,999	-	-
NT$10,000,000 ~ NT$14,999,999	-	-
NT$15,000,000 ~ NT$29,999,999	Huei Ming Chien	Huei Ming Chien
NT$30,000,000 ~ NT$49,999,999	-	-
NT$50,000,000 ~ NT$99,999,999	-	-
Greater than or equal to NT$100,000,000	-	-
Total	2	2

2.2.4The name of the manager who distributes the employee's remuneration and the distribution：

2025/12/31 Unit: NT$ thousands

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	CSO	Huei Ming Chien (Note1)	0	13,594	13,594	1.78%
	Vice President (act as President)	Ta Tsung Lin (Note1)				
	CFO	Chien Chu Chih (Note2)				
	Corporate Governance Officer	Ya Yu Wang (Note1)				

Note 1: On June 14, 2024, the Board of Directors elected Mr. Su Chao-yang as Chairman of the 8th Board. Chairman Su Chao-yang resigned from his position as a director on January 16, 2025, due to a heavy workload. On the same day, the Board of Directors elected Ms. Chien Hui-min as Chairman. Deputy General Manager Lin Da-zong temporarily assumed the position of General Manager (November 24, 2023), and Head of the Finance and Accounting Department Wang Ya-yu served as the Corporate Governance Officer (March 1, 2023).

Note 2: Resignation/Retirement/Dismissal/Position Adjustment: The Board of Directors approved the adjustment of the ranks of Jian Xiao-lun and Su Zhao-yang to Financial Officers on January 16, 2025, and March 13, 2025, respectively On March 13, 2025, the Board of Directors approved the appointment of Wang Ya-yu, Director of the Finance and Accounting Department, as the Financial and Accounting Officer.

Note 3: On March 5, 2026, the Company’s Board of Directors approved employee compensation for 2025 in the amount of NT$41,838,000; however, the employee compensation amounts for executives listed in this table are estimates.

2.2.5 An analysis of the total compensation paid to the Company's directors, president and vice president as a percentage of net income after tax for the last two years of the Company's and all consolidated companies' financial statements, respectively, and a description of the policy, criteria and composition of compensation payments, the process for determining compensation, and the relationship to operating performance and future risks.

2.2.5.1 The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

Unit: NT$ thousands

Item / Annual	2025	2024
The Company-Profit after tax	764,245	533,253
The Company- Paid to Directors (%) (Note.1)	4.69	533,253
Companies in the Consolidated Financial Statements- Paid to Directors (%)(Note.1)	5.95	5.33
The Company- Paid to presidents and vice presidents (%)	2.58	5.33
Companies in the Consolidated Financial Statements- Paid to presidents and vice presidents (%)	2.58	2.35

Note 1: Including the remuneration of directors who were employees of the Company.

2.2.5.2 The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

A. The policies, standards, and portfolios for the payment of remuneration

1.The company's directors' remuneration is based on the relevant provisions of the company's articles of association and the "Measures for the Administration of Directors' Remuneration", and is reviewed by the Salary and Remuneration Committee and the Board of Directors to determine the policies and items for payment of remuneration.

Important evaluation items and proportions of directors’ remuneration are as follows:

(1) Operating performance: Comprehensive consideration with reference to the current year's operating income growth rate of 27.06% and pre-tax net income growth rate of 43%, and accounts for 90% of the overall evaluation.

(2) Industry Benchmark: While this factor does not constitute the entire evaluation, we simultaneously review information such as director compensation disclosed in the annual reports of listed and OTC-listed companies in the same industry, which accounts for 10% of the overall evaluation. This is done to assess whether the Company’s compensation is competitive within the industry and to serve as a reference for future compensation adjustments or revisions to the compensation policy.

2. The company's managers' remuneration is based on the "Company Articles", "Managers' Salary and Remuneration Management Measures" and "Performance Appraisal and Year-end Bonus Management Measures" to clearly define fixed salaries and variable bonuses to sympathize with and reward employees for their performance. Relevant bonuses will be awarded based on the company's annual operating performance, financial status, operating status and personal work performance for the hard work at work; in addition, if the company makes a profit during the year, 5% to 15% will be appropriated in accordance with the company's articles of association. Employee Compensation.

The performance evaluation results carried out by the company in accordance with the "Performance Appraisal and Year-end Bonus Management Measures" are used as a reference for the issuance of manager bonuses. Manager performance evaluation items are divided into common indicators such as operating income, net profit before tax, etc. and individual indicators. Based on the core competency practice and operational management capabilities set by each unit's functions, etc., bonuses will be calculated based on achievement status.

3. The combination of remuneration paid by the company is determined in accordance with the organizational regulations of the Salary and Remuneration Committee, including cash remuneration, stock options, dividends, retirement benefits or severance benefits, various allowances and other measures with substantial incentives; its scope is the same as that of publicly issued companies. The standards for matters that should be recorded in annual reports are consistent with the remuneration of directors and managers.

B. Procedure for setting remuneration:

1. The company determines directors and managers in accordance with the company's articles of association stipulated by the shareholders' meeting and the "Directors' Remuneration Management Measures", "Managers' Salary and Rewards Management Measures" and "Performance Appraisal and Year-end Bonus Management Measures" stipulated by the board of directors. And the performance targets set for the current year are reported to the remuneration committee and submitted to the board of directors for resolution in accordance with the internal control process.

   The relevant performance appraisal and remuneration rationality of the company's directors and managers are regularly evaluated and reviewed by the salary and remuneration committee and the board of directors every year. In addition to taking into account individual performance achievement rates and contributions to the company, the company's overall operating performance and industry future are also taken into consideration. Risks and development trends, as well as timely review of the remuneration system at any time based on actual operating conditions and relevant laws. In addition, reasonable remuneration will be given after comprehensive consideration of current corporate governance trends to strike a balance between the company's sustainable operations and risk control. The actual amount of remuneration paid to directors and managers in 2025 will be reviewed by the remuneration committee and then proposed to the board of directors for decision.

C. Correlation with operating performance and future risks:

1. The review of the payment standards and systems related to the company's remuneration policy takes the company's overall operating conditions as the main consideration and determines the payment standards based on the performance achievement rate and contribution, in order to improve the overall organizational team effectiveness of the board of directors and management departments. We also refer to industry salary standards to ensure that the company's management remuneration is competitive in the industry to retain outstanding management talents.
2. The performance objectives of the Company's managers are integrated with "risk management" to ensure that potential risks within their areas of responsibility are managed and mitigated. Performance ratings are determined based on actual performance and are linked to relevant human resources and compensation policies. The Company's management makes key decisions after carefully balancing various risk factors. The performance of these decisions is reflected in the Company's profitability, and consequently, management compensation is linked to risk management performance.

2.3 Implementation of Corporate Governance

2.3.1 Operations of the Board of Directors

The shareholders' meeting of the Company completed the re-election of the eighth term of directors on June 14, 2024 and took office on the same day for a term ending on June 13, 2027.
A total of 8 (A) meetings of the Board of Directors were held in the previous year (2025). The attendance of director were as follows:

Title	Name	Attend-ance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	The required number of attendances (A)	Remarks
Director	Ming Shing Investment Co., Ltd. Representative Huei Ming Chien	5	0	100	5	Note1&2
Director	Zhenjia Investment Co., Ltd. Representative Chao Yang Su	1	0	100	1	Note 2
Director	Zhenjia Investment Co., Ltd. Representative Todd Swanson	4	0	100	4	Note 3
Director	Hsing Hsien Kung	4	1	80	5	
Independent Director	Ruei Ming Jamp	5	0	100	5	
Independent Director	Shun Long Weng,	5	0	100	5	
Independent Director	Ding Kang Huw	5	0	100	5	
Independent Director	Yen Chih Wang	5	0	100	5	

Note 1: The Company held a general meeting of shareholders on June 14, 2024, to conduct a full election of directors, resulting in the formation of the Company’s 8th Board of Directors. On June 14, 2024, the Board of Directors elected Mr. Su Zhao-yang as Chairman. Chairman Su Zhao-yang resigned from his position as director on January 16, 2025, due to a heavy workload. On the same day, the Board of Directors elected Ms. Jian Hui-min as Chairman.

Note 2: At the time of appointment, the representative of Ming Hsing Investment Co., Ltd. was Mr. Shi Ming; on January 10, 2025, Ms. Jian Hui-min was appointed as the representative.

Note 3: At the time of appointment, the representative of Zhen Jia Investment Co., Ltd. was Mr. Su Zhao-yang; on February 4, 2025, Mr. Todd Swanson was appointed as the representative.

The attendance of the independent directors at each board meeting for the most recent year (2024) is as follows：

Date	Ruei Ming Jamp	Shun Long Weng	Ding Kang Huw	Yen Chih Wang	Attendance in Person (B)
2025/1/16	v	v	v	v	5
2025/3/13	v	v	v	v	5
2025/5/8	v	v	v	v	5

2025/8/7	v	v	v	v	5
202/118/6	v	v	v	v	5
Total	5	5	5	5	
	v： Attendance ◎： By Proxy —： Absence				

Other mentionable items：

A. Where the operation of a board meeting is subject to one of the following, the board meeting date, session, proposal content, opinion of all independent directors and Company's handling for the opinions of independent directors shall be described: ：

(1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, so it is not applicable. For related information, please refer to the operation of the Audit Committee of the Annual Report "Opinions or Resolutions of Independent Directors on Material Motions".

(2) Resolutions of the Board of Directors that were opposed or qualified by the independent directors and were recorded or stated in writing: None.

B. The execution of directors' recusal from stakeholder proposals：

Board Meeting Date	Agenda Item	Recused Director(s) and Reason	Recusal and Resolution Result
Jan 16, 2025	Related-party technical service provision	Chairwoman Hui-Min Chien: also serves as Chairperson of Yihong Technology Co., Ltd.	Due to conflict of interest, Chairwoman Hui-Min Chien recused herself and left the meeting, and did not participate in discussion or voting. The remaining attending directors approved the proposal unanimously.
Mar 13, 2025	Proposal to submit to the shareholders' meeting for lifting non-compete restrictions on the 8th Board of Directors	Chairwoman Hui-Min Chien and Director Todd Swanson: matters involving their own interests	The above directors recused themselves and left the meeting, and did not participate in discussion or voting. The remaining attending directors approved the proposal unanimously.
Mar 13, 2025	Related-party contract proposal	Chairwoman Hui-Min Chien: same individual as Chairperson of Yihong Technology Co., Ltd.; Mr. Hui-Pin Chien: second-degree relative of Chairwoman Hui-Min Chien	This proposal involved directors' personal interests. The remaining attending directors approved the proposal unanimously.
May 8, 2025	Proposal to submit to the shareholders' meeting for lifting non-compete restrictions on the 8th Board of Directors	Independent Director Shun-Lung Weng: matters involving his own interests	Independent Director Shun-Lung Weng recused himself and left the meeting, and did not participate in discussion or voting. The remaining attending directors approved the proposal unanimously.
Aug 7, 2025	Consultant appointment proposal	Chairwoman Hui-Min Chien: Mr. Hui-Pin Chien is her second-degree relative; Mr. Chih-Cheng	Due to conflict of interest, Chairwoman Hui-Min Chien recused herself and left the meeting, and did

		Chien is a director of Yi-hong Technology Co., Ltd., whose chairperson is the same as this Company	not participate in discussion or voting. The remaining attending directors approved the proposal unanimously.
Aug 7, 2025	Managerial employee compensation and year-end bonus distribution for 2024	Chairwoman Hui-Min Chien: matters involving her own interests	Chairwoman Hui-Min Chien recused herself and left the meeting, and did not participate in discussion or voting. The remaining attending directors approved the proposal unanimously.

C. Implementation Status of Board Evaluations：

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year.	2025/1/1~2025/12/31	Board of Directors,	internal self-evaluation by the Board of Directors,	There are five major areas: participation in the company's operation, improvement of the quality of board decisions, board composition and structure, selection and continuing education of directors, and internal control.
Once a year.	2025/1/1~2025/12/31	Individual directors,	self-assessment by directors	There are six major areas: mastery of corporate goals and tasks, awareness of directors' responsibilities, participation in corporate operations, internal relations and communication, professional and continuing education of directors, and internal control.
Once a year.	2025/1/1~2025/12/31	Audit / Salary and Remuneration Committee	internal self-evaluation by the Committee	There are five major aspects: participation in the company's operation, awareness of functional committee responsibilities, improvement of the quality of functional committee decisions, composition and selection of functional committee members, and internal control.

D. Evaluation of the current and most recent year's goals for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation：

(1) The Audit Committee was established to strengthen the independent and objective functions of the professional directors and to supervise the operations of the Board of Directors. At the Annual General Meeting held on June 14, 2024, the Company conducted a re-election of its Board of Directors. In this term, one additional seat was added for an independent director, resulting in independent directors comprising 57.14% of the total board seats. The newly elected independent directors—Mr. Ruei Ming

Jamp, Mr. Shun Long Weng, Mr. Ding Kang Huw, and Mr. Yen Chih Wang—were appointed as members of the sixth Audit Committee. Their term will expire on June 14, 2027. The Audit Committee is responsible for performing the supervisory functions as required under applicable laws and regulations.

(2) The Company appointed new independent directors Mr. Ruei Ming Jamp, Mr. Shun Long Weng, and Mr. Yen Chih Wang as members of the Sixth Remuneration Committee upon the completion of the re-election of directors at the shareholders' meeting on June 14, 2024 to assist the Board in formulating and regularly reviewing the policies, systems, standards and structures of performance evaluation and remuneration of directors and managers and their remuneration.

(3) The number of attendance of board meetings for all directors in 2025 shall be 35, but the actual number of attendance was 35, representing an actual attendance rate of 100%.

(4) In order to continuously improve the transparency of information, the Company continuously updates the information on the Company's website and establishes an investor zone to provide financial and business information, as well as a stakeholder zone to provide stakeholders with access to and effective multi-way communication channels.

(5) The Company's Board of Directors meeting approved the establishment of a corporate governance officer to assist directors in carrying out their duties and to enhance the effectiveness of the Board of Directors on May 6, 2021,the Company also established the "Standard Operating Procedures for Handling Directors' Requests" to handle directors' requests in a timely and effective manner in order to enhance the Company's support to directors and to strengthen compliance with corporate governance-related laws and regulations. The company’s corporate governance officer has completed the statutory 12hour refresher course for initial appointment. 12 hours of continuing education in 2025.

(6) The number of training hours for each director in 2025 complied with the requirements of the "Key Points for Implementation of Training for Directors and Supervisors of Listed Overseas Companies", and the number of training hours for each director in 2025 reached 6 hours.

(7) In 2025, the attendance rate of independent directors, Mr. Ruei Ming Jamp, Mr. Shun Long Weng, Mr. Ding Kang Huw, and Mr. Yen Chih Wang were 100%, which complied with the requirement that at least one independent director should attend each board meeting in person.

2.3.2 Audit Committee

The Audit Committee has been established since December 16, 2000, and is responsible for carrying out the duties and responsibilities of the supervisors as stipulated in the relevant laws and regulations. On June 14, 2024, the shareholders' meeting held a re-election of directors, and the elected independent directors, Mr. Ruei Ming Jamp, Mr. Shun Long Weng, Mr. Ding Kang Huw, and Mr. Yen Chih Wang were elected as members of the 6th Audit Committee for a term ending on June 13, 2027.

The Audit Committee of the Company consists of four independent directors and operates primarily for the purpose of overseeing the following matters:

(1) The fair presentation of the Company's financial statements.

The selection, independence and performance of the certified public accountants.

3. The effective implementation of the Company's internal control.

4. The Company's compliance with relevant laws and regulations and the control of existing or potential risks of the Company.

A total of 4 (A) Audit Committee meetings were held in the previous period (2025). The attendance of the independent directors was as follows：

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Independent Director	Ruei Ming Jamp	4	0	100	6th
Independent Director	Shun Long Weng	4	0	100	6th

Independent Director	Ding Kang Huw	4	0	100	6th
Independent Director	Yen Chih Wang	4	0	100	6th

Other mentionable items: ：

1.If the Audit Committee operates under any of the following circumstances, it shall state the date and period of the Audit Committee meeting, the content of the motion, the results of the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinion:

(1) The matters listed in Article 14-5 of the Securities and Exchange Act: 2025 annual motions were passed by the Audit Committee without objection by all members present and then passed by the Board of Directors without objection by all directors present, and the Company carried out the motions as scheduled.

(2) Except for the matters listed above, other matters without approval of the Audit Committee were approved by two-thirds or more of all directors: None.

2. In the case of recusal of the independent directors from the implementation of the interest motion, please state the name of the independent directors, the content of the motion, the reasons for the recusal and the participation in voting: None.

3. Communication between the independent directors and the internal audit supervisor and CPA (which shall include the significant matters, manner and results of communication regarding the Company's financial and business conditions):

(1) The internal audit supervisor sends monthly audit reports to the independent directors in accordance with the audit plan upon completion of the audit projects, and the audit committee and the board of directors conduct audit business reports, and has fully communicated with them regarding the execution and effectiveness of the audit activities and operating.

(2) The independent directors communicate and discuss the status of the Company's internal audit execution and internal control operation with the internal audit supervisor by email and telephone from time to time, and the status of interaction and discussion topics for the 2025 are summarized below or please refer to the Corporate Social Responsibility section of the Company's website:

<table>
<tr><th>Date</th><th>Discuss communication issues</th><th>Independent director's opinion/recommendation</th><th>Result</th></tr>
<tr><td rowspan="3">2025/3/13</td><td>Report the results of the execution of internal audit plan</td><td rowspan="5">Committee members has no additional comments for this meeting</td><td>Not applicable</td></tr>
<tr><td>Revise the “Internal Control System” and the “Internal Audit Implementation Rules”</td><td>Not applicable</td></tr>
<tr><td>The 2024 Internal Control Statement</td><td>After deliberation, it will be sent to the board of directors for resolution</td></tr>
<tr><td>2025/5/8</td><td>Report the results of the execution of internal audit plan</td><td>Not applicable</td></tr>
<tr><td>2025/8/7</td><td>Report the results of the execution of internal audit plan</td><td>Not applicable</td></tr>
</table>

2025/11/6	Report the results of the execution of internal audit plan		Not applicable
	Discuss the 2026 audit plan		After deliberation, it will be sent to the board of directors for resolution

(3) CPA attend a private communication seminar with the Audit Committee twice a year in person (by video) to explain the review or audit of financial reports to assist independent directors to directly understand the company's financial status, and report on important changes in laws and regulations and corporate governance norms, and fully communicate with independent directors and interact well. The 2025 interaction status and discussion topics are excerpted below, or please refer to the Corporate Social Responsibility section of the company's website：

Date	Attendances	Discuss communication issues	Independent director's opinion/recommendation
2025/3/13	Ruei Ming Jamp Shun Long Weng Ding Kang Huw Yen Chih Wang	1. Explain the results of the 2024 financial report review and key audit matters.	Committee members has no additional comments for this meeting.
		2. Updated Laws and Regulations	
2025/8/7	Ruei Ming Jamp Shun Long Weng Ding Kang Huw Yen Chih Wang	1. Explain the results of the review of financial reports for the second quarter of 2025	
		2. Updated Laws and Regulations	

4、Summary of the Audit Committee's work priorities and operations in 2025：

The Audit Committee held a total of 8meetings this year, and the key matters to be considered include:

(1) Review of annual and interim financial reports.

(2) Review the internal control system.

(3) Assessment of the effectiveness of the internal control system.

(4) Appointment and remuneration of certified public accountants.

(5) Appointment of a new Head of Internal Audit.

(6) Raising, issuing or privately placing securities of an equity nature

Audit Committee of operation in 2025

Date	Agenda Item	Matter Specified under Article 14-5 of the Securities and Exchange Act	Audit Committee Resolution and Company’s Handling of Audit Committee Opinions
Mar 13, 2025	2024 Financial Statements and Business Report	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company

			implemented the proposal accordingly.
Mar 13, 2025	2024 Earnings Distribution Proposal	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Mar 13, 2025	2024 Internal Control System Statement	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Mar 13, 2025	Amendment to the Articles of Incorporation	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Mar 13, 2025	Amendment to the Procedures for Funds Lending and Endorsements/Guarantees	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Mar 13, 2025	Amendment to the Internal Control System	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Mar 13, 2025	Proposal to Submit to the Shareholders' Meeting for Lifting the Non-compete Restrictions of the 8th Board of Directors	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submit-

			ted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Mar 13, 2025	Proposed Private Placement of Common Shares or Domestic Convertible Bonds	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Mar 13, 2025	Assessment of the Independence and Suitability of the Certifying CPAs	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Mar 13, 2025	Appointment of Certifying CPAs and Their Remuneration for 2025	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Mar 13, 2025	Reconfirmation of the General Policy for Pre-approval of Non-assurance Services	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Mar 13, 2025	Related-party Contract Proposal	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.

Mar 13, 2025	Changes of Accounting Officer, Finance Officer, and Acting Spokesperson	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
May 8, 2025	2025 First Quarter Financial Statements	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
May 8, 2025	Discontinuation of the 2024 Private Placement of Common Shares	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
May 8, 2025	Proposal to Submit to the Shareholders' Meeting for Lifting the Non-compete Restrictions of the 8th Board of Directors	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Aug 7, 2025	2025 Second Quarter Financial Statements	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Aug 7, 2025	Consultant Appointment Proposal	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending

			directors. The Company implemented the proposal accordingly.
Aug 7, 2025	Amendment to the Authorization Approval Matrix and Customer Credit Management Policy	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Aug 7, 2025	Establishment of Procedures for the Preparation and Assurance of the Sustainability Report	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Nov 6, 2025	2025 Third Quarter Financial Statements	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Nov 6, 2025	Establishment of the Scope of Rank-and-file Employees and the Policy for Salary Adjustment or Compensation Distribution	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.
Nov 6, 2025	2026 Annual Internal Audit Plan	V	The proposal was reviewed and approved unanimously by all attending members of the Audit Committee, then submitted to the Board of Directors and approved unanimously by all attending directors. The Company implemented the proposal accordingly.

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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?	V		The company has formulated the "Code of Practice for Corporate Governance" in the 102nd year of the Republic of China, and in March 2023, in order to strengthen corporate governance, it revised this method again, and announced it to all employees to know and upload to the company's website. Company Website:www.luxnetcorp.com.tw	None
2. Shareholding structure & shareholders’ rights (1)Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		1. The company entrusts the agency department of China Trust Commercial Bank to handle shareholders' related affairs, and establishes a spokesperson system to deal with shareholders' related issues in accordance with regulations. The spokesperson will regularly report the shareholders' reactions and suggestions to the regular meetings of the Board. 2. In the investor section of the company's website, disclose the information of contact and consultation.	None
(2)Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares	V		The company's responsible personnel for stock affairs regularly keep a list of the major shareholders who actually control the company and the ultimate controllers of the major shareholders.	None
(3)Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		1. The company's internal control system has formulated "transaction management operations between related persons, group enterprises and specific persons" as the operation specifications for financial and business transactions with related enterprises, and "supervision and management operations for subsidiaries" to establish a complete risk control mechanism and firewall for transactions with related enterprises.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
			2. At the same time, disclose the integrity management code and internal major information processing procedures in the corporate governance section of the company's website Company Website:www.luxnetcorp.com.tw	
(4)Does the Company establish internal rules against insiders trading with undisclosed information?	V		The Company has established "Internal Material Information Processing Operating Procedures" to facilitate the implementation of material information notification and disclosure, and prohibits the use of duties in the "Integrity Management Code" to obtain personal benefits.	None
3. Composition and Responsibilities of theBoard of Directors (1)Does the Board develop and implement adiversified policy for the composition of its members?	V		1. In order to strengthen the functions of the Board of Directors, Article 20 of the Corporate Governance Code of Practice of the Company has formulated a diversified policy for the composition of the Board of Directors in terms of the needs of the Company's operation and operational development. 2. Members of the Board of Directors shall generally possess the knowledge, skills and qualities necessary for the performance of their duties. In order to achieve the desired objectives of corporate governance, the board of directors as a whole should have the following capabilities: (1) Operational judgment ability. (2) Accounting and financial analysis ability. (3) Management ability. (4) Crisis handling ability. (5) Industry knowledge. (6) International market view. (7) Leadership ability. (8) Decision-making ability.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			3. At the Annual General Meeting held on June 14, 2024 (Shareholders' Meeting for Fiscal Year 2024), the Company elected a total of seven directors, including four independent directors. Independent directors account for 57.14% of the Board, while directors representing employee status constitute 14.28%. A. Management Objectives: (1) Independent directors account for more than half of the board seats. (2) Directors concurrently serving as company managers do not exceed one-third of the board seats. (3) No more than two directors have spousal or second-degree familial rela-tionships with each other. (4) Directors of any one gender constitute at least one-third of the board seats. B.Target achievement: (A) Board of Directors the Company elected a total of 7 directors (including 4 independent directors) at the 2024 Annual General Meeting of Shareholders (20124/6/14), of which 57.14% are independent directors. (B) One of the directors of the Company is also a manager of the Company. (C) There is no spouse or relative within two degrees of kinship among the directors. (D) One-third of the number of directors of either gender: Not achieved. Reason: Among the seven directors serving on the Company's 8th Board of Directors, there is one female director. Due to the nature of the industry, it is difficult to recruit qualified candidates.	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
			Measures Taken: The Company places great importance on gender equality in the composition of the Board of Directors and aims to increase the proportion of female directors to one-third (i.e., 33%) or more. In the future, we will explore multiple channels for talent recommendations and make every effort to increase the number of female directors in order to enhance corporate governance effectiveness and implement our policy of board diversity.	
(2)Does the Company voluntarily establish other functional committees in addition to theRemuneration Committee and the Audit Committee?	V		On May 6, 2021, in order to implement social responsibility and strive for sustainable development, the Company added the Social and Sustainable Development Responsibility Committee under the Board of Directors, and in response to the international trend and strengthen the promotion of sustainable development, the Social and Sustainable Development Responsibility Committee of the Company was renamed as the Sustainable Development Committee on November 4, 2022.	None
(3)Does the Company establish a standard to measure the performance of the Board, and implement it annually?	V		1. In 2013, the Company formulated the "Performance Evaluation Measures for the Board of Directors", and in order to strengthen corporate governance, the Company revised the measures on November 5, 2020. At least once a year, at the end of each year, fill in questionnaires through self-assessment and mutual evaluation of directors to evaluate the performance of the Board, individual Board members and functional committees (including the Audit Committee and the Remuneration Committee), and the results of the evaluation will be reported to the Board and used as a reference for the selection of nominee directors and recommendations for improving the operational effectiveness of the Board and functional committees. 2. 2025 Performance Evaluation Results: The measurement items of the	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			Board of Directors Performance Evaluation include the following five aspects and 12 indicator evaluations, and 7 directors participated in the evaluation, obtaining 84 "good. 1. Degree of participation in the company's operations. 2. Improve the decision-making quality of the board of directors. 3. Composition and Structure of the Board of Directors. 4. Election and continuing training of directors.5. Internal Control. The measurement items of the (self) performance evaluation of board members include the following six aspects and eleven indicator evaluations, and 7 directors participated in the evaluation and obtained 77 "good" . First, the company's goals and tasks mastery. 2. Awareness of Directors' Responsibilities. 3. Degree of participation in the company's operations. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal Control. Four independent directors on the Audit Committee participated in the evaluation and received 36 "Good" ratings.Three independent directors on the Compensation Committee participated in the evaluation and received 27 "Good" ratings. 1. Degree of participation in the company's operations. 2. Recognition of the responsibilities of the functional committee. 3. Improve the quality of decision-making by functional committees. 4. Composition and Selection of Members of the Functional Committee. 5. Internal Control. The evaluation project includes five aspects: participation in the company's operation, improvement of the decision-making quality of the board of directors, composition and structure of the board of directors, selec-	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
			tion and continuous training of directors, and internal control. The results of the Company's performance evaluation for 2025 were reported to the Board of Directors on March 5, 2026	
(4)Does the Company regularly evaluate the independence of Certified Public Accountants (CPAs)?	V		1. The company regularly evaluates (once a year) the independence and suitability of certified public accountants, and the evaluation of the independence and suitability of certified public accountants, and submits the results to the audit committee and the board of directors on March 5, 2026 for approval and obtains a statement of certification of the certified public accountant's audit quality index (AQI) assessment of independence and suitability. 2. This evaluation item includes that the certified public accountant has no direct or indirect material financial interests with the company or its affiliates, the certified public accountant has no material and close business relationship with the company or its affiliates, the certified public accountant has no potential employment relationship with the company or its affiliates, the certified public accountant does not hold the shares of the company or its affiliates, the certified public accountant has not accepted gifts or gifts of significant value from the company and its directors, supervisors and managers, and has provided audit services for many consecutive years. Audit service quality and other 13 indicators.	None
4. Does the listed company appoint a unit or person-	V		The Board of Directors of the Company approved Ya Yu Wang, the Chief	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
nel to be responsible for affairs related to governance (including but not limited to providing information for business of Directors, handling affairs for Board of Directors Meeting and Shareholders' Meeting in accordance with lawful regulations, registering and altering the Company's information, making minutes for Board of Directors Meetings and Shareholders' Meetings, etc.)?			Commissioner of the Finance and Accounting Department, as the corporate governance officer on March 16, 2023, who has more than three years of experience in the management of legal, regulatory compliance, internal audit, finance, stock affairs or corporate governance related affairs units in publicly offered companies. The main duties of the head of corporate governance are to handle matters related to the meetings of the board of directors and shareholders' meetings in accordance with the law, prepare the minutes of the board of directors and shareholders' meetings, assist directors and supervisors in taking up their posts and continuing training, provide directors and supervisors with information necessary for the execution of business, assist directors and supervisors in complying with laws and regulations, etc., so as to protect the rights and interests of shareholders and strengthen the functions of the board of directors. The required 12 hours of continuing education for fiscal year 2025 have been completed.	
5. Does the Company establish a communication channel with its stakeholders (including but not limited to shareholders, employees, clients, and suppliers) and build a designated section on its website for stakeholders, as well as handle all issues they care for in terms of corporate social responsibilities?	V		The Company has set up a "ESG" under "Corporate Social Responsibility" to serve any questions or suggestions of the Company that stakeholders are concerned about, and reply to each business leader to maintain a good communication channel.	None
6. Does the Company appoint a professionalshareholder service agency to deal with shareholder	V		The company's stock agency business is handled by the agency department of China Trust Commercial Bank.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
affairs?				
7. Information disclosure (1)Does the Company have a corporate websiteto disclose both financial standings and the status of corporate governance?	V		The Company has set up a corporate website to disclose information related to financial operations and corporate governance. Company website：http://www.luxnetcorp.com.tw.	None
(2)Does the Company have other information disclosure channels (e.g., building an Englishwebsite, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcastinginvestor conferences)?	V		The company's website is set up in Chinese and English to disclose financial, business, corporate governance, corporate social responsibility and other information. Each functional unit is responsible for collecting and disclosing all information, and disclosing communication channels such as spokespersons, acting spokespersons and other stakeholders.	None
(3)Does the Company complete and publicize the annual financial statement within 2 months after the fiscal year ends, then publicize and register the financial statements of the first, second, and third quarters as well as the operation report of each month?	V		The company's annual financial report and the first, second and third quarter financial reports and the operation of each month are announced and reported well in advance of the prescribed deadline.	None
8. Is there any other information to facilitate a better understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the	V		1. The company's website has set up "corporate governance" and "ESG" special areas to disclose the company's corporate governance related systems and policies, corporate governance operations, internal audit organization and operations, as well as employee welfare, environmental care, social care and environmental protection information. 2. In accordance with the provisions of Article 3, Item 2 of the Implementation Points for the Training of Directors and Supervisors of Listed Companies, the Company will arrange at least 12 hours of refresher training courses for	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
implementation of customer relations policies, and purchasing insurance for directors and supervisors)			new directors in the year of taking office, and at least 6 hours per year from the following year, and all directors have reached the required training hours in 2025. 3. The company has been insured for directors and supervisors liability insurance since July 1, 99, and has not interrupted the insurance as of the annual report date.	
9. Please offer illustrations improvement on the aspects pointed out by the evaluation of governance by Taiwan Stock Exchange TWSE and explanation for matters and measures as prioritized items to improve.	V		Companies with a corporate governance evaluation result of 36%~50% of the company's eighth (2024) corporate governance evaluation will adjust and improve the parts of the newly released revised indicators that can still be scored, and the priority matters for strengthening in 2025 are as follows: 1. Enhance the quality of score-related documentation to ensure alignment with evaluation criteria. 2. Improve the accuracy and completeness of corporate website disclosures to support scoring requirements.	None

2.3.4 The composition and operation of the Remuneration Committee：

2.3.4.1 Information Regarding Remuneration Committee members

At the Annual General Meeting held on June 14, 2024, the Company conducted a re-election of its Board of Directors. The term of the fifth Board ended on June 13, 2024, in alignment with the expiration of the directors' tenure.

Following the election, the Board appointed independent directors Mr. Ruei Ming Jamp, Mr. Shun-Long Weng, and Mr. Yen-Chih Wang as members of the sixth Compensation Committee. The sixth Compensation Committee consists of three members and will serve a term ending on June 13, 2027.

Criteria / Name	Professional qualifications and experience	Status of independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director (Convener) Ruei Ming Jamp	Please refer to pages 11-14and page18-20 of this annual report for information on directors and independent directors.	Please refer to pages 11-14and page18-20 of this annual report for information on directors and independent directors.	None
Independent Director Shun Long Weng			1
Independent Director Yen Chih Wang			None

2.3.4.2 Responsibilities of the Remuneration Committee

The Committee shall, with the attention of a good administrator, faithfully perform the following functions and powers and submit its recommendations to the Board for discussion. The Committee's powers are set out as follows:

(1) To formulate and periodically review policies, systems, standards and structures for performance appraisal and remuneration of directors and managers.

(2) Regularly evaluate and determine the remuneration of directors and managers.

2.3.4.3 Information on the functioning of the Remuneration Committee

A total of 3 meetings were held in 2025. The attendance record of the Remuneration Committee members was as follows：

Title	Name	Attendance inperson	By proxy	Attendance Rate (%)	The required number of	Notes

					attendances	
Independent Director	Ruei Ming Jamp	3	0	100	3	
Independent Director	Shun Long Weng	3	0	100	3	
Independent Director	Yen Chih Wang	3	0	100	3	

In fiscal 2025, the Salary and Remuneration Committee held three meetings, and the annual operation situation is as follows：

Date	Agenda Item	Resolution Result	Company Handling of Compensation Committee Opinions
Jan 16, 2025	Senior Management Promotion Proposal	The proposalswere unanimously adopted by allcommittee members.	The proposal was unanimously adopted by all attendees at the Board of Directors meeting.
Mar 13, 2025	Directors' and Employees' Remuneration for 2024		
Mar 13, 2025	Establishment of Performance Evaluation Form for Managers for 2025		
Mar 13, 2025	Senior Management Promotion Proposal		
Mar 13, 2025	Change of Accounting Officer, Finance Officer, and Acting Spokesperson		
Aug 7, 2025	Distribution of Managers' Employee Compensation for 2024 and 2024 Year-end Bonuses		

Other matters that should be recorded:

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall specify the date, period, content of the proposal, the resolution of the Board of Directors and the Company's handling of the opinions of the Remuneration Committee (if the remuneration is better than the recommendation of the Remuneration Committee, the discrepancy and the reasons shall be stated): None.
2. If a member has an objection or reservation and has a record or written statement, the date, period, content of the motion, all members' opinions and the handling of members' opinions should be stated in the Remuneration Committee: None.

2.3.5 F.Implemented sustainable development promotion and the deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof：

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
1. Does the Company establish a governance structure to promote sustainable development, and set up a designated full-time (or part-time) unit to promote Sustainable Development, and the Board of Directors authorizes senior management to handle this and the Board of Directors supervises the situation?	V		On 6 May 2021, the Board of Directors of LuxNet established the Committee on Social and Sustainable Development Responsibility, in order to respond to the international trend and strengthen the promotion of sustainable development, on November 3, 2022, the Board approved the "Code of Practice for Sustainable Development" and changed the name of the "Committee for Social and Sustainable Development" of the Company to "Committee for Sustainable Development" and amended the organizational rules of the Committee to follow. wo meetings were held in 2025, and a report on the committee's operations for 2025 was presented to the Board of Directors on March 5, 2026. Independent Directors Hu Dingkang and Wang Yanzhi recommended that the company strictly comply with ESG-related regulations.	None
2. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies?	V		The Company has established a "Sustainable Development Committee" responsible for promoting corporate social responsibility. Sustainability issues are addressed in accordance with the GRI Standards issued in 2021 by the Global Reporting Initiative (GRI), and are guided by the Company's operational characteristics and sustainability development policy.	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>A materiality analysis is conducted through five key steps: collection, identification, prioritization of stakeholder concern, assessment of impact level, and review and discussion—leading to the identification of material topics.
The Company ranks sustainability issues based on the degree of positive and negative impacts and the likelihood of occurrence, while also incorporating the level of stakeholder concern. Following integrated discussions, six material topics were finalized.
Furthermore, the Company conducts risk assessments on environmental, social, and governance (ESG) issues related to its operations and establishes risk management policies. It also evaluates the boundary within the value chain where these material topics may occur, considering its activities, products, services, and related impacts.
<table>
<tr><th>Major issue</th><th>Risk evaluationitem</th><th>Illustration</th></tr>
<tr><td>Company governance</td><td>Operational and Financial Performance</td><td>Pursuing growth and profitability is the foundation of business operations. Only by enhancing overall operational efficiency can long-term and stable performance be achieved.</td></tr>
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<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td>Sustainable Supply Chain Management</td><td>Promote sustainable development among partners—from commitment to practice—to jointly achieve sustainable operations. Strengthen supplier CSR commitments and conduct regular RBA risk inspections to ensure effective risk control.</td></tr>
<tr><td rowspan="2">Environmental</td><td>Waste Management</td><td>Environmental changes due to climate change (e.g., rising temperatures, extreme weather) may affect operational activities such as resource acquisition and business continuity, thereby impacting the company's finances and employee health and safety.</td></tr>
<tr><td>Hazardous Substance Management</td><td>Comply with relevant regulations and customer restrictions on hazardous substances to reduce negative impacts on employee health and the environment, aiming for "zero hazard and zero pollution."</td></tr>
<tr><td>Social</td><td>Employee Rights, Diversity,</td><td>1. Promote gender equality and create a diverse and inclusive workplace
2. Foster a positive communication en-</td></tr>
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<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td rowspan="2"></td><td>and Inclusion</td><td>vironment and labor-management dialogue to help employees balance work and family
3. Implement anti-discrimination and anti-harassment policies
4. Ensure fair hiring and compensation regardless of gender, race, religion, political beliefs, marital status, or disability</td></tr><tr><td>Occupational Health and Safety</td><td>1. Prioritize employee life safety and maintain a safe, comfortable, and healthy work environment with regular training
2. Continuously uphold health and safety through effective management systems</td></tr></table></td><td></td></tr>
<tr><td>3. Environmental Issues
(1) Has the Company established anappropriate environmental management system based on itsindustry characteristics?</td><td>V</td><td></td><td>Obtain ISO 14001 environmental management certification with a validity period covering 2025 and disclose its validity date.
Unit：United Registrar of Systems Taiwan Ltd
Valid period：2023/4/14~2026/4/13
Certification Date：2011/4/14
Certification No.：05884/B/0001/UK/En</td><td>None</td></tr>
<tr><td>(2) Has the Company committed itself toimproving energy efficiency and to using recycled materials with low impact</td><td>V</td><td></td><td>The Company actively collaborates with suppliers to enhance the recycling and reuse of waste organic solvents and the circular use</td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>on the environment?</td><td></td><td></td><td>of plastic packaging materials. By joining plastic reduction initiatives, the Company aims to reduce environmental pollution and carbon emissions.</td><td></td></tr>
<tr><td>(3) Does the Company assess the potential risks and opportunities of climate change for the Company nowand in the future, and has it taken relevant countermeasures?</td><td>V</td><td></td><td>According to ISO14001 system, evaluate the potential risks and opportunities of climate change to enterprises now and in the future, evaluate the replacement of energy-consuming equipment to reduce energy resource consumption, and evaluate the impact of climate change in the green power construction plan.</td><td>None</td></tr>
<tr><td>(4) Does the Company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for greenhouse gas reduction, water reduction, or other waste management?</td><td>V</td><td></td><td>Since 2014, the Company has conducted a voluntary inventory in accordance with the National Greenhouse Gas Inventory Method of the Environmental Protection Department of the Executive Yuan.
1. The Company’s total annual greenhouse gas emissions were approximately 4,330 metric tons of CO2 in 2011 and 4,551 metric tons of CO2 in 2012, as detailed below:
<table>
<tr><th colspan="2"></th><th colspan="2">2024</th><th colspan="2">2025</th></tr>
<tr><th>Scope</th><th>Source</th><th>The emission per unit product (kgCO2e/cm2)</th><th>(%)</th><th>The emission per unit product (kgCO2e/cm2)</th><th>(%)</th></tr>
</table></td><td>None</td></tr>
</table>

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

Scope 1	Fixed: Emergency generator Moving：Official Car vaporization ：extinguishing and protection Manufacturing process：Evaporation	191	4.4	417	9.2
Scope 2	Purchased Power	4,138	95.6	4,134	90.8
Total		4,848	4,330	100	4,551

2. The Company's water consumption in the past two years：

Unit： Tons

Item	2024	2025
Tap water consumption	46,070	46,075

3. The total weight of waste used by the company in the past two years：

Unit： Tons

Item	2024	2025

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			<table><tr><td>Hazardous business waste</td><td>13.94</td><td>20.623</td></tr><tr><td>General business waste</td><td>29.12</td><td>42.41</td></tr></table> 4. Our company has set the following energy-saving targets: (1) Recycling of packaging materials such as tray and foam is more than 3,000 kg per year. (2) Continue to increase the recovery of acetone and isopropanol to more than 2,000 kg per year. (3) Introduce ISO 14064-1 greenhouse gas inventory activities to analyze the proportion of emissions from each source. (4) Energy use saves more than 1% of electricity. Long-term target 2030: Reduce greenhouse gas carbon emissions by 10% compared to 2021	
4. Social Issues (1)Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?	V		With reference to international human rights conventions, the Code of Conduct of Responsible Business Alliance and local regulations, the Company has formulated the "Code of Social and Sustainable Development Responsibility" as the company's management guidelines.	None
(2)Does the Company establish and implement reasonable employee compensation policies (including the remuneration, leave policies, and other welfares) and offer incentives according to operational performance or outcome?	V		According to the company's articles of association, if the company makes a profit, after retaining to make up for the loss, 5%~15% of the surplus is allocated to employees, and is issued according to the individual performance of employees.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
(3)Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		The company takes the protection of the life safety of all employees as the highest management principle, establishes and maintains a safe, comfortable, healthy and hygienic working environment, and achieves the goal of "zero accident in industrial safety" through effective management. 1.EHS ： (1) Certified Environmental Management System (ISO14001) and Occupational Health and Safety Management System (ISO45001). (2) Establish an occupational safety office, prepare occupational safety and health management personnel, and regularly convene occupational safety and health committees to discuss safety and health related issues. (3) Formulate working rules and stipulate safety and health management matters. (4) Implement operating environment monitoring to ensure that the monitoring values can meet the statutory standards and protect the health of colleagues. (5) Establish an incident investigation, analysis and improvement system to avoid the recurrence of similar incidents to ensure the safety of personnel. (6) Establish a protective equipment management mechanism, provide appropriate protective equipment, and conduct personal respiratory protective equipment fit test every year to maintain operational safety. (7) Entrust qualified removal and treatment manufacturers to clean up business waste, and promote the reduction of circular economy, so that the input of resources, waste and emission can achieve the goal of reduction.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			2. Safety and environmental hygiene: (1) Equipped with access control card and image monitoring system, equipped with security personnel to maintain the safety of the factory 24 hours a day. (2) Ensure that the environment is neat, clean, sufficient lighting, good ventilation, and provide a good working environment for personnel. (3) Monthly maintenance and maintenance of water dispenser equipment. 3. Maintenance and inspection of various equipment: (1) Implement fire inspection every year and public safety inspection of buildings every two years according to law. (2) Formulate an automatic inspection plan and implement regular inspections of machinery and equipment according to its regulations. (3) Arrange regular patrol inspection to ensure equipment safety. 4. Emergency response and education and training: (1) Formulate emergency response procedures and plant-wide emergency response marshalling. (2) Fire and emergency response drills are carried out in May and November every year. (3) Handle more than 4 echelons of safety, health and health hazard prevention education and training every year. 5. On-site health services: (1) The company sets up medical staff according to law to provide personalized health care and tracking of colleagues. (2) Handle physical examination for new employees in accordance with the law, special operation health examination every year and regular health examination every 2 years, and	

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			hold cancer screening activities with regular health examination. (3) Establish and implement a hierarchical health management system. (4) Formulate management plans for maternal health protection, prevention of diseases caused by abnormal workloads, prevention of human-caused hazards, and prevention of illegal infringement in the performance of duties. (5) Design health promotion lectures with multiple themes. (6) Monthly occupational medicine physician temporary health service. (7) Handle more than 2 health lectures every year to advocate.	
(4)Has the Company provided effective training in career planning for employees?	V		The company develops training programs in accordance with policy objectives and departmental development needs to provide employees with the skills required for their professional roles. By leveraging diverse learning resources, we continue to strengthen our talent sustainability strategy. For details on the 2025 training achievements, please refer to page 4.	None
(5)Has the Company provided effective training in career planning for employees?	V		The company strictly follows the confidentiality commitment with customers to ensure customer privacy; At the product development stage, the environmental protection of parts is confirmed, such as RoHS/REACH/PFOS/PFOA) and conflict-free minerals and other regulations and international standards, clearly label product information according to regulations, and adhere to the environmental protection concept of not excessive packaging. The company provides customer (consumer) complaint channels and conducts customer satisfaction surveys every year to protect the	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			rights and interests of customers (consumers).	
(6)Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?	V		The Company has established a "Supplier Code of Conduct" as its supplier management policy, which is publicly disclosed on the official website. Prior to formal collaboration, suppliers are subject to evaluation to ensure compliance with environmental protection, occupational health and safety, and labor rights regulations. In 2025, the Company completed RBA audits for both suppliers and contractors.	None
5. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of sustainability reports and other reports that disclose the Company's non-financial information? Is the above-mentioned report assured or certified by a third-party inspector?	V		In accordance with the Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) in 2021, the Company's 2025 ESG Report—scheduled for publication in 2026—has been prepared in accordance with the GRI Standards. The report discloses the results of our annual efforts to advance sustainability, and we will continue to work toward obtaining third-party verification in the future.	None
6. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the principles: The Company has established its Sustainable Development Best Practice Principles and is fully aware that a business plays the part of a social citizen and has its own social responsibilities that must be fulfilled. Therefore, related issues of corporate sustainability have been long given substantial consideration, no matter whether in the design of the Company's systems or in the orientation of its operational strategies. For example, there are active and concrete implementation efforts being made for all aspects of carrying out and promoting corporate governance, developing a sustainable environment, maintaining social welfare, and disclosing corporate sustainability. Furthermore, it takes a positive view of human nature as its starting point along with subtle methods of promotion. With the goal of integrating corporate culture, the entire Company's corporate social responsibility operations are handled in accordance with the relevant principles of the Corporate				

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
Governance Best-Practice Principles for TWSE/TPEx Listed Companies and there are no major differences.				

7. Other important information helpful to understand the implementation of the promotion of sustainable development: ：

On May 6, 2021, the Board of Directors resolved to establish the “Corporate Social and Sustainable Development Responsibility Committee.” In response to international trends and to strengthen efforts toward sustainable development, the Board approved the “Sustainable Development Best Practice Principles” on November 3, 2022, and renamed the committee as the “Sustainable Development Committee.” At the same time, the committee's organizational charter was revised to ensure regulatory compliance.

The committee operates under the Board of Directors and formulates relevant policies and objectives in accordance with its organizational charter.

(1)Composition

The Committee consists of three independent directors and one management representative. Under the supervision of the Committee, the Company ensures the implementation of its social responsibility mission and strives toward the ultimate goal of sustainable development. The Committee is chaired by Independent Director Mr. Liu Jung-Sheng, who possesses expertise in business management and corporate governance, meeting the professional requirements of the Committee.

Title	Name	Major Expertise	Remarks
Independent Director	Ding Kang Huw	Venture Capital	
Independent Director	Shun Long Weng	Business Management	
Independent Director	Yen Chih Wang	Venture Capital	

(2)Responsibility

The Committee faithfully performs the following duties and responsibilities with the attention of a good steward:

- To formulate and revise the Company's systems, policies and commitments related to sustainable development.
- Oversee the direction of the Company's sustainable development policies and annual goals.
- Report the results of the implementation to the Board of Directors annually.

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

- To carry out sustainability-related tasks as directed by the Board of Directors' resolutions.

(3)ESG Committee Operations

On June 14, 2024, the shareholders' meeting held a re-election of directors, and appointed the elected independent directors Ding Kang Huw, Shun Long Weng and Yen Chih Wang as members of the second sustainable development committee, a total of 3 people, with a term of office until June 13, 2027, and the term of office of the first member until June 13, 2024, the same term as the directors.

Two meetings were held in 2025, and on March 5, 2026, the Board of Directors reported on the committee's operations in 2025.

Title	Name	Attendance	The required number of attendances	Remarks
Independent Director	Ding Kang Huw	2	2	
Independent Director	Shun Long Weng	2	2	
Independent Director	Yen Chih Wang	2	2	

(4)For other details, please refer to the "ESG" on the company's official website (https://www.luxnetcorp.com.tw/esg).

Climate-related information of listed companies:

1 Implementation of climate-related information

Item	Implementation scenarios
1. Describe the oversight and governance of the board and management regarding climate-related risks and opportunities.	To fulfill corporate social responsibility, the company's senior management is responsible for coordinating issues such as environmental protection and climate change, and establishing management objectives for climate change risk-related issues. The chief committee member reports to the ESG meeting on the performance of the management system and conveys improvement suggestions from the ESG committee. Annually, the board is presented with the implementation results of the current year and the work plan for the following year, incorporating board feedback for revisions. The company plans to complete its greenhouse gas inventory by 2024 and verification by 2025. In 2025, the company initiated SBTi (Science Based Targets initiative) training and implementation planning, with an application for a carbon reduction plan scheduled for 2025. Climate change is expected to significantly impact the industry supply chain and market sales conditions. In the short term, the company is implementing internal resource conservation and carbon emission reduction designs. From a mid-to-long-term perspective, with the market trending toward carbon pricing and carbon taxation, there is a potential for cost increases in product R&D, production, and sales. Therefore, product and industry
2. Describe how identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, long-term).	

	transformations or adjustments due to climate change will be critical considerations for the company's future financial planning and response strategies.
3. Describe the financial impact of extreme climate events and transition actions.	The company is gradually undertaking related operations in accordance with regulatory requirements and practical needs.
4. Describe how the identification, assessment, and management processes for climate risks are integrated into the overall risk management system.	The company is gradually undertaking related operations in accordance with regulatory requirements and practical needs.
5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts.	The company has not yet used scenario analysis to assess resilience to climate change risks.
6. If there is a transition plan to manage climate-related risks, describe the plans content and the indicators and targets used to identify and manage physical and transition risks.	The company is gradually undertaking related operations in accordance with regulatory requirements and practical needs.
7. If internal carbon pricing is used as a planning tool, explain the basis for setting the price.	The company has not yet planned to introduce an internal carbon pricing mechanism as a management tool.
8. If climate-related targets are set, describe the covered activities, greenhouse gas emission scopes, planning timeline, annual progress, and other information; if carbon offsets or renewable energy certificates (RECs) are used to achieve related targets, specify the source and amount of carbon reductions offset or the number of RECs.	The company is gradually undertaking related operations in accordance with regulatory requirements and practical needs.
9. Greenhouse gas inventory, assurance status, reduction targets, strategies, and specific action plans (also detailed in 1-1 and 1-2).	According to the "Sustainability Roadmap for Listed Companies" issued by the Financial Supervisory Commission, the company, with a paid-in

	capital of less than NTD 2 billion, is required to complete its greenhouse gas inventory by 2026 and verification by 2028. Subsequent operations will follow the guidelines and regulations of the competent authority for greenhouse gas inventory and assurance. Therefore, this requirement is not yet applicable for the current year.

1-1 Greenhouse gas inventory and assurance of the company in the last two years: not applicable in the current year.

1-1-1 Greenhouse Gas Inventory Information: Not yet applicable in the current year.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans: Not applicable for this fiscal year.

1-1-2 Description of the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans, and achievement status of reduction targets: Not applicable for this fiscal year.

2.3.6 G.Ethical Corporate Management Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons：

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
1. Establishment of ethical corporate management policies and programs (1)Does the Company declare its ethical corporate management	V		(1) The Company has formulated the "Code of Ethical	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?			Management" approved by the Board of Directors as the policy and practice of Integrity Management. In order to ensure that directors, managers and employees are aware of and follow, we regularly conduct advocacy every year and incorporate it into the internal control system. For disclosures on the Public Information Observatory and the Company's website, please refer to the "Corporate Governance" section of the Company's website, URL: http://www.luxnetcorp.com.tw. A total of 21 directors, managers and senior executives of the Company have signed the "Statement of Compliance with Integrity Management Policy", with a signing rate of 100%, stating that they will indeed abide by the "Code of Integrity Management for Listed and OTC Listed Companies" issued by Taiwan Stock Exchange Co., Ltd., the "Code of Integrity Management", "Integrity Management Operating Procedures and Conduct Guidelines" and related integrity management policies formulated	

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			by LuxNet Technology Co., Ltd., so as to establish a good corporate governance and risk control mechanism based on the business philosophy of integrity, transparency and responsibility. To create a sustainable business environment.	
(2)Does the Company establish appropriate system to analyze risks of unethical conducts, periodically analyze and evaluate business activities with high potential for unethical conducts and establish prevent measures accordingly, or listed activities stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?	V		(2) The company has established an assessment mechanism for the risk of dishonest behavior, conducts and analyzes it in the fourth quarter of each year, and formulates a plan to prevent dishonest behavior based on the results.	None
(3)Does the Company establish and implement the operational procedures, conduct guidelines, penalty for violation of rules, and complaint mechanism to prevent unethical behaviors and regularly review and amend the existing practice?	V		(3) In order to prevent dishonest behavior, the company has formulated relevant operating procedures, behavior guidelines, violation punishment and appeal systems, and regularly reviewed them.	None

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
2. Fulfill operations integrity policy (1)Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) Article 17 of the Company's Integrity Code of Conduct clearly stipulates that before doing business, the legality of suppliers, customers or other business transaction partners should be considered and whether there is a record of dishonest behavior, and transactions with those with a record of dishonest conduct should be avoided. If a contract is signed with another person, the content should include the clause that the business integrity policy is observed and that the counterparty may terminate or terminate the contract at any time if the counterparty is involved in dishonest behavior.	None
(2)Does the Company establish an exclusively dedicated unit supervised by the Board to be in charge of corporate integrity,	V		(2) The Company is promoted by the Sustainable Development Committee and the operation and im-	None

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
and periodically (at least once a year) report to the Board about its integral policy for management, the policy to prevent unethical conducts, and how the implementation is being supervised?			plementation of the Committee in 2025 was reported to the Board on March 5 2026.	
(3)Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3)Article 17 of the version of the company's integrity management code has clearly regulated the requirements for preventing conflicts of interest and avoiding avoidance. When a director or manager encounters a conflict of interest during the board of directors or remuneration committee, he or she recuses himself or herself from the table and does not participate in the discussion and voting.	None
(4)Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	V		(4)The company has established an effective accounting system, internal control system and related management measures for the implementation of honest operation. Internal audit prepares and audits	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
(5)Does the Company regularly hold internal and external educational trainings on operational integrity?	V		audit plans according to the results of risk assessment, and entrusts accountants to review financial reports and confirm the effectiveness of the internal control system every year. (5) The company regularly conducts courses on ethical business practices each year and arranges training for directors, managers, and employees. On December 18, 2015, the company held an internal training session titled “Online Course on General Regulatory Compliance,” which was attended by 604 participants, totaling 604 hours.	None
3. Operation of the integrity channel (1)Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) The company has formulated the "Whistleblowing and Appeal Management Measures", which are publicly disclosed on the company's official website and announced to all employees, which specify the reporting channels and incentive measures, and assign appropriate personnel for	None

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			the acceptance of the reported object.	None
(2)Does the Company establish standard operating procedures for confidential reporting on investigating accusation cases?	V		(2) The Company's "Measures for the Administration of Whistleblowing and Appeals" stipulates the principles of standard operating procedures for investigation of whistleblowing matters, follow-up measures for the completion of investigations, and confidentiality of whistleblowers and information.	
(3)Does the Company provide proper whistleblower protection?	V		(3) The company has formulated the "Whistleblowing and Appeal Management Measures", providing anonymous reporting measures, not disclosing the complainant's information during processing, and protecting the whistleblower from any form of retaliation or treatment.	None
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		The company has established a code of ethical management and discloses the operation in the public information observatory, the company's website and annual reports. Please refer to the "Corporate Social Responsibility" and "Investor Information" sections of our website.	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
			Website:http://www.luxnetcorp.com.tw.	
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation.：(1) The Company formulated/revised the internal integrity management code in accordance with the "Code of Integrity Management for Listed OTC Companies" of the FSC, and discussed and approved by the Board of Directors. (2) The company's 2025 in integrity management operation and system are not materially different.				
6. Other important information which helps to understand the implementation of the Company’s ethical management: (E.g., the Review and amendment of the Company’s Ethical Management Best Practice Principles): (1) The Company has formulated the "Code of Integrity Management" and the "Integrity Management Operating Procedures and Conduct Guidelines" for all colleagues, managers, directors and other stakeholders of the Company and its subsidiaries to pay attention to and follow when performing business; The document is published on the Public Information Observatory and the company's website - "ESG" section. URL：https://www.luxnetcorp.com.tw/esg . (2) In order to ensure the implementation of honest management and actively prevent dishonest behavior, the company revised the "Whistleblowing and Appeal Management Measures" on2020/7/17 to strengthen the prevention of dishonest behavior.				

2.3.7 Access to the Company’s Governance Guidelines and relevant regulations:：

Adhering to the spirit of the Code of Practice on Governance of Listed OTC Companies, the Company has renewed (amended) relevant rules and regulations such as the Code of Practice on Corporate Governance, the Organizational Rules of the Audit Committee, the Organizational Rules of the Remuneration Committee, the Organizational Rules of the Sustainable Development Committee, the Rules of Procedure of the Shareholders' Meeting, the Rules of Procedure of the Board of Directors, the Code of Ethical Conduct, the Code of Integrity Management, the Operating Procedures for Internal Material Information Processing, and the Whistleblowing System, with a view to implementing corporate governance; For the above terms and conditions, please refer to the "ESG" section. URL：https://www.luxnetcorp.com.tw/esg.

2.3.8 Other important information about the corporate governance of the Company：

2.3.8.1 The Code of Corporate Governance Practices adopted by the Board of Directors of the Company implements the principles：

(1) Timely disclosure of important information to ensure that shareholders enjoy the right to fully know, participate and decide on major matters of the company.

(2) The benign interaction and checks and balances between the board of directors and the management team.

(3) Maintain a certain proportion of independent director seats.

(4) Establish an audit committee to ensure the independence and fairness of accountants.

(5) Establish a remuneration committee to strengthen corporate governance and improve the remuneration system for directors and managers of the company.

(6) Vote on the resolutions of the shareholders' meeting on a case-by-case basis to implement the exercise of shareholders' rights.

(7) Follow the code of ethical conduct, uphold the principle of integrity management and implement the internal audit mechanism.

2.3.8.2 The Company regularly arranges refresher courses for directors, independent directors and managers：

(1) Training of directors and independent directors：

In response to the continuous updating of domestic laws, regulations, corporate governance and corporate social responsibility, the Company not only organizes its own executive training courses, but also provides diversified courses or seminars organized by external organizations from time to time to improve the professional training of directors.

A.2024

Position	Name	Date	Organizer	Course Title	Training Hours
Director	Ming-Hang Investment Co., Ltd. (Representative: Hui-Min Chien)	2025/9/2	Taiwan Association for Project Management	Stakeholder Analysis and Integrated Project Management in Corporate Governance	3.0 hours
Director	Ming-Hang Investment Co., Ltd. (Representative: Hui-Min Chien)	2025/9/1	Taiwan Association for Project Management	Corporate Sustainability and ESG Strategy Integration	3.0 hours
Director	Jen-Chia Investment Co., Ltd. (Representative: Todd Swanson)	2025/9/4	Taiwan Association for Project Management	Applications of Generative AI and ChatGPT	3.0 hours
Director	Jen-Chia Investment Co., Ltd. (Representative: Todd Swanson)	2025/9/3	Taiwan Association for Project Management	Board of Directors vs. Management Team	3.0 hours

Director	Jen-Chia Investment Co., Ltd. (Representative: Todd Swanson)	2025/9/2	Taiwan Association for Project Management	Stakeholder Analysis and Integrated Project Management in Corporate Governance	3.0 hours
Director	Jen-Chia Investment Co., Ltd. (Representative: Todd Swanson)	2025/9/1	Taiwan Association for Project Management	Corporate Sustainability and ESG Strategy Integration	3.0 hours
Director	Hsing-Hsien Kung	Sep 2, 2025	Taiwan Association for Project Management	Stakeholder Analysis and Integrated Project Management in Corporate Governance	3.0 hours
Director	Hsing-Hsien Kung	2025/9/1	Taiwan Association for Project Management	Corporate Sustainability and ESG Strategy Integration	3.0 hours
Independent Director	Ding-Kang Hu	2025 /9/4	Taiwan Association for Project Management	Applications of Generative AI and ChatGPT	3.0 hours
Independent Director	Ding-Kang Hu	2025/9/3	Taiwan Association for Project Management	Board of Directors vs. Management Team	3.0 hours
Independent Director	Yen-Chih Wang	2025/9/4	Taiwan Association for Project Management	Applications of Generative AI and ChatGPT	3.0 hours
Independent Director	Yen-Chih Wang	2025/9/3	Taiwan Association for Project Management	Board of Directors vs. Management Team	3.0 hours
Independent Director	Jui-Ming Cheng	2025/11/5	Securities and Futures Institute	Practical Cases of Insider Trading and Related Legal Liabilities	3.0 hours
Independent Director	Jui-Ming Cheng	2025/11/4	Chinese Corporate Governance Association	Major Information Disclosure and Directors’ Legal Liabilities from Judicial Practice	3.0 hours
Independent Director	Shun-Lung Weng	2025/11/4	Chinese Corporate Governance Association	How AI Assists Corporate Decision-Making (Part II)	3.0 hours
Independent Director	Shun-Lung Weng	2025/11/4	Chinese Corporate Governance Association	How AI Assists Corporate Decision-Making (Part I)	3.0 hours
Independent Director	Shun-Lung Weng	2025/8/22	Chinese National Association of Industry and Commerce	2025 Taishin–Shin Kong Net-Zero Sustainability Summit	3.0 hours
Independent Director	Shun-Lung Weng	2025/2/26	Chinese Corporate Governance Association	Corporate Governance and Securities Regulations (Part II)	3.0 hours
Independent Director	Shun-Lung Weng	2025/2/26	Chinese Corporate Governance Association	Corporate Governance and Securities Regulations (Part I)	3.0 hours

B.2024

Title	Name	Date	Organizer of the course	Course Title	Hours
Director	Zhenjia Investment Co., Ltd. Representative Chao Yang Su	2024/11/26~ 2024/11/27	Securities & Futures Institute	12hr Practical Workshop for Initial Directors and Supervisors (including Independent) and Corporate Governance Supervisors	12.0
Director	Hsing Hsien Kung	2024/12/17	Taiwan Project Management Association	Applications of generative AI and Chat GPT	3.0
		2024/12/19	Taiwan Project Management Association	Sustainable development and lean production	3.0
Director	Ming Shing Investment Co., Ltd. Representative Ming Shi	2024/12/20	Taiwan Corporate Governance Association	Directors and supervisors must know about self-protection: gain insight into how criminals use unconventional transactions and related party transactions	3.0
		2024/12/24	Taiwan Corporate Governance Association	A net-zero path with unlimited business opportunities - Analyze the strategic direction from an industry perspective	3.0
Independent Director	Ruei Ming Jamp	2024/10/18	Securities & Futures Institute	Introduction to the Dispute over the Company's Management Rights and the Law on the Trial of Commercial Cases	3.0
		2024/10/25	Taiwan Corporate Governance Association	Sharing of management trends in the financial industry in the prevention of money laundering and combating terrorist financing	3.0
Independent Director	Shun Long Weng,	2024/10/29~ 2024/10/30	Securities & Futures Institute	12hr Practical Workshop for Initial Directors and Supervisors (including Independent) and Corporate Governance Supervisors	12.0
Independent Director	Ding Kang Huw	2024/9/12	Securities & Futures Institute	Insider equity promotion briefing meeting of the company on the OTC	3.0
		2024/11/26	Taiwan Corporate Governance Association	Analysis of dishonest business responsibility and securities illegal cases	3.0

Title	Name	Date	Organizer of the course	Course Title	Hours
Director	Zhenjia Investment Co., Ltd. Representative Chao Yang Su	2024/11/26~ 2024/11/27	Securities & Futures Institute	12hr Practical Workshop for Initial Directors and Supervisors (including Independent) and Corporate Governance Supervisors	12.0
Independent Director	Yen Chih Wang	2024/9/24~ 2024/9/25	Securities & Futures Institute	12hr Practical Workshop for Initial Directors and Supervisors (including Independent) and Corporate Governance Supervisors	12.0

II. Continuing training for managers：

A.2025

Name	Training Date	Organizer	Course Title	Training Hours
Hui-Min Chien	Mar 10, 2025	Company-sponsored In-house Training	Basic Introduction to ESD	1.0 hour
Hui-Min Chien	Sep 19, 2025	Company-sponsored In-house Training	Hazardous Substance Management / HSF (Hazardous Substance Free)	1.0 hour
Hui-Min Chien	Nov 6, 2025	Company-sponsored In-house Training	AI Optical Networking Market and Technology Overview	2.0 hours
Ta-Tsung Lin	Mar 10, 2025	Company-sponsored In-house Training	Basic Introduction to ESD	1.0 hour
Ta-Tsung Lin	Apr 30, 2025	Company-sponsored In-house Training	Traffic Safety Awareness	1.0 hour
Ta-Tsung Lin	May 27, 2025	Company-sponsored In-house Training	Optical Communications Technical Seminar	2.0 hours
Ta-Tsung Lin	Jul 8, 2025	Company-sponsored In-house Training	Prevention of Workplace Violence and Unlawful Acts	1.5 hours
Ta-Tsung Lin	Sep 19, 2025	Company-sponsored In-house Training	Hazardous Substance Management / HSF (Hazardous Substance Free)	1.0 hour
Ta-Tsung Lin	Nov 6, 2025	Company-sponsored In-house Training	AI Optical Networking Market and Technology Overview	2.0 hours

Ta-Tsung Lin	Dec 31, 2025	Company-sponsored In-house Training	General Regulatory Compliance Training	1.0 hour
Allen Chien	Jan 17, 2025	Company-sponsored In-house Training	AI-driven Data Center Fiber Networks and Optical Modules	1.0 hour
Allen Chien	Mar 10, 2025	Company-sponsored In-house Training	Basic Introduction to ESD	1.0 hour
Allen Chien	May 27, 2025	Company-sponsored In-house Training	Optical Communications Technical Seminar	2.0 hours
Allen Chien	Jul 8, 2025	Company-sponsored In-house Training	Prevention of Workplace Violence and Unlawful Acts	1.5 hours
Allen Chien	Sep 19, 2025	Company-sponsored In-house Training	Hazardous Substance Management / HSF (Hazardous Substance Free)	1.0 hour
Allen Chien	Nov 6, 2025	Company-sponsored In-house Training	AI Optical Networking Market and Technology Overview	2.0 hours
Allen Chien	Nov 19, 2025	Company-sponsored In-house Training	Firefighting and Emergency Response Drill (Second Half of the Year)	4.0 hours
Allen Chien	Dec 31, 2025	Company-sponsored In-house Training	General Regulatory Compliance Training	1.0 hour
Chao-Yang Su	Mar 10, 2025	Company-sponsored In-house Training	Basic Introduction to ESD	1.0 hour
Chao-Yang Su	Apr 15, 2025	Company-sponsored In-house Training	FMEA (Failure Mode and Effects Analysis)	3.0 hours
Chao-Yang Su	Apr 21, 2025	Company-sponsored In-house Training	Traffic Safety Awareness	1.0 hour
Chao-Yang Su	May 27, 2025	Company-sponsored In-house Training	Optical Communications Technical Seminar	2.0 hours
Chao-Yang Su	Sep 19, 2025	Company-sponsored In-house Training	Hazardous Substance Management / HSF (Hazardous Substance Free)	1.0 hour
Chao-Yang Su	Nov 6, 2025	Company-sponsored In-house Training	AI Optical Networking Market and Technology Overview	2.0 hours
Chao-Yang Su	Dec 31, 2025	Company-sponsored In-house Training	General Regulatory Compliance Training	1.0 hour
Ya-Yu Wang	Jan 20–21, 2025	Accounting Research and Development Foundation, ROC	Continuing Education Program for Chief Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12.0 hours

Ya-Yu Wang	Mar 10, 2025	Company-sponsored In-house Training	Basic Introduction to ESD	1.0 hour
Ya-Yu Wang	May 27, 2025	Company-sponsored In-house Training	Optical Communications Technical Seminar	2.0 hours
Ya-Yu Wang	Jul 8, 2025	Company-sponsored In-house Training	Prevention of Workplace Violence and Unlawful Acts	1.5 hours
Ya-Yu Wang	Sep 10, 2025	Company-sponsored In-house Training	Hazardous Substance Management / HSF (Hazardous Substance Free)	1.0 hour
Ya-Yu Wang	Oct 13–22, 2025	Accounting Research and Development Foundation, ROC	Initial Training Program for Chief Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	30.0 hours
Ya-Yu Wang	Nov 6, 2025	Company-sponsored In-house Training	AI Optical Networking Market and Technology Overview	2.0 hours
Ya-Yu Wang	Nov 19, 2025	Company-sponsored In-house Training	Firefighting and Emergency Response Drill (Second Half of the Year)	4.0 hours
Ya-Yu Wang	Dec 31, 2025	Company-sponsored In-house Training	General Regulatory Compliance Training	1.0 hour

B.2024

Name	Date	Organizer of the course	Course Title	Hours
Ta Tsung Lin	2024/6/25	The company commissions other units for training	Protection of Trade Secrets	2.0
	2024/9/30		Risk Management	2.0
Chien Chu Chih	2024/8/19	Accounting Research and Development Foundation	Accounting Supervisor Continuing Education Program	12.0
Ya Yu Wang	2024/09/12	Securities & Futures Institute	OTC Emerging Companies' Insiders' Shareholding Explanation Seminar	3.0

Name	Date	Organizer of the course	Course Title	Hours
	2024/12/04	Securities & Futures Institute	Seminar for Sustainable Development Committee and Chief Sustainability Officer	3.0
	2024/12/10	Accounting Research and Development Foundation	The latest laws and regulations related to “Annual Report/Sustainability Information/Financial Report Preparation” and internal control management practices.	6.0

2.3.8.3 Implementation of the Company's risk management policy and risk measurement standards：

(1) The company's risk management policy defines various risks in accordance with the company's operating policy, prevents possible losses, increases shareholder value, and achieves the principle of optimizing resource allocation within the scope of tolerable risks.

(2) Operation of risk management

Important risk assessment matters	Direct Unit for Risk Control (Business Organizer) (First Mechanism)	Risk review and control (second mechanism)	Board of Directors/Audit Committee (Third Mechanism)
1. Interest rate, exchange rate and financial risk 2. High-risk and highly leveraged investment, capital lending to others, derivatives trading, financial wealth management investment	Finance and Accounting Finance and Accounting	Assessment report and approval authority	Board of Directors/Audit Committee: (Decision making and ultimate control of risk assessment control)
3. R&D plan, 4. Policy and legal changes, 5. Technology and industry changes, 6. Corporate image changes 7. Investment, reinvestment and M&A benefits	R&D General Manager, Legal Affairs R&D ,General Manager General Manager Finance and Accounting	Head of Meeting/Accounting and Legal	
8. Expand plant or production 9. Centralized purchase or sales	Manage materials, business marketing	Business Meeting	
10. Equity transfer of directors, supervisors and major shareholders 11. Change of management rights	Shares, Board of Directors		

12. Litigation and non-contentious matters 13. Other operational matters	Legal Affairs General Manager		
14. Personnel conduct, ethics and conduct	Supervisors and management at all levels	Personnel Review Committee	
15. Compliance with SOPs and Regulations	Supervisors at all levels	Legal Affairs	
16. Board of Directors Management	Shares, Board of Directors	Legal Affairs	

2.3.9 Status of implementation of the internal control system：

2.3.9.1 Statement of Internal Control：

The company's internal audit is an independent unit, directly under the board of directors, which is equipped with a full-time auditor and an agent auditor according to law. In addition to the report at the regular meeting of the board of directors, the internal audit unit sends an audit report to the audit committee every month, and reports the audit business execution at each audit committee meeting to implement the spirit of corporate governance. The Internal Audit Regulations stipulate that the scope of internal audit includes all operations of the Company and its subsidiaries. The audit work is mainly carried out in accordance with the audit plan adopted by the Board of Directors, and the project audit is carried out as necessary, and the audit results and improvement suggestions are provided to the management in a timely manner to understand the existing or potential internal control system deficiencies, so as to ensure the continuous and effective implementation of the internal control system and assist the Board and management to fulfill their responsibilities. In addition, the internal audit also urges all units and subsidiaries of the company to carry out self-inspection, establish a self-supervision mechanism of the company, and review the results of the self-inspection, and report to the general manager, chairman and board of directors. On March 5, 2026, the board of directors has reported the results of the self-inspection of the internal control system and the results of the implementation of internal audit in 2025. Please refer to the Market Observation Post System：http://mops.twse.com.tw/.

2.3.9.2 If the accountant is entrusted with the project to review the internal control system, the accountant's review report shall be disclosed: none.

2.3.10 In the most recent year and as of the printing date of the annual report, important resolutions of the shareholders' meeting and Board of Directors：

2.3.10.1 2025 Shareholders' meeting

Resolution	Implementation Status
Approval of the 2024 Business Report and Financial Statements	The relevant reports and statements have been submitted to the competent authorities for recordation and publicly disclosed in accordance with the Company Act and applicable laws and regulations.
Approval of the 2024 Earnings Distribution Proposal	Approved as resolved, and the distribution was completed on August 20, 2025.
Amendment to the Company's Articles of Incorporation	Approved as resolved, and the amendment registration was completed with the Ministry of Economic Affairs on August 14, 2025.
Amendment to the Procedures for Funds Lending and Endorsements/Guarantees	Approved and implemented as resolved.
Approval to Lift the Non-compete Restrictions for the 8th Term Board of Directors	Approved and implemented as resolved.
Proposed Private Placement of Common Shares or Domestic Convertible Corporate Bonds	The Board of Directors resolved on March 5, 2026 not to proceed with the private placement within the remaining valid period.

2.3.10.2 Major Resolutions of Board Meetings

2025/1/16

- Adoption of the Company's 2025 annual budget
- Amendment to the Regulations Governing Directors' Compensation
- Promotion of senior executives
- Related party technical service provision case
- By-election of the Chairman of the Board

2025/3/13

- The Company's 2024 financial statements and business report
- The Company's 2024 earnings distribution
- The Company's 2024 directors' remuneration and employees' compensation
- The Company's 2024 internal control system statement
- Amendment to the Company's Articles of Incorporation
- Amendment to the Company's Procedures for Lending Funds and Making Endorsements/Guarantees
- Amendment to the Company's internal control system
- Proposal to submit to the shareholders' meeting for lifting the non-compete restrictions on the 8th Board of Directors
- The Company's plan to conduct a private placement of common shares or domestic convertible bonds
- The Company's 2025 annual shareholders' meeting date, venue, meeting method, and agenda
- Assessment of independence and competence of the attesting CPA
- Appointment of attesting CPAs for 2025 and determination of their remuneration

- Reconfirmation of the Company's "General Policy for Pre-Approval of Non-Assurance Services"
- Related party contract
- Amendment to the Regulations Governing Directors' Compensation
- Establishment of the 2025 managerial performance evaluation form
- Promotion of senior executives
- Changes in the accounting officer, chief financial officer, and acting spokesperson
- Capital expenditure plan for construction of the Company's second plant

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2025/5/13

- The Company's Q1 2025 financial statements
- Discontinuation of the Company's 2024 private placement of common shares
- Proposal to submit to the shareholders' meeting for lifting the non-compete restrictions on the 8th Board of Directors
- Credit facility with Mega International Commercial Bank (Zhuke Zhucun Branch)
- Credit facility with Taishin International Commercial Bank
- Derivatives trading limit with Taipei Fubon Commercial Bank

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2025/8/7

- The Company's Q2 2025 financial statements
- Appointment of consultants
- Amendment to the Company's approval authority matrix and customer credit management regulations
- Capital expenditure plan
- Establishment of procedures for preparation and assurance of the sustainability report
- The Company's 2024 sustainability report
- Credit facility with CTBC Bank (Qingpu Branch)
- Credit facility with Chang Hwa Commercial Bank (Xin Branch)

2025/11/6

- The Company's Q3 2025 financial statements
- Establishment of policies on the scope of entry-level employees and salary adjustments or compensation allocation
- Formulation of the Company's 2026 audit plan
- Credit facility with First Commercial Bank (Heping Branch)
- Credit facility with Taipei Fubon Commercial Bank

2026/1/22

- Adoption of the Company's 2026 annual budget
- Related party technical service provision case

- Amendment to the Company’s internal control system
- Establishment of the record date for issuance of new shares upon conversion of the Company’s 3rd and 4th domestic unsecured convertible bonds

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2026/3/5

- The Company’s 2025 financial statements and business report
- The Company’s 2025 earnings distribution
- The Company’s 2025 directors’ remuneration and employees’ compensation
- The Company’s 2025 internal control system statement
- Discontinuation or alternative handling of the Company’s 2025 private placement of common shares or domestic convertible bonds
- The Company’s plan to conduct a private placement of common shares or domestic convertible bonds
- The Company’s 2026 annual shareholders’ meeting date, venue, meeting method, and agenda
- Assessment of independence and competence of the attesting CPA
- Appointment of attesting CPAs for 2026 and determination of their remuneration
- Reconfirmation of the Company’s “General Policy for Pre-Approval of Non-Assurance Services”
- Execution of a confidentiality agreement with a related party
- Establishment of the 2026 managerial performance evaluation form
- Authorization for negotiation and related procedures for acquisition of real property

2.3.11 For the most recent year and as of the printing date of the annual report, the directors or supervisors have dissenting opinions on important resolutions passed by the board of directors, which are recorded or stated in writing, and the main content: None.

2.4 Information on CPA Fees

Audit fees and non-audit fees paid to the CPAs and their affiliated firms and affiliated enterprises, and the content of non-audit services that should be disclosed:

Unit: NT$ thousands

Title of CPA Agency	Name of CPA	Audit Period	Audit fee	Non-Audit fee	Total	Remark
Ernst & Young	Ching Piao Cheng, Kuo Shuai Chen	2025/1/1～2025/12/31	1,700	514	2,214	Appointments begin in the second quarter

Note：Non-audit public expenses include: tax visas, human resources and financial report seals, etc.

(1) If the accounting firm is changed and the audit fee paid in the year of replacement is lower than that of the audit fee in the previous year, the amount of audit fee before and after the change and the reason for the change shall be disclosed: none.

(2) If the audit public expenditure is reduced by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction of the audit public expenditure shall be disclosed: the audit public expenditure decreased by 530,000 yuan compared with the previous year, a decrease of 24%, which is due to the improvement of audit efficiency through good audit planning and the reduction of English financial report translation services.

2.4.1 If there is any change in the appointed independent auditor firm and the Company's annual auditing expenses decreased simultaneously, information regarding the amount and reasons for the decrease in auditing fee shall be disclosed: None.

2.4.2 Auditing fee decreased by 10% or above in comparison to the previous year, information regarding the amount, percentage and reasons for the decrease in auditing fee shall be disclosed: None.

2.5 Information on Replacement of CPA： None.

2.6 The Chairman, President, or Chief Financial or accounting manager of the Company who has worked for the firm of the CPA or its affiliated companies within the most recent year: None

2.7 The transfer of equity interests and pledge of or change in equity interests during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

2.7.1 Changes in equity of Directors, Supervisors, Managers and Major Shareholders with more than 10% shareholdings

Unit：Share

Title	Name	2025		2026/3/31	
		Increase (reduction)in the number of shares in possession	Increase (reduction) in the number of pledged stocks	Increase (reduction) in the number of shares in possession	Increase (reduction) in the number of pledged stocks
Director(Note2)	Ming Shing Investment Co., Ltd.	0	0	0	0
Chairman(CSO)	Ming Shing Investment Co., Ltd. Representative Huei Ming Chien	0	0	0	0
Director(Note2)	Ming Shing Investment Co., Ltd. Representative Shi Ming	0	0	0	0
Independent Director(Note1&2)	Ruei Ming Jamp	0	0	0	0
Director(Note2)	Zhenjia Investment Co., Ltd.	0	0	0	0

Title	Name	2025		2026/3/31	
		Increase (reduction)in the number of shares in possession	Increase (reduction) in the number of pledged stocks	Increase (reduction) in the number of shares in possession	Increase (reduction) in the number of pledged stocks
Director(Note2)	Zhenjia Investment Co., Ltd. Representative:： Todd Swanson	0	0	0	0
Director(Note2)	Zhenjia Investment Co., Ltd. Representative: Chao-Yang Su	0	0	0	0
Director(Note2)	Hsing Hsien Kung	0	0	0	0
Independent Director(Note2)	Shun Long Weng,	(45,000)	0	0	0
Independent Director(Note2)	Ding Kang Huw	0	0	0	0
Independent Director(Note2)	Yen Chih Wang	0	0	0	0
President	Ta Tsung Lin	0	0	0	0
Assistant manager	Chi Meng Kuan(Note4)	0	0	0	0
Financial officer/Accounting officer/ Officer of Corporate Governance	Ya Yu Wang (Note4)	0	0	0	0
Managers	Hsiao Lun Chien(Note4)	0	0	0	0
Managers	Chao-Yang Su(Note4)	0	0	0	0
shareholder with a stake of more than 10 percent	Optoway Technology Inc.	0	0	0	0

Note 1: At the Annual General Meeting held on June 14, 2024, the Company conducted a full re-election of its directors. Mr. Su Zhao-yang, the representative appointed by Zhenjia Investment Co., Ltd. at the time of election, was appointed as Chairman. Mr. Shi Ming, the representative appointed by Mingxing Investment Co., Ltd. at the time of election, was replaced by Ms. Jian Hui-min as representative on January 10, 2025. On January 16, 2025, Chairman Su Zhaoyang resigned from his position as director due to a heavy personal workload. On the same day, the Board of Directors elected Ms. Jian Huimin as Chairman.

Note 2: The representative appointed by Benjia Investment Co., Ltd. was Mr. Su Zhaoyang; on February 4, 2025, Mr. Todd Swanson was appointed as the representative.

Note 3: New Appointments: Wang Ya-yu was appointed Head of Accounting and Head of Finance on March 13, 2025; Chien Hsiao-lun was promoted to Manager on January 16, 2025; Su Chao-yang was promoted to Manager on March 13, 2025.Resignations: Guan Chi-meng resigned on March 13, 2025.

Note 4: Discloses changes in shareholdings during tenure. 2.7.2 The situation where recipient of the transferred equity is a related parson: None

2.7.3 The situation where recipient of the transferred pledge is a related person: None

2.8 Relations and Information about Top 10 Shareholders

2026/3/31 Unit：Share

Name	Shares in possession ofthe person		Shares in possession ofthe person's spouse or children who are minors		Shares in possession ofthe person registered under the name of a third-party		Names and relations of top 10 shareholders who are related persons specified in article no. 6 of the Statement of Accounting Principles, spouses, or relatives within two degrees to each other		NOTE
	shares	Shareholding rate (%)	shares	Shareholding rate (%)	shares	Shareholding rate (%)	Name	Relations	
Optoway Technology Inc.	15,130,000	10.63%	0	0	0	0	—	—	—
Representative: ： Huei Ming Chien	31,541	0.02%	508,000	0.36%	0	0	—	—	—
New System Labor Retirement Fund	11,256,000	7.91%	0	0	0	0	—	—	—
Old System Labor Retirement Fund	2,889,000	2.03%	0	0	0	0	—	—	—
Nomura High-Tech Fund Account	2,388,000	1.68%	0	0	0	0	—	—	—
Mega International Commercial Bank, Trustee for Yingfei Technology Investment Account	1,950,000	1.37%	0	0	0	0	—	—	—
Antai ING SME Fund Account	1,740,000	1.22%	0	0	0	0	—	—	—
Citibank Custodian for Barclays Capital SBL/PB Investment Account	1,568,462	1.10%	0	0	0	0	—	—	—
Nomura e-Tech Fund Account	1,285,000	0.90%	0	0	0	0	—	—	—

Name	Shares in possession ofthe person		Shares in possession ofthe person's spouse or children who are minors		Shares in possession ofthe person registered under the name of a third-party		Names and relations of top 10 shareholders who are related persons specified in article no. 6 of the Statement of Accounting Principles, spouses, or relatives within two degrees to each other		NOTE
	shares	Shareholding rate (%)	shares	Share holding rate (%)	shares	Shareholding rate (%)	Name	Relations	
Uni-President Global New Technology Fund Account	1,191,000	0.84%	0	0	0	0	—	—	—
HSBC (Taiwan) Commercial Bank Co., Ltd., Trustee for Merrill Lynch International Investment Account	1,071,543	0.75%	0	0	0	0	—	—	—

2.9 The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company.

2025/12/31 Unit：Shares (thousands)

Affiliated Enterprises（Note1）	Ownership by the Company		Directly or Indirectly by Directors and Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Toplight Corporation	4,000	100%	0	0	4,000	100%
Toptrans Corporation Limited	4,000	100%	0	0	4,000	100%

Note: Suzhou Changrui Optoelectronics Co., Ltd. has been written off in the preparation of the consolidated financial statements.

III. Capital Overview

3.1 Capital and Shares

3.1.1Capitalization

3.1.1.1 Issued shares

2026/3/31

Year and Month	Issuing Price	Authorized Capital		Paid-in Capital		Authorized Capital		
		Amount (NT$ thousands)	Quantity (Thousands of shares)	Amount (NT$ thousands)	Quantity (Thousands of shares)	Source of Capital	Capital Increased by Assets Other than Cash	Admitted Date and Official Letter
Feb. 2026	-	200,000	2,000,000	141,056	1,410,563	Conversion of corporate bonds into common stock: NT$2,165,000		2/9/2026 No. 11530017360 issued by the Ministry of Economic Affairs, R.O.C

3.1.1.2 Type of shares

2026/3/31 Unit：Shares

Type of Shares	Authorized capital stock			Remarks
	Issued shares (Note)	Unissued shares	Total	
Common stock	142,359,284	57,640,716	200,000,000	

3.1.1.3 Information about shelf registration system: Not applicable.

3.1.2 List of Major Shareholders (Top-10 Shareholders)

2026/3/31 Unit：Shares

Shares / Major Shareholders	Shareholding	ShareholdingPercentage
Optoway Technology Inc.	15,130,000	10.63%
New System Labor Retirement Fund	11,256,000	7.91%
Old System Labor Retirement Fund	2,889,000	2.03%
Nomura High-Tech Fund Account	2,388,000	1.68%
Mega International Commercial Bank, Trustee for Yingfei Technology Investment Account	1,950,000	1.37%
Antai ING SME Fund Account	1,740,000	1.22%
Citibank Custodian for Barclays Capital SBL/PB Investment	1,568,462	1.10%

Account		
Nomura e-Tech Fund Account	1,285,000	0.90%
Uni-President Global New Technology Fund Account	1,191,000	0.84%
HSBC (Taiwan) Commercial Bank Co., Ltd., Trustee for Merrill Lynch International Investment Account	1,071,543	0.75%

3.1.3 Dividend policy and implementation status

3.1.3.1 Dividend Policy

In accordance with the dividend policy set forth in the Company's Articles of Incorporation, the Company shall first set aside 10% of its annual net income as legal reserve, except when the legal reserve has reached the Company's paid-in capital, and shall set aside a special reserve in accordance with the Company's operating requirements and other laws and regulations. The Board of Directors shall prepare a proposal for distribution of earnings and submit it to the shareholders' meeting for resolution.

The Company will take into account the future capital needs and long-term financial planning, and the surplus distribution will be appropriately paid by means of stock dividends or cash dividends, of which the total cash dividends shall not be less than 10% of the total dividends paid to shareholders in the current year.

3.1.3.2 Circumstances of the proposed dividend distribution at this shareholders' meeting

(1) The distributable earnings for fiscal year 2025 amount to NT$1,173,603,344. The company proposes to distribute NT$307,502,782 in cash dividends to shareholders, with NT$866,100,562 remaining as undistributed earnings at year-end.

(2) The earnings distribution plan for fiscal year 2025 was approved by the Board of Directors on March 5, 2026. The proposal will be submitted for approval at the Annual General Meeting on May 27, 2026, after which the Chairman will set the ex-dividend date.

3.1.3.3 Material Change in Dividend Policy Is Expected: None.

3.1.4 Effect upon Business Performance and Earnings per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting：

There was no stock dividend distribution proposed or adopted at the most recent shareholders' meeting.

3.1.5 Compensation of Employees and Directors

3.1.5.1 The percentage or scope of remuneration for employees and directors as set forth in the Company's Articles of Incorporation: In accordance with the Company's Articles of Incorporation, 5% to 15% of the Company's annual profit shall be set aside as compensation to employees and not more than 5% as compensation to directors and supervisors. However, if the Company has accumulated losses, the amount of compensation shall be reserved in advance. The aforementioned employee compensation shall be paid in stock or cash to employees of the Company, including those who meet certain criteria for control or subordination.

3.1.5.2 The basis for estimating the amount of employee and director compensation, the basis for calculating the number of shares of employee compensation distributed in stock, and the accounting treatment if the actual distribution differs from the estimated amount:

In accordance with the Company's Articles of Incorporation, the amount of employee and director's remuneration is estimated on a pro rata basis. The difference between the estimated amount and the actual amount approved by the board of directors is recognized as profit or loss in the following year.

3.1.5.3 The Board of Directors approved the distribution of employees' and directors' remuneration:

At the Board of Directors meeting held on March 5, 2026, the Company resolved to allocate remuneration for employees and directors in the amounts of NT$16,735,308 for directors and NT$41,838,265 for employees, to be distributed entirely in cash. This amount includes a provision of NT$8,368,000 for entry-level employees, to be used for salary adjustments or bonus distributions, and is consistent with the amount recorded as an expense in the Company’s 2025 financial statements.

3.1.5.4 Information of Earnings Set Aside for Employees’ Profit Sharing Bonus and Directors’ Compensation：

At the Board of Directors meeting held on March 13, 2025, the Company resolved to allocate remuneration for employees and directors in the amounts of NT$11,695,683 for directors and NT$29,239,202 for employees, All amounts were distributed in cash, with no discrepancy from the amounts recorded as expenses in the Company’s financial statements for the fiscal year 2024.

3.1.6 Buyback of Treasury Stock：None.

3.2. Status of Corporate Bonds： None.

Type of Corporate Bonds	Third Domestic Unsecured Conversion Bond	Fourth Domestic Unsecured Conversion Bond
Issuance (Processing) Date	Dec. 9, 2024	Dec. 25, 2024
Face Value	NT$100,000	NT$100,000
Location of Issuance and Trading	Taiwan	Taiwan
Issue Price	Issued at 100% of the face value	Issued at 112.08% of the face value
Total Amount	NT$600,000,000	NT$200,000,000
Interest rate	Coupon Rate 0%	Coupon Rate 0%
Term	3 years Maturity date: Dec. 9, 2027	3 years Maturity date: Dec. 25, 2027
Guarantor	None	None
Trustee	TAIPEIFUBON Commercial Bank Co., Ltd	TAIPEIFUBON Commercial Bank Co., Ltd
Underwriter	Fubon Securities Co. Ltd.	Fubon Securities Co. Ltd.
Reviewing attorney	Handsome Attorneys-At-Law attorney Chiu, Ya-Wen	Handsome Attorneys-At-Law lawyer Chiu, Ya-Wen
Certifying CPA	Ernst & Young. Auditors Cheng, Ching-Piao Chen, Kuo-Shuai	Ernst & Young. Auditors Cheng, Ching-Piao Chen, Kuo-Shuai

Repayment Method		Except for bondholders convert them into common shares of the Company in accordance with Article 10 of Regulations for the Issuance and Conversion of the Third Domestic Unsecured Conversion Bond, exercise the right of repurchase in accordance with Article 19 of this Regulation, or the Company redeem them in advance in accordance with Article 18 of this Regulation, or buy back and write off by the Taipei Exchange, the Company will repay the bondholders' convertible corporate bonds according to the face value in cash within ten business days (included the tenth business days) from the day following the maturity date of these convertible bonds.	Except for bondholders convert them into common shares of the Company in accordance with Article 10 of Regulations for the Issuance and Conversion of the Fourth Domestic Unsecured Conversion Bond, exercise the right of repurchase in accordance with Article 19 of this Regulation, or the Company redeem them in advance in accordance with Article 18 of this Regulation, or buy back and write off by the Taipei Exchange, the Company will repay the bondholders' convertible corporate bonds according to the face value in cash within ten business days (included the tenth business days) from the day following the maturity date of these convertible bonds.
Unpaid principal		NT$395,300,000	NT$126,500,000
Terms of redemption or early prepayment		Please refer to the "Regulations for the Issuance and Conversion of the Third Domestic Unsecured Conversion Bond"	Please refer to the "Regulations for the Issuance and Conversion of the Fourth Domestic Unsecured Conversion Bond"
Restrictive clauses		None	None
Name of credit rating agency, rating date, results on rating of bonds		N/A	N/A
Other Rights	The monetary amount of common shares already converted, (exchanged, or subscribed), overseas depositary receipts or any other securities as of the date of printing of the Annual Report	As of March 31, 2026, upon applications by bondholders, a total of 1,159,743 common shares had been converted, with a par value of NT$10 per share, representing an aggregate amount of NT$11,597,430.	As of March 31, 2026, upon applications by bondholders, a total of 359,747 common shares had been converted, with a par value of NT$10 per share, representing an aggregate amount of NT$3,597,470.
	Issuance and Conversion (Exchange or Subscription) Regulations	Please refer to the "Regulations for the Issuance and Conversion of the Third Domestic Unsecured Conversion Bond"	Please refer to the "Regulations for the Issuance and Conversion of the Fourth Domestic Unsecured Conversion Bond"
Issuance and conversion, exchange, or subscription regulations, possible issuance conditions of dilution, effect on existing shareholder equity		Please refer to https://emops.twse.com.tw	Please refer to https://emops.twse.com.tw
Underlying shares and name of the entrusted custodian institution		N/A	N/A

Item	Third Domestic Unsecured Convertible Bonds	Fourth Domestic Unsecured Convertible Bonds
Market Price of Convertible Bonds – Highest	FY2025: NT$187.00 As of Mar 31, 2026: NT$266.00	FY2025: NT$161.00 As of Mar 31, 2025: NT$245.00

Market Price of Convertible Bonds – Lowest	FY2025: NT$101.50 As of Mar 31, 2026: NT$157.00	FY2025: NT$99.00 As of Mar 31, 2025: NT$137.25
Market Price of Convertible Bonds – Average	FY2025: NT$135.00 As of Mar 31, 2026: NT$202.32	FY2025: NT$123.08 As of Mar 31, 2025: NT$183.00
Conversion Price Adjustment	Due to the distribution of cash dividends on common shares, the conversion price was adjusted from NT$178 to NT$176.50 effective July 30, 2025.	Due to the distribution of cash dividends on common shares, the conversion price was adjusted from NT$206 to NT$204.30 effective July 30, 2025.
Issue Date and Conversion Price at Issuance	Issue date: December 9, 2024 Conversion price at issuance: NT$178	Issue date: December 25, 2024 Conversion price at issuance: NT$206
Method of Fulfilling Conversion Obligation	Issuance of new shares	Issuance of new shares

3.3 Status of Preferred stocks：None.

3.4 Status of GDR/ADR： None.

3.5 Status of Restricted Employee Shares： None.

3.6 Status of Restricted Employee Shares：None.

3.7 Mergers and acquisitions or issuance of new shares by transfer of shares of other companies：

None.

3.8 Implementation of capital utilization plan:

1. In the fourth quarter of 2024, the Company issued its third and fourth series of domestic unsecured convertible bonds, raising a total of NT$824,157,000.

2. For details regarding the relevant project plans, projected timelines, and implementation status, please visit the "Market Observation Post System":

Market Observation Post System > Individual Companies > Equity Changes/Securities Issuance > Fundraising > Fundraising Plan Implementation

URL: https://mopsov.twse.com.tw/mops/web/bfhtm_q2 (Code 4979)

IV. OPERATIONAL HIGHLIGHTS

4.1. Business Overview

4.1.1 Business scope

4.1.1.1 Major Business Operated by the Company

The company's core business currently focuses on the research and development, design, manufacturing, and contract services (ODM and OEM) of optical communication-related products. These include optical communication laser chips, photodiode chips, TO-can optical subassemblies, simplex optical subassemblies, duplex optical subassemblies, high-speed parallel optical engines, and high-speed long-reach modules.

4.1.1.2 Net Revenue by Products

Unit: NT$ thousands

Products	2025	
	Amount	Percentage
Component & Transceiver	3,786,274	86.35
Chip	484,378	11.05
Others	114,194	2.60
Total	4,384,846	100,00

4.1.1.3 Current products (services) of the Company

A. FP (Fabry-Perot) edge-emitting laser diode chips, DFB (Distributed Feedback) edge-emitting laser diode chips, and LED (Light Emitting Diode) surface-emitting chips ,CW high power LD.

B. PD (Photodetector) photodiode chips and APD (Avalanche Photodiode) chips,EMPD(edge-illuminated InGaAs monitor photodiode),APD(Avalanche Photodi-ode).

C. Fiber optic TO-can subassemblies and simplex optical subassemblies (OSA).

D. Bi-directional optical subassemblies (Bi-directional OSA, BOSA) for applications in Passive Optical Networks (PON) and Fiber to the Home (FTTH) systems.

E. High-speed parallel optical engines (Parallel Optical Engine) for applications in the cloud computing data center market.

F. Fiber optic Coherent Transceiver modules (Coherent Transceiver)

G. Contract manufacturing services for the aforementioned products.

4.1.1.4 New products (services) to be developed

The products developed by the company are mainly used in AI data centers, with a transmission distance of 500m-80km. The completed transmitter components are 800G ZR and 70mW CW LD, which are used in DC/DCI data transmission respectively, and the optical receiver components are PD products. His current development focuses on 100mW CW LD for 800G/1.6T applications, as well as co-packaged optical components (CPO) and silicon photonics applications.

4.1.2 Industry Overview

4.1.2.1 The current situation and development of the industry

The optical communication industry can generally be divided into raw materials (optical fiber, optical cable), components (photoelectric active components, photoelectric passive components) and optical communication equipment, etc., the current situation and development of its industry will be explained as follows:

A. Current Industry Status

Optical communication technology primarily refers to the transmission of digital signals over optical fiber using laser light, featuring high speed and ultra-low signal loss over long distances. Its basic architecture includes a laser driver IC, laser diode, optical fiber, photodiode, and receiver amplifier IC. The laser driver IC converts digital electrical signals into current pulses to drive the laser diode, which then transforms the digital electrical signals into digital optical signals for transmission. On the receiving end, the receiver amplifier IC—integrating functions such as transimpedance amplification, limiting amplification, and clock and data recovery (CDR)—works in conjunction with a photodiode to convert digital optical signals back into digital electrical signals.

In recent years, the widespread adoption of artificial intelligence (AI) across various industries has significantly increased the demand for faster and more reliable networks. In addition, the rapid growth of AI data centers has further fueled demand, resulting in application-driven revenue growth that differs markedly from that of the traditional telecommunications sector. This divergence has intensified competition and accelerated consolidation within the optical communications industry.

The optical communications market in 2026 will be characterized by three major core trends.

First, specifications are undergoing a major leap, with 800G becoming mainstream and 1.6T beginning to emerge. In 2025, 800G optical modules became standard configurations for large-scale data centers, with annual shipment volumes expected to exceed 10 million units. Driven by large-scale deployments based on NVIDIA's Blackwell platform, 1.6T products began limited engineering validation testing (EVT/PVT) in the second half of 2025, laying the groundwork for accelerated adoption in 2026. At the same time, due to the limitations of traditional copper cables in terms of transmission distance and power consumption, optical fiber is increasingly replacing copper, expanding from inter-rack connections to intra-rack applications.

Second, the industry is experiencing a structural technology transformation, with silicon photonics and co-packaged optics (CPO) gaining traction. To address the power consumption constraints of traditional pluggable modules, silicon photonics technology has captured a significantly larger share in the 800G generation. Penetration of silicon photonics in data centers is expected to approach 30% by 2026. Meanwhile, leading companies such as TSMC and Broadcom actively promoted CPO pilot production in 2025, focusing on high-end switches and AI accelerators, with the objective of achieving full-scale commercialization in 2026.

Third, the supply chain landscape is shifting as major players engage in strategic investments. Due to exceptionally strong demand, high-end EML laser chips remained in tight supply throughout 2025. This supply constraint led NVIDIA to secure future capacity through strategic investments, including an estimated USD 2 billion invested in companies such as Coherent, Lumentum, and Marvell.

The optical communications market in 2025 is no longer defined by steady growth alone, but by AI-driven structural shortages and forced specification upgrades. Total industry revenue is expected to exceed USD 15 billion, with high-end products operating at 800G and above accounting for more than 50% of total revenue for the first time.

The current development status of the major end applications of the optical communications industry—including FTTx, mobile communications, cloud computing, and data centers—is summarized accordingly.

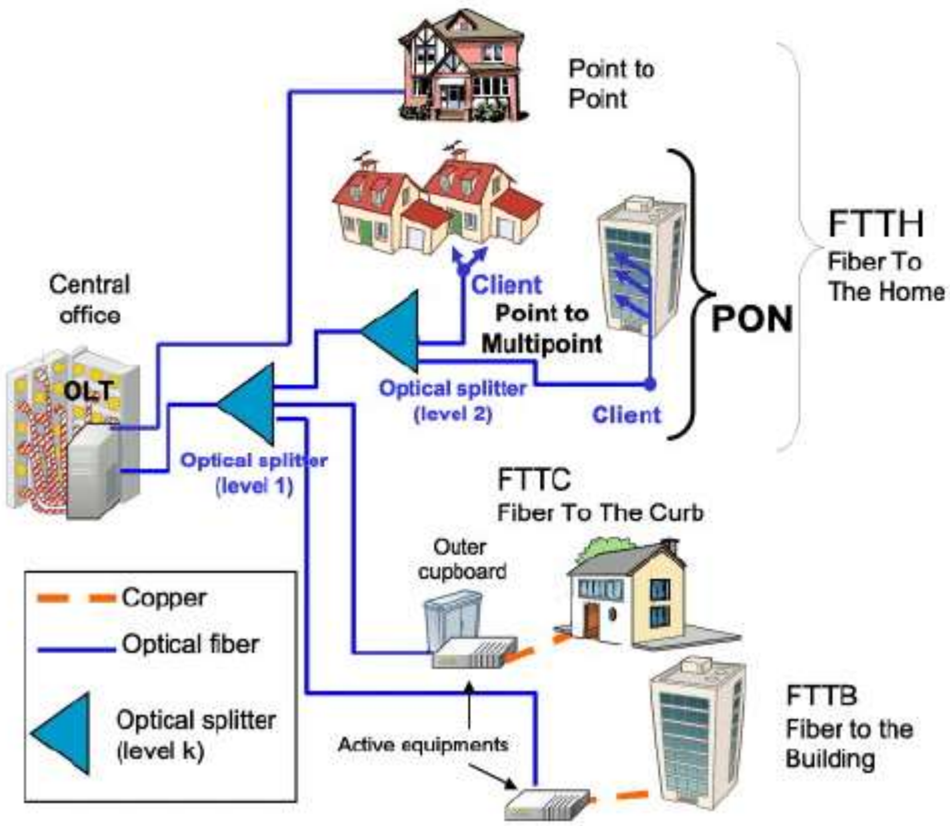
(a) FTTx (Fiber to the X)

FTTx technology primarily refers to an effective method of transmitting information from central office equipment at regional telecommunications facilities to user terminal equipment. Key components include the Optical Line Terminal (OLT), the Optical Network Unit (ONU), and the Optical Network Terminal (ONT), with the user terminal equipment being either an ONU or an ONT. FTTx is classified into the following three categories based on the type of communication used for the last mile:

Item	General Information

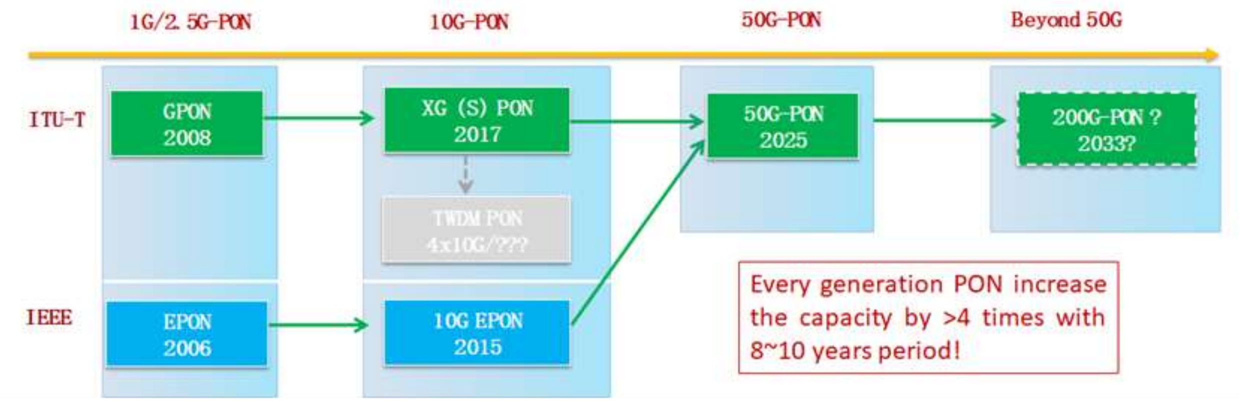
FTTH(Fiber to The Home)	Deliver fiber directly to the end user's home to provide a variety of different broadband services within the home, such as Video On Demand; VOD), shopping at home, taking classes from home, etc. The United States, Japan and other countries with a large number of single-family houses.
FTTB(Fiber to The Building)	It is mostly used in multi-user buildings such as apartment buildings, and the optical fiber network between the telecom operator's computer room and the building, and then the copper axis cable or VDSL is used from the computer room in the building to the user house on each floor. It is mostly found in countries with dense user residences such as South Korea, Taiwan, and Hong Kong.
FTTC(Fiber to The Curb)	To serve residential users in the community, ONU equipment is placed in a roadside chassis, and cable TV signals are transmitted over ONU's coaxial cable or twisted pair cable is used to transmit telephone and Internet access services.

FTTx is the implementation strategy of optical fiber access network, and its transmission mode is that the OLT in the telecom room divides the downlink optical signal into multiple lines through the optical divergent (Splitter) and transmits it to each ONU; Each ONU synthesizes the upstream signal in reverse through the opt coupler in an optical fiber and transmits it to the OLT in a multiplexed form, so the passive optical fiber network (PON) using optical splitter can not only reduce the cost of network room and equipment maintenance, but also save a lot of optical cable resources and other construction costs, so it has become the main access technology adopted by developed countries around the world in recent years.

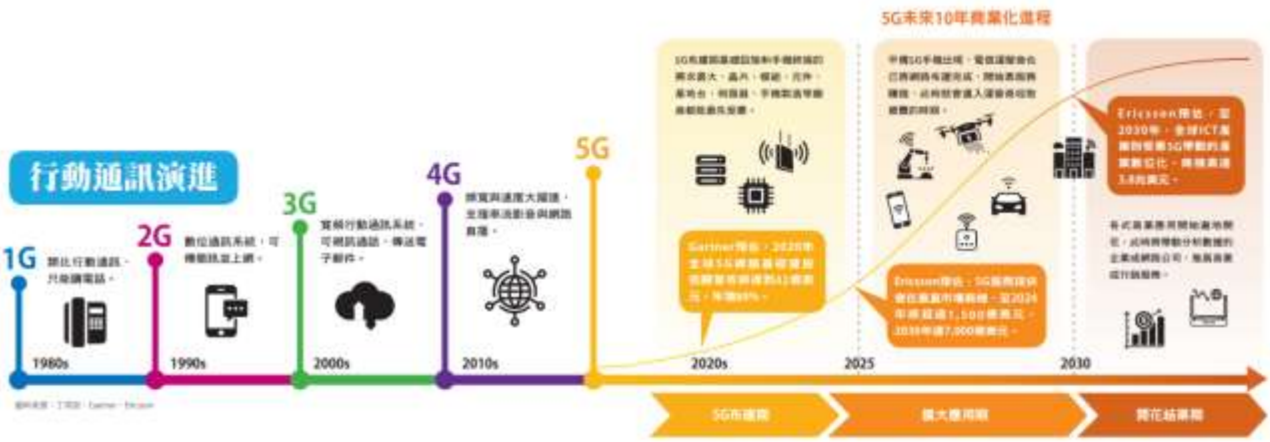


Source：Researchgate (https://www.researchgate.net/)

At present, the standard technology of PON products is EPON (Ethernet PON), GPON (Gigabit-Capable PON), 10G EPON and XG(S)-PON and other technologies, and driven by market demand, technology improvement, cost reduction and other factors, PON technology has entered the next generation (Next-Gen PON) from the current XG(S)-PON, mainly based on the development of 50G-PON. With the release of the 50G-PON standard, ITU-T began to launch the project in 2022 to study the technology; The evolution of PON technology is shown in the following table, which shows that network operators upgrade to the next generation PON every 8~10 years on average, and the bandwidth of each generation increases by at least 4~5 times:



Source：Telecoms.com (https://telecoms.com/)



(b) Mobile communication base station With the rapid development of mobile communication networks and smart phones, mobile communication technology has entered the stage of the fifth generation of communication technology (5G) from 4G, and 5G communication technology has greatly improved the transmission speed, of which 5G has three characteristics, large bandwidth, low latency, and wide connection, in terms of speed, transmission volume and device coverage, are 10 times or even 100 times more than 100 times in the 4G era, and 2020 is also the year when global telecom operators deploy a large number of 5G mobile communication base stations to start commercial services. From the introduction of the evolution of mobile communication of ITRI, it can be seen that the application of 5G will continue to develop in the next decade.

Source：Ding Bangan、Gartner、Ericsson、Industrial Research Institute

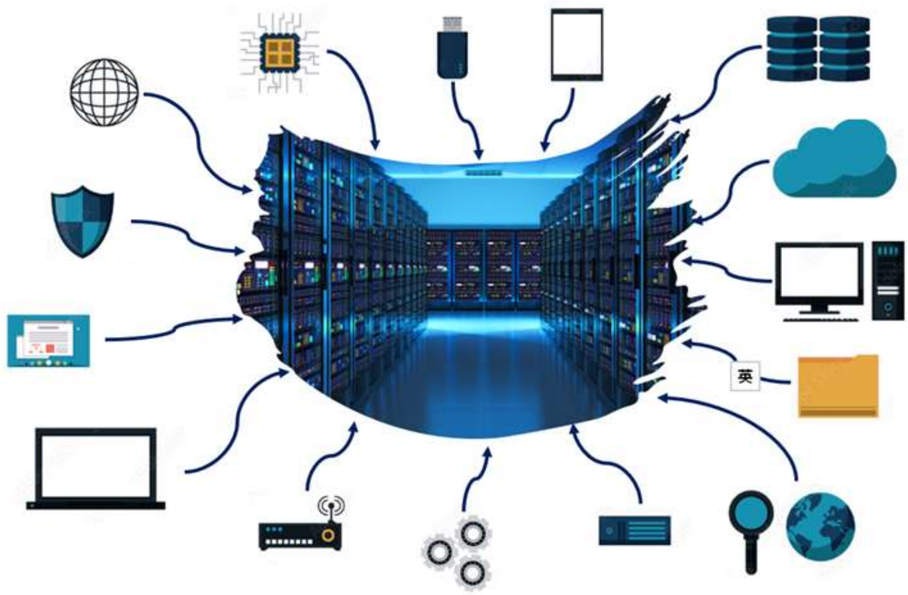
According to the industrial technology review of the Technology Division of the Ministry of Economic Affairs, 'the US-China science and technology war spreads from 5G to 6G, and the potential key technologies of next-generation communications will become a first-level war zone', such as millimeter wave (above 50 GHz), ultra-large-scale MIMO, high-precision network, artificial intelligence native, block chain wireless access network, ubiquitous computing (evolution of edge computing), etc., advanced countries in communication development will continue to promote the technology development and application of 5G as the basis for future 6G development. Another type of technology is the emerging technology that has received less attention in the past, such as terahertz, optical wireless communication, reconfigurable intelligent surface, electromagnetic wave orbital angular momentum, non-terrestrial network communication, tactile Internet, underwater wireless communication, etc., the development path and application scenarios of these emerging technologies are not clear, and it is necessary to continue to pay attention to the technological development direction of 6G in advanced communication development countries.

(C) Cloud computing and data centers

i. Cloud computing Cloud computing services include email, server computing, data storage, data transmission, application software and content and system services, etc., which attract the attention of the market because users do not need to invest a large amount of software and hardware equipment in the early stage.

The three major cloud service providers in North America, Amazon, Google and Microsoft provide enterprises with data and computing needs in cloud servers, enterprises do not need to purchase their own data center servers, coupled with the popularity of mobile Internet devices, thus promoting the growth of cloud computing, and today's mobile devices have light, thin and easy-to-use human-machine interfaces, so cloud computing various mobile applications (Apps) will be more popular among users.

ii. Data Center



Driven by the development of smart cities, smart appliances, video streaming, the metaverse, cryptocurrency mining, e-sports, and blockchain, as well as the widespread adoption of mobile internet, telecommunications and network communication companies worldwide have increasingly invested in the construction of data centers to enhance capabilities in data storage, computing, and security.

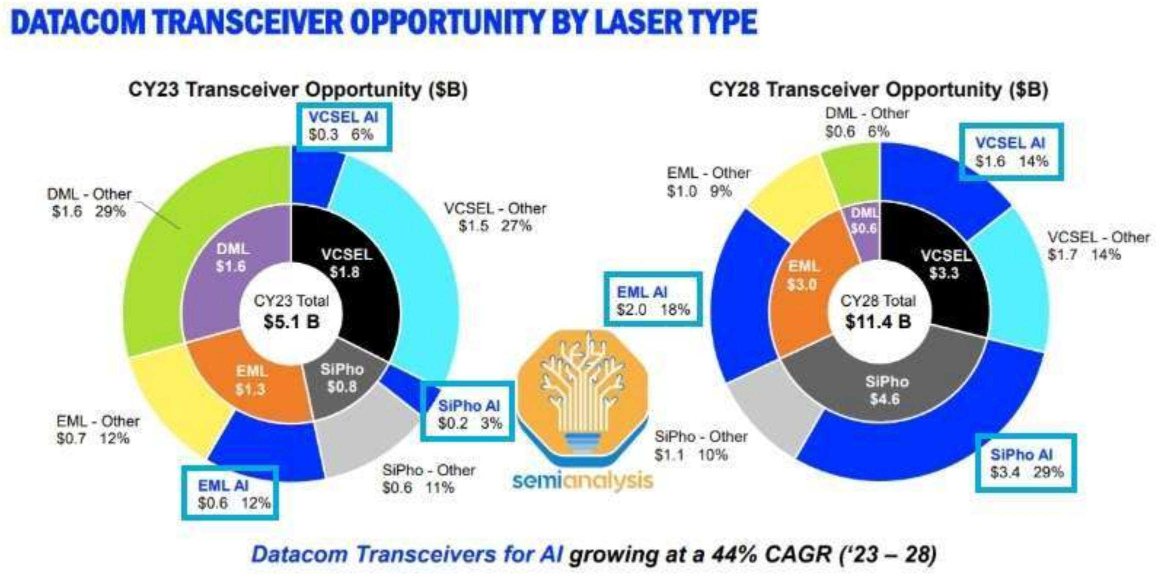
In particular, the three major cloud service providers in North America—Amazon, Google, and Microsoft—continue to increase their capital expenditures, which will drive demand for servers.

According to research firm Digitimes, the global server shipment CAGR from 2024 to 2029 is projected at 4%, with AI servers expected to play a key role in this growth.

TrendForce also forecasts that global AI server shipments (including AI training and AI inference) will exceed 1.6 million units in 2024, representing an annual growth rate of 40%.

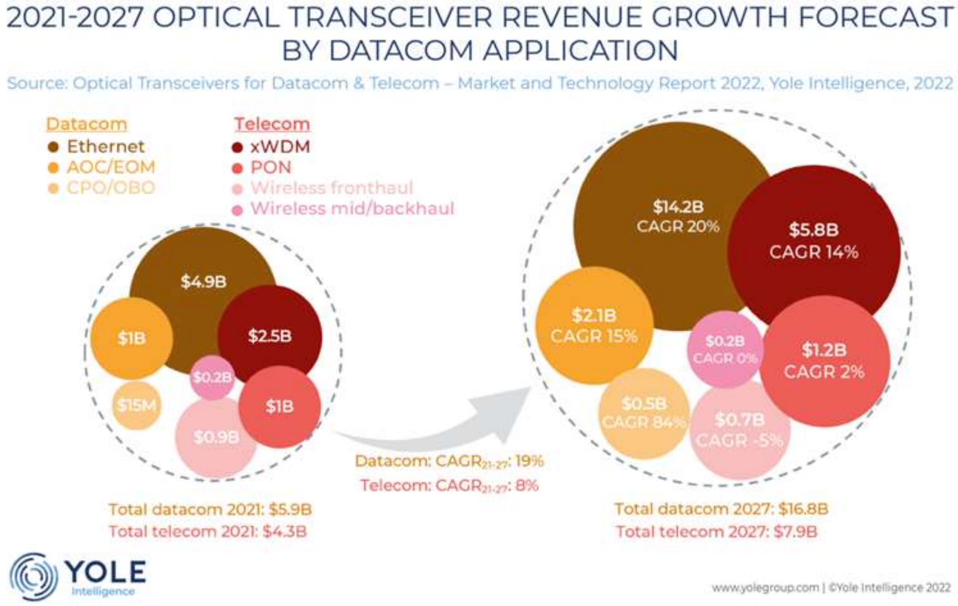
This reflects the ongoing expansion of AI applications, which in turn is driving increasing traffic and equipment demand in data centers year by year, serving as a major force for continued data center development.
In summary, as AI applications continue to expand, the construction and development of data centers will directly fuel the demand growth for optical transceivers and related components.

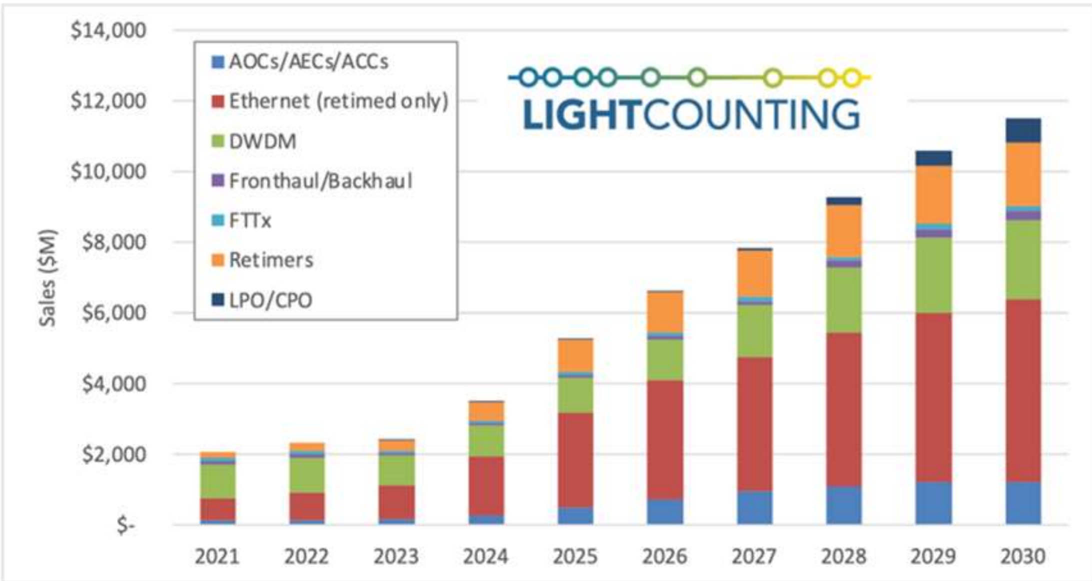
B. Future development of the industry
According to the latest industry forecast from Yole Group, the global optical transceiver market is entering a period of rapid growth from 2025 to 2030, driven by strong demand from AI infrastructure. In 2025, the market size is projected to be approximately $12.02 billion to $14.7 billion. 2029/2030: The market is expected to grow to $22.4 billion by 2029 and reach a range of $20.66 billion to $21.8 billion by 2030. Compound Annual Growth Rate (CAGR): The CAGR from 2025 to 2030 is projected to be approximately 11% to 13%.
Optical transceiver modules for data centers can be further classified by laser type. The three fastest-growing categories are EML (Electron-Absorption Modulated Lasers), VESEL (Vertical-Emission Surface-Emitting Lasers), and SiPho (Silicon Photonic Lasers), all of which are used in high-speed AI data centers. The combined market size for these three categories is projected to grow from $1.1 billion to $7 billion between 2023 and 2028, representing an annual growth rate of 44%.
The three fastest-growing categories are EML (electro-absorption-modulated lasers), VESEL (surface lasers) and SiPho (silicon photonic lasers), all of which are used in AI high-speed data centers, and the total market size of the three categories will grow from US$1.1 billion to US$7 billion in 2023-28, with an annualized growth rate of 44%.



The optical communication chipset market is expected to grow at a compound annual growth rate (CAGR) of 17% between 2025 and 2030, and total sales will increase from about $3.5 billion in 2024 to more than $11 billion in 2030, according to LightCounting, a market research institute in the optical communication industry.

Lightcounting, a market research agency, estimates that the compound annual growth rate of optical communication industry sales from 2022 to 2027 will be 11%.





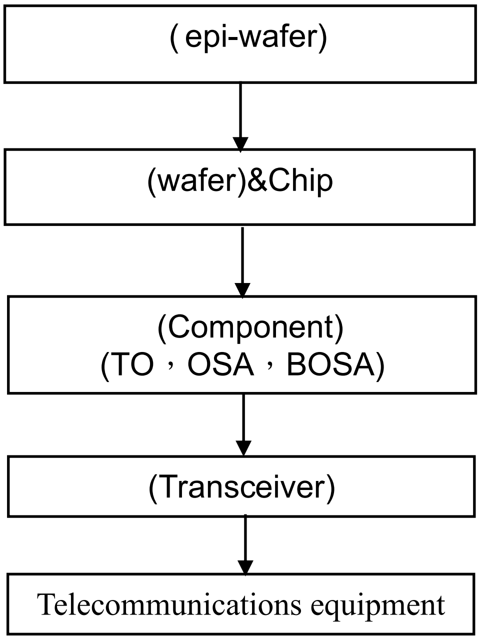
4.1.2.2 The correlation between the upstream, middle and downstream of the industry

The optical communication system is to convert the electrical signal of the transmitting end into a light source with signal through the light-emitting module, and then couple the optical signal into the optical fiber network, and transmit it to the optical receiving module to convert the optical signal into an electrical signal and send it to the receiving user.

As far as the optical communication industry is concerned, it can generally be divided into: raw materials (optical fiber, optical cable), components (photoelectric active components, photoelectric passive components) and optical communication equipment and other projects, the company focuses on gallium arsenide (GaAs), indium phosphide (InP) as raw materials for the development and production of optical communication active component components, including: chip (Chip) design and production, metal seat optical sub-module packaging (TO-CAN), sub-module packaging (Optical Sub (OSA), Bi-Direction Optical Subassembly; BOSA) 、Optical engine, and provide foundry services.

A. The company's product sales and service positioning in the optical fiber communication supply

chain mainly are: A. In addition to the sales of optical fiber communication optical active components (Chip, TO, OSA, BOSA, optical engine, etc.) and active optical fiber cables, the company also provides ODM & OEM services.
B. The company's customers are mainly designed and produced optical active component sub-modules (TOSA, BOSA, optical engine) and active optical fiber cables, optical fiber transceiver modules, and the company's products are also sold to Cloud Service Provider.



4.1.2.3 Various development trends of products
With the global AI application surging in recent years and the continuous increase in the demand for network bandwidth in data centers, the demand for optical communication hardware has naturally grown rapidly, especially in the United States, Asia, and some emerging countries. In the next few years, it is foreseeable that the deployment of data centers, fiber-to-the-home, 5G and even 6G for cloud computing and AI applications will continue to grow, and the demand for optical communication components will also benefit.

A. Cloud computing

In recent years, under the active promotion of Google, Amazon, Microsoft, IBM, Apple, Facebook and other companies, the application of cloud computing has become a must for software and hardware manufacturers, so the demand for communication bandwidth has shown explosive growth. In addition, with the recent demand from companies such as Alibaba, Baidu and Tencent in Chinese mainland, most of the computing will be performed through different cloud platforms. These cloud computing will also drive the growth of bandwidth and greater demand for optical communication equipment in the future.

B. AI Applications

In recent years, AI has expanded from industrial automation to combined applications with the Internet of Things to more complex fields such as smart cities and voice assistants, and under the continuous optimization of AI for high-speed self-learning, and by collecting a large amount of data, the computing efficiency of AI algorithms can be improved, and even more efficient reasoning and training beyond human capabilities can be supported. The future development of AI will be reflected in various fields, and it has already expanded from daily life applications to more highly specialized technology applications, and AI will continue to promote more intelligent, personalized and automated products. With the advancement of AI-related hardware technology, the optimization of algorithms, and the establishment of ethics and norms, AI products will usher in tremendous growth and innovation in the next few years, especially in the fields of big data processing, machine learning, and deep learning, which require a large amount of training data, and the rapid transmission of data is crucial to AI learning speed and training efficiency. Optical fiber communication equipment plays a key role in the distributed processing of big data and the acceleration of data transmission, so it brings greater demand and growth opportunities for future optical communication products.

4.1.2.4 Competition situation

In the past, combined with the research and development capabilities of III-V group light-emitting and receiving diode components in the United States, Taiwan's excellent module production technology and efficient automated packaging and manufacturing technology, the company has achieved a leading position in the global optical fiber communication component market with the best product quality and the most competitive cost. However, since 2016 Chinese mainland manufacturers of optical communication components, regardless of the scale of production or the rapid improvement of component development and manufacturing capabilities, the company will actively operate the development, design and production of its own brand products. Meantime. The company also cooperates with strategic partners to produce highly competitive high-speed optical transceiver products. The analysis of the company's main industry competitors is as follows: (1) The receiving end-receiver diode is GCS, 13 and 29 companies of China Electronics Technology Group, Halo and other companies, while 10G/25G APD is based on Sifotonics, Halo, China Electronics Technology Group 44, Macom and other companies; (2) The main competitors of 10G/25G LD on the transmitter side are Xi'an Yuanjie, Wuhan Minxin, Macom, Melco, Broadcom and other companies. (3) The main competitors of the OEM business are Lianjun, Jones-KY, Fabrinet and other companies.

4.1.3 Technology and R&D Status

4.1.3.1Technical level and research and development

Based on edge-emitting laser (DFB & FP) and photodetector diode (PIN & APD) chips, we develop products such as various types of metal-mounted optical sub-modules (TO), optical sub-modules (OSA &BOSA) and modules for optical communications. In response to the demand for high-speed optical communication components required for AI server and cloud computing data center applications, the company has been jointly developing the R&D and mass production of CW DFB Laser chips with strategic partners since 2019, and has been recognized and adopted by several major customers, striving to gradually extend its main products to high-end products such as 100mW CW DFB and 100G/200G EML-DFB. The company has developed and introduced automation equipment, with production system (MES) control, to improve production efficiency, standardize quality and reduce costs, and continue to move towards the goal of intelligent manufacturing. Statistical Process Control (SPC) systems are used to track trends in process results and process capabilities to consistently deliver high-quality products. For mass production products, we continue to optimize their manufacturing man-hours and costs, continuously improve and improve the process yield, and increase production capacity and shorten the production cycle according to customer needs, so as to achieve the goals of high efficiency, high output, high quality and reasonable cost. For potential new products and new customers, the company integrates team resources across departments to fully support the customer's required sample design trial and sample delivery needs, and has the ability to handle failure analysis and engineering issues at the same time, so as to fully grasp the needs and opportunities of emerging markets. In response to the needs of cloud computing data centers, we have established OEM/ODM one-stop foundry services, 100G~1.6T optical engines and CoC packaging, and developed them in depth with customers.

In order to better respond to the rapidly changing needs of the market, the company's strategy in product technology development adopts short-term to meet customers' high-quality and competitively priced products, and long-term research and development of high-efficiency and diversified products as the main axis, and strengthens the improvement of internal technology and product research and development capabilities, increases industry-university cooperation with domestic and foreign customers and domestic academic research institutions, and aims to deepen more stable and competitive product technology. In terms of R&D personnel and organization, in addition to continuing to recruit senior R&D personnel, on-the-job training is also strengthened to strengthen their professional technology, project management and problem-solving capabilities.

4.1.3.2 Research and development personnel and their academic experience

2026/3/31

Education	Number of people	Average years of service with the Company	Average years of relevant work experience accumulated in the past
PhD	0	0	0
Master	15	2.44	4.96
University	9	8.25	4.04
Specialized	2	0.84	11.5
Undergraduate	3	19.17	1.33
Total	29	5.86	4.75

4.1.2.3 R&D Expenses

Unit: NT$ thousands；%

Year / Item	2025	2024
Research and Development Expenses	64,022	48,190
Operating Revenue	4,384,846	3,451,043
R&D Expenses / Operating Revenue	1.46%	1.40%

Note: As of March 31, 114, the self-financing R&D expenses of LuxNet were NT$ 16,495 thousand.

4.1.2.4 The techniques and products developed in the most recent year as of printing date of the annual report

A. The techniques and products developed in the most recent year as of printing date of the annual report

Year	Category	Item
2025	Optical communication active component die / 800G ZR Transceiver	(1)70/100mW CW LD
		(2) 800G ZR Transceiver

B. Our R&D patent achievements and cooperation plans are as follows：

Certificate No.	Patent	Certificate Country	Type
No. 183375	Light emitting diode with improved blocking current and liquid light structure	Taiwan	Invention
No. M356319	Light transceivers	Taiwan	Utility model
No. I449958	Microlens manufacturing method	Taiwan	Invention
No. M395173	Assembly and inspection fixtures for optical transceivers	Taiwan	Utility model
No. M439807	Primary alignment base for optical diode arrays	Taiwan	Utility model
No. M452348	Vertically emitting light emitting element and light transceiver module containing it	Taiwan	Utility model
No. M459412	Optical connector package structure	Taiwan	Utility model
No. M484713	Interchangeable light emitting modules and optical transceivers with interchangeable light emitting modules	Taiwan	Utility model
No. M481421	Optical transmitter package structure	Taiwan	Utility model
No. M505128	Modified optical transmitter package structure	Taiwan	Utility model
No. I529438	Transceiver modules	Taiwan	Invention
No. I583086	Light emitter heat sink structures and light emitters containing them	Taiwan	Invention
No. M533751	Optical Receiver Package Structure	Taiwan	Utility model
No. M536366	Bi-directional transceivers	Taiwan	Utility model
No. M541579	Optical communication module with improved coupling efficiency	Taiwan	Utility model
No. M538242	Double-ended drive type high frequency substrate structure and high frequency transmission structure containing it	Taiwan	Utility model
No. M546046	Combination of semi-conductor and high thermal conductivity thermal substrate	Taiwan	Utility model
No. M541642	Semiconductor and composite thermal substrate structure	Taiwan	Utility model
No. M542857	Combination of semi-conductor and grooved thermal substrate	Taiwan	Utility model
No. M540453	Soldering structure of flexible printed circuit board and rigid printed circuit board	Taiwan	Utility model
No. M540290	Optical communication module with improved coupling efficiency	Taiwan	Utility model
No. M537236	High efficiency temperature cycling equipment	Taiwan	Utility model
No. M554243	Light emitter structure	Taiwan	Utility model
No. I638496	DC-coupled optical communication module with extinction ratio compensation function and extinction ratio compensation method for high-speed optical communication module	Taiwan	Invention
No. M565873	Improved optical path structure for wavelength splitting multiplexer and demultiplexer	Taiwan	Utility model

Certificate No.	Patent	Certificate Country	Type
No. M565879	Flip-flop cooled chip and package structure containing it	Taiwan	Utility model
No. M565944	Heat dissipation structure for horizontal optical communication subassemblies	Taiwan	Utility model
No. M565803	Optical transceiver module unlocking mechanism	Taiwan	Utility model
No. I645517	Photoreceptor electrode stacking structure for preventing the entry of moisture	Taiwan	Invention
No. I672820	Optical receiver and its preparation method	Taiwan	Invention
No. M599400	Measurement coupled optical platform	Taiwan	Utility model
No. I703784	Method for manufacturing semiconductor laser components with discontinuous ridge structure	Taiwan	Invention
No. M612287	Adjustable material carrier	Taiwan	Utility model
No. I737548	Method for making samples for observing failure areas in failure analysis	Taiwan	Invention
No. M621501	Semiconductor wafer stripping equipment	Taiwan	Utility model
No. I756718	Composite Connector for Optical Power Detector	Taiwan	Invention
No. I777590	Semiconductor Structure of Optical Diode and its Fabrication Method	Taiwan	Invention
No. I763141	Directly modulated laser diode with GSG coplanar electrode and its manufacturing method	Taiwan	Invention
No. I757808	Light emitter with multi-channel heat dissipation structure	Taiwan	Invention
Patent No：6680963	VERTICAL-CAVITY SURFACE EMITTING LASER；UTILIZING A REVERSED BIASED DIODE FOR INPRONED CURRENT CONFINEMENT	USA	Invention
Patent No：6553053	VERTICAL-CAVITY SURFACE EMITTING LASER；HAVING IMPROVED LIGHT OUTPUT FUNCTION	USA	Invention
Patent No：8721194	Optical Transceiver Module	USA	Invention
Patent No：9129883	Optical Transceiver Package Structure	USA	Invention
Patent No：9400359	Modified Light Emitter Package Structure	USA	Invention
Patent No：9419717	Optical transceivers with interchangeable light emitting modules and light emitting modules equipped with interchangeable light emitting modules	USA	Invention
Patent No：9568695	Optical connector package structure	USA	Invention
Patent No：9854674	Soldering structure of flexible printed circuit board and rigid printed circuit board	USA	Invention
Patent No：9847307	Double-ended driven high-frequency substrate	USA	Invention

Certificate No.	Patent	Certificate Country	Type
	structures and high-frequency transmission structures incorporating them		
Patent No：9991674	Light emitter heat dissipation structure and included light emitter	USA	Invention
Patent No：10283652	Photoreceptor electrode stacking structure to prevent moisture ingress	USA	Invention
Patent No：10656355	Heat dissipation structure of horizontal optical communication subassembly	USA	Invention
Patent No：202474382	Method for increasing the bandwidth of an electro-absorption light modulator and its component structure and process	USA	Invention
Patent No：11428874	Composite connector for optical power detector	USA	Invention
No. 2682183	Optical Transceiver Module	China	Utility model
No. 3513949	Optical connector package structure	China	Utility model
No. 3753308	Optical transmitter package structure	China	Utility model
No. 3807125	Interchangeable light emitting modules and transceivers with interchangeable light emitting modules	China	Utility model
No. 4445706	Modified optical transmitter package structure	China	Utility model
No. 6021195	Light emitter heat sink structures and light emitters incorporating them	China	Utility model
No. 6191639	Bi-directional transceivers	China	Utility model
No. 6232428	Soldering structure of flexible printed circuit board and rigid printed circuit board	China	Utility model
No. 6235227	Double-ended drive type high frequency substrate structure and high frequency transmission structure containing it	China	Utility model
No. 6727815	Optical communication module with improved coupling efficiency	China	Utility model
No. 6671691	Semiconductor Heat Dissipation Structure	China	Utility model
No. 6671692	Composite thermal substrate structure	China	Utility model
No. 6664992	Optical communication module with improved coupling efficiency	China	Utility model
No. 7942607	Improved optical path structure for wavelength splitting multiplexer and demultiplexer	China	Utility model
No. 7825170	Optical transceiver module unlocking mechanism	China	Utility model
No. 7410322	Light emitter structure	China	Utility model
No. 8315960	Heat dissipation structure for horizontal optical communication subassemblies	China	Utility model
No. 6872134	Combined structure of semiconductor and high thermal conductivity thermal substrate	China	Utility model
No. 4347816	Inverted cooled wafer and package structure containing it	China	Invention
No. 12176049	Measurement coupling optical platform	China	Utility model
No. 13914704	Adjustable material carriers	China	Utility model

Certificate No.	Patent	Certificate Country	Type
Patent No 10-1624404	Interchangeable light emitting modules and optical transceivers for light emitting modules with interchangeable light emitting modules	Korea	Utility model
Patent No：3193150	Optical transceiver with interchangeable light emitting module and optical transmitter with interchangeable light emitting module	Japan	Utility model
Patent No：2919050	Light transceivers for light emitting modules with interchangeable light emitting modules and optical transceivers with interchangeable light emitting modules	Germany	Invention
I822178	Manufacturing Method for a Distributed Feedback Laser Emitting Structure	Taiwan	Invention
I822179	Manufacturing Method for a Distributed Feedback Laser Emitting Structure	Taiwan	Invention
I854669	Manufacturing Method for a Laser Device	Taiwan	Invention
I895211	Chip Bonding Apparatus	Taiwan	Invention
I900434	Multi-Functional Die Production Carrier	Taiwan	Invention
I910619	Photodiode with Reduced Dark Current and Manufacturing Method Thereof	Taiwan	Invention

4.1.4 Long-term and short-term business development plan

4.1.4.1 Short-term development plan

A. Marketing strategy

With the widespread use of network products and the spread of AI across various industries, especially the deployment of data centers, base stations and FTTx. Among them, the United States is the main promoter of ultra-large data centers, and also accounts for nearly half of the ultra-large data centers, while Chinese mainland is the largest FTTx and 4G/5G base station users, and in the future, other governments will also rapidly expand the infrastructure and application of communication networks, and optical fiber communication is an indispensable part of it.

Data center architectures vary by application. Aside from short-range connections (<10 meters), which primarily use copper cables, the main classifications are as follows:

a. Short Distance (<300 meters)

400GBASE-SR8 / 800GBASE-SR8: Utilizing PAM4 modulation and operating at a wavelength of 850nm, these modules support transmission distances up to 100 meters over multimode fiber (MMF) with MTP/MPO connectors. They are ideal for high-density intra-data center interconnects, especially for high-bandwidth demands within AI clusters.

b. Medium Distance (500 meters to 10 kilometers)

400GBASE-DR4 / QSFP-DD DR4: Using single-mode fiber (SMF) at 1310nm, supporting up to 500 meters of transmission with MTP/MPO-12 connectors. Suitable for short-to-medium distance data center interconnects (DCI).

400GBASE-FR4 / QSFP-DD FR4: Based on CWDM4 technology, with a 1310nm wavelength and transmission distance of up to 2 kilometers, utilizing LC duplex connectors. Commonly used for interconnections between metro-area data centers.

800GBASE-FR8 / QSFP-DD FR8: Employing CWDM8 wavelengths, supports transmission up to 2 kilometers, designed for high-bandwidth demands in AI data centers.

800GBASE-LR8 / QSFP-DD LR8: Using LAN-WDM wavelengths, supports up to 10 kilometers of transmission, suitable for medium-range DCI applications.

c. Long Distance (>10 kilometers)

Currently, the mainstream solution is the 400G-ZR module, which uses coherent technology. The application of C+L bands has enhanced spectral efficiency to meet the surging data traffic needs driven by AI. The next generation is moving toward 800G-ZR technology.

Our company continues to strengthen strategic partnerships and actively engages in the R&D and promotion of various optical transceiver modules for cloud computing data centers, ranging from 800G to 1.6Tbps.

B. Production and procurement strategy

Based on the rapid growth of demand for communication network services driven by AI, optical communication infrastructure in various countries is also being actively deployed. Therefore, the demand for optical communication components will also increase in the future, which will lead to an increase in market supply and downward pressure on selling prices due to competition. The company will take a positive attitude to manage the stability of the supply of key raw materials, the control of material quality, the strengthening of the bargaining power of materials and parts, and the improvement of production efficiency. The company's short-term procurement strategy is based on customers' existing orders, selling prices and effective control of internal inventory, and has formed a reliable and stable partnership with Lei chips, IC suppliers, capacitor suppliers, TO metal material suppliers, PCBA hard boards, flexible boards and metal material suppliers. In addition, the company's production and manufacturing strategy is aimed at meeting the demand and delivery time of existing customers, based on the principle of high yield, high efficiency and high-quality production methods, and continues to actively deploy production bases in other regions in response to the growth of demand for AI products.

C. R&D strategy

The company's short-term product development strategy will focus on: (A) Develop high-speed optical communication laser components and high-speed optical receiving components with strategic partners. (B) Design high-speed optical sub module components with its own laser and receiving components to provide customers with high-performance, high-quality products with competitive price and stable supply.(C) Continue to develop various competitive laser diode products with special applications.

D. Operational and financial planning strategy

(A) Strengthen production engineering technology and improve existing production processes, introduce MES and automation, improve yield and efficiency, and ensure quality.

(B) Regularly review inventory control and raw material price tracking on a monthly basis to control costs.

(C) To review the details of accounts receivable and payable on a monthly basis to strengthen financial management.

(D) Effectively plan the source and use of bank funds and risk control against exchange rate changes.

4.1.4.2. Long-term development plan

A. Marketing Strategy

For high-speed 10Gbps GEPON and XGS-PON, 5G base station fronthaul, midhaul applications, and related high-speed optical communication dies, sub-module optical communication modules in data centers (Intra Data Center) and Inter Data Center (Inter Data Center) high-speed transmission and other independent development and OEM/ODM/JDM products. The company's long-term marketing strategy is: (A) On the customer side, seek and actively operate high-quality strategic partner customers, and jointly serve end customers with competitive high-speed products. (B) Insight into the future market trend, early research and development of high-performance laser, light detector die and optical sub-module, so as to effectively achieve the customer's design (design-win). (C) Provide high-quality, high-efficiency and low-cost optical module foundry services for strategic partners.

B. Production and Sourcing Strategy

The company expects that the demand for optical communication components will increase with the application in the future, but at the same time, competitors will inevitably increase, and the supply, timeliness, and price of key raw materials will be a major factor affecting the competitiveness of products. The company's response policy: (A) In terms of manufacturing and production, we will purchase additional high-performance production tools and testing equipment to produce high-quality and high-performance products. (B) In terms of procurement strategy, we will stabilize the supply of goods through effective internal management and actively form strategic partnerships with high-quality supply chain manufacturers, and from time to time evaluate the combination of new raw materials with the company's products to develop more competitive product opportunities.

C. R& D Strategy

The company's long-term product development strategy will focus on:

Work with strategic partners to develop higher performance optical communication components and packaging technologies to meet future market needs. In order to strengthen the competitiveness of laser diodes and optical receiver products, in addition to continuing to work on the InP 2-inch wafer process to 3-inch wafer process, we will continue to develop 4-inch wafer process in the future. Seek technical cooperation with domestic and foreign research institutions to jointly develop new products and improve their own product technology. Development of optical co-packaging CPO technology. Diversified development of thermal-assisted magnetic recording (HAMR) and LiDAR (LiDAR) technologies.

4.2 Market Outlook and Production and Sales Overview

4.2.1 Market Analysis：

4.2.1.1 Sales regions of main products Unit: NT$ thousands

Sale Region		2025		2024	
		Amount	%	Amount	%
Taiwan		473,951	10.81	151,598	4.39
Export	Chinese mainland	65,091	1.49	2.49	3.74
	North America	3,813,144	86.96	92.34	90.71
	other	32,660	0.74	0.78	0.84
Total		4,384,846	100	3,451,043	100.00

Source：The 2025&2024 financial report of the visa shall be verified by the accountant.

4.2.1.2 Market Share

The company's main products are optical communication active components and modules, chips and others, and the revenue of various products in the 2025 accounted for 86.35%, 11.05% and 2.6% respectively. According to Yole's market research data, the global revenue market size of optical fiber communication transceiver modules in 2024 will be about 12.02 ~14 billion US dollars, and the sales value of the company's optical communication components in 2025 will be about 142 million US dollars, accounting for about 0.97~1.18% of the total market value.

4.2.1.3 The demand & supply and the potential growth of the market in the future

The fiber optic communications market is at a turning point where fiber is replacing copper. Driven by explosive demand from AI data centers, 2026 is viewed as the year of commercialization for silicon photonics and co-packaged optics (CPO). The overall market is experiencing a severe imbalance between supply and demand, particularly as production capacity for high-end laser chips has been fully allocated to cloud giants.

The global optical transceiver market is projected to grow 2.6-fold from 2024 to 2030, with demand for 800G optical modules expected to reach 40 million units and 1.6T modules exceeding 20 million units; The CPO market size is projected to surge from $8 million in 2023 to $9.3 billion in 2030, with a compound annual growth rate (CAGR) of 172%.

NVIDIA did indeed launch a series of large-scale investments in Marvell, Lumentum, and Coherent in the first quarter of 2026, totaling $6 billion. The core objective of this investment series is to lay the groundwork for next-generation AI infrastructure and silicon photonics technology.

Strengthening the Silicon Photonics Supply Chain: Lumentum and Coherent are leading manufacturers of optical transceivers and laser components. This investment ensures the stability of NVIDIA’s supply of high-speed optical interconnects between GPUs, with contracts extending through 2030.

Integrating Custom Chips (ASICs): The investment in Marvell aims to strengthen the NVLink Fusion partnership, integrating GPUs with custom accelerator chips. This strategy reduces the incentive for enterprises to develop their own chips, thereby solidifying NVIDIA’s dominant position within the AI ecosystem.

Expanding into Telecommunications and Data Centers: These three investments demonstrate that NVIDIA is extending its AI computing infrastructure from pure compute to communication networks and the AI-ification of telecommunications.

4.2.1.4 Niche for competition

The Company will actively utilize its one-stop vertical integration capability to develop high-speed products and expand its foundry business, and will deepen customer relationships and enhance its ability to develop its own components and new packaging technologies by continuously improving its management to achieve total customer satisfaction.

4.2.1.5 The advantage, disadvantage and the responding measure for future development

A. Favorable factors:

(A) Grow in tandem with strategic partner customers In addition to maintaining the growth of existing products, the company also cooperates with customers in the United States, China and Japan to develop optical communication components such as components, optical sub-modules and optical transceiver modules, and some products have passed the verification of first- and second-tier equipment manufacturers and continue to be supplied.

(B) Continuous innovation of R&D capabilities and product technologies The Company has gradually improved its ability and technology in self-developed high-speed components through cooperation with strategic partners and self-training of talents. In the future, based on the existing professional technology, we will be able to continue to innovate in product technology research and development.

(C) Mass production capacity and product quality In recent years, the company has optimized the process of product development and mass production through lean management and improving the degree of mass production automation, and has achieved the goal of reducing manufacturing costs, meeting customer quality requirements and shortening delivery time. (D) Capital Market Raising for Future Plant Expansions

The Company continues to seek to raise capital in the capital markets when appropriate and to reserve a considerable amount of capital to meet the capital expenditure requirements for future capacity expansion from time to time.

B. Adverse factors and countermeasures:

(A) Adverse factors In recent years, major European and American manufacturers have rapidly introduced new generation products into the market through vertical integration and expansion, accelerated the development time of high-end products, and began to adopt price reduction strategies to seize market share during the market growth period, so that the life cycle of each generation of products has gradually become shorter. However, China's optical communication competitors adopt low-price strategies in low-end products, resulting in fierce market competition and inability to profit.

(B) Response measures:

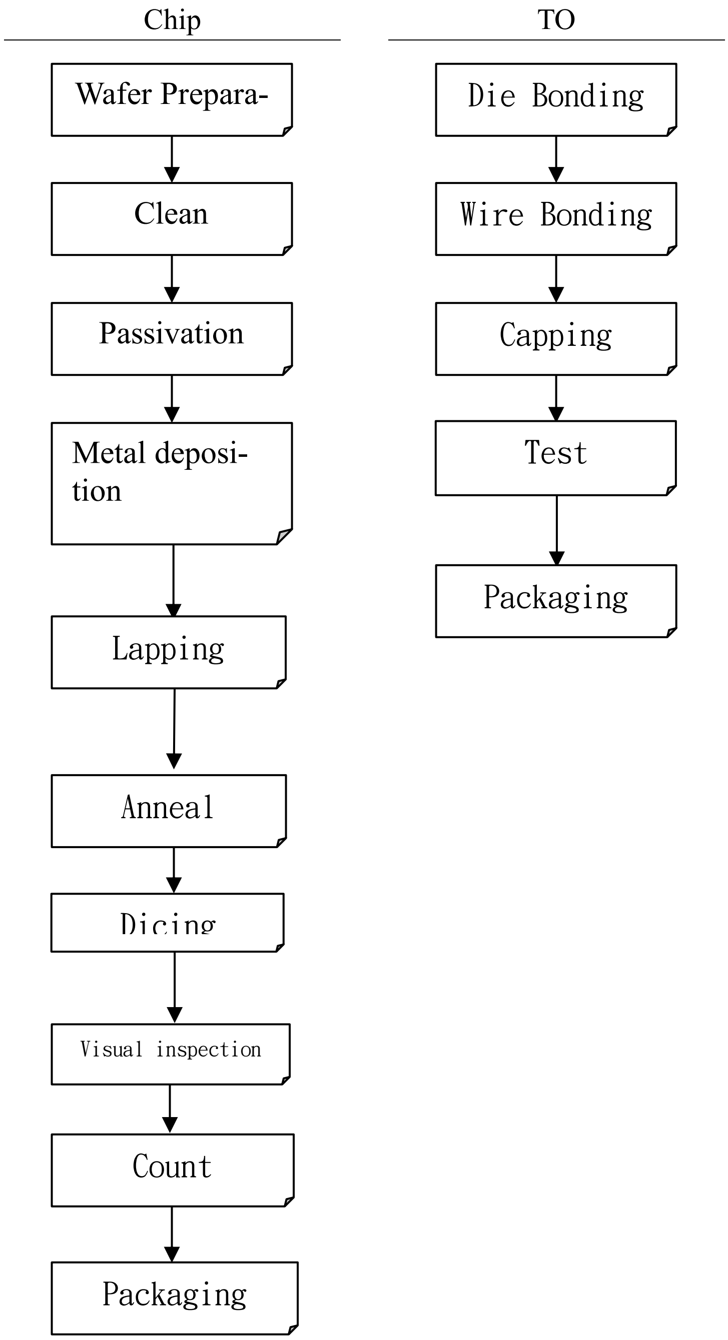
i. Strengthen the ability and pace of research and development of high-end products, and create product uniqueness and quality.
ii. Continuously improve the manufacturing cost structure of products.
iii. Work closely with first-line optical communication industry customers to develop products.
iv. Continuously strengthen the standardization and simplification of product design to reduce material and production costs.
v. Strengthen the automation of production equipment and information IT to increase production efficiency and improve product quality.

4.2.2 Major application of the products and the applicable wavelength band:

4.2.2.1 Major application

Product Type	Major application
FP & DFB Laser Chip & OSA	Fiber optic communication optical transceiver module for Datacom, Telecom , Applications of Cloud Computing
VCSEL OSA	Fiber optic communication optical transceiver module for Datacom, Applications of Cloud Computing
Photodetector & OSA	Fiber optic communication optical transceiver module for Datacom, Telecom &Security Monitoring
OEM	Datacom、Telecom、LTE Base Station、Cloud Computing、Security Monitoring

4.2.2.2 Production process of the main products



4.2.3 Raw Materials and Suppliers

Raw Materials	Suppliers	Condition of supply
TOSA	LV221309	Good 、Stability
PCB	LV221085	Good 、Stability
CAP	LV221273、LV221082	Good 、Stability
HOUSING	LV220129	Good 、Stability
FPC	LV221208	Good 、Stability
Base	LV221080	Good 、Stability

4.2.4 Major Suppliers/Customers Accounting for above 10% (inclusive) of Purchases / Sales in the most recent 2 years：

4.2.4.1 Major Suppliers

Units: NT$ thousand

Year	2024				2025			
Item	Name	Amount	AS % of Total Purchase	Relation with issuer	Name	Amount	AS % of Total Purchase	Relation with issuer
1	LV221309	1,720,502	74.20	None	LV221309	2,182,255	73.63	None
2								
3								
	Other	598,141	25.80		Other	781,673	26.37	
Total Net		2,318,643	100.00			2,963,928	100.00	

Note1：Financial information verified by accountants.

Reason for change：

Purchasing material demand is affected by changes in orders from major customers

4.2.4.2 Major Customers

Units: NT$ thousand

Year	2024				2025			
Item	Name	Amount	As % of Total Net Revenue	Relation with issuer	Name	Amount	As % of Total Net Revenue	Relation with issuer
1	LC01082	3,177,580	92.08	None	LC01082	3,797,512	86.61	None
2	-	-	-	-	LC20188	453,150	10.33	None
	Others	273,463	7.92		Others	134,184	3.06	
	Total Net Revenue	3,451,043	100.00		Total Net Revenue	4,384,846	100.00	

Note1：Financial information verified by accountants.

Reason for change：

It is mainly due to changes in market demand for terminal products.

4.3 Human resources in the last two years

Year		2024	2025	2026/3/31
Number of Employees	Direct Staff	311	363	351
	Indirect Staff	159	228	237
	Total	470	591	588
Average Age			40.3	42.79
Average Year of Service			6.15	6.31
Education Ratio (%)	Ph.D.	0.64%	0.34%	0.34%
	Masters	7.45%	7.45%	7.99%
	Bachelor’s Degree	56.81%	52.12%	53.91%
	Senior High School	28.94%	34.18%	32.31%
	Under Senior High School	6.17%	5.91%	5.45%

4.4 Environmental Protection Expenditure

4.4.1 For those who are required by law to apply for a pollution facility installation permit or a pollution discharge permit, or to pay pollution prevention and control fees, or to establish a special unit for environmental protection, the application, payment or establishment of the situation is explained.：

The Company has legally obtained permits for the installation of stationary pollution sources, operation permits, water pollution prevention and control permits, and permits for the discharge of industrial parks (to be controlled), and has obtained approval documents for the business waste cleanup plan and toxic chemical substances, paid soil and groundwater pollution remediation fees and water pollution fees for industrial parks in accordance with the law, and set up a dedicated staff for the prevention of Class A air pollution..

4.4.2 List the company's investment in the main equipment for the prevention and control of environmental pollution, its use and possible benefits：

2026/3/31；Unit: NT$ thousands

Name of equipment	Set	Date of acquisition	AcquisitionCost	Non- depreciation amount	Application andpotential benefit
Wet scrubber	2	2013/1	8,202	0	Treatment of waste gas from manufacturing procedure
Sewage system	1	2013/1	2,069	0	Treatment of wastewater from manufacturing procedure

4.4.3 A description of the Company's efforts to improve environmental pollution in the most recent year and as of the date of the annual report, and, in the event of a pollution dispute, a description of how it was handled:

The Company has not had any pollution disputes in the most recent year and up to the date of the annual report.

4.4.4 The Company shall state the losses suffered from environmental pollution in the most recent year and as of the date of publication of the annual report (including compensation and environmental protection audit results for violations of environmental protection laws and regulations, and shall state the date of the penalty, the penalty number, the provision of the violation, the content of the violation, and the content of the penalty) and shall disclose the estimated amount of current and future losses and measures to be taken, and if it is impossible to make a reasonable estimate, shall state the fact that it is impossible to make a reasonable estimate). If the Company is unable to make a reasonable estimate, it shall state the fact that it is unable to make a reasonable estimate:

The Company has no loss due to pollution in the latest year and as of the printing date of the annual report.

4.4.5 Description of the current pollution situation and the impact of its improvement on the Company's earnings, competitive position and capital expenditure, as well as the estimated significant environmental capital expenditure in the next two years:

The Company has no pollution situation in the last two years and as of the printing date of the annual report.

4.5 Labor-Management Relationship

4.5.1 List the Company's employee welfare measures, training, training and retirement systems and their implementation, as well as the agreements between employers and employees and measures to protect the rights and interests of employees.

4.5.1.1 Employee welfare measures: The Company's welfare measures are divided into those provided by the Company and those provided by the Employee Welfare Committee. (1) The company provides welfare measures: including annual gifts, group insurance, employee health checkups, medical staff set up in the factory, travel safety insurance, tailgate dinner, and subsidies for employees to further their degrees and professional licenses.

(2) On March 1, 2010, the Employee Welfare Committee was officially established to utilize the welfare benefits based on the three principles of fairness, affordability and universality, and the benefits are managed by the employees themselves and related activities are held from time to time:

A. Gift and Allowance: We provide various subsidies such as marriage, childbirth, funeral subsidy, birthday, May Day Labor Day gift, and Mid-Autumn Festival gift.

B.. Encourage employees to devote themselves to club activities after work, and provide funding subsidies through the club subsidy mechanism to arrange and plan club activities every month; at present, there are two types of clubs, such as Mountain Walking Club and Love Club.

C.. Perfect insurance system: In addition to the company's group insurance, FSC also insures group term life insurance.

(3) On-site health services: The company has set up medical personnel in accordance with the law to provide individualized health care for employees, and has established and implemented a health classification management system to gate-keep the health of employees.

A. Entry physical examination: New employees and transferred workers are required by law to undergo physical examination for the company's job selection and job assignment.

B. Regular health checkups: Health checkups are conducted every two years to avoid wasting health insurance resources and to prevent health hazards and potential disease causing factors through health checkup results.

C. Health checkups for special hazards are conducted for the characteristics of the operating environment, and are provided by the second level of management and health guidance by medical personnel; the company has no third level of management or above.

D. Regular monthly on-site occupational medicine physician services, through employee medical examination reports from the intervention of a single risk factor to start health management tracking program, such as: three high disease prevention, cardiovascular disease risk assessment, stress management and stress relief, cancer screening, workplace tobacco prevention.

E. Provide a cafeteria, breastfeeding-friendly environment, showers and fitness equipment in the factory.

4.5.1.2 Employee Education and Training

The company offers a diverse range of training programs and continuing education opportunities, including new employee orientation, on-the-job training, professional development courses, and various job-related off-site training programs, all designed to develop our employees.

Summary of Education and Training Activities for 2025

Type	Courses	Number of course	Total training hours	Number of employees
Internal Training	New Employee Training	398	4,628	426
	General Studies	9	4,915	2,968
	Professionals	5	281	84

	Management	3	236	118
External Training	General Studies	2	14	2
	Professionals	41	385	41
Total		81	458	10,459

4.5.1.3 Retirement System

In accordance with labor-related laws and regulations, the company regularly allocates employee pensions, and the remaining system and the new system are explained as follows:

(1) Old system: Before July 1, 2005, the company implemented the labor retirement reserve in accordance with the provisions of the Labor Standards Law, and deposited the labor retirement reserve every month, which was stored in a special account in a bank in Taiwan, and has been fully allocated to meet the needs of retirement under the old system.

(2) New system: Since July 1, 2005, the new labor retirement system has been implemented, and the company's employees have chosen the new system, according to the provisions of the labor pension regulations, the company has allocated 6% of the monthly salary of workers to the labor pension account every month (the actual allocation of the new pension in 2025 is about NT$1,337 million) to ensure the security of the life of colleagues after retirement.

(3) Actual retirements in 2025: 1person

4.5.1.4 Agreements between labor and management：

All of the Company’s policies are in compliance with the Labor Standards Act, and to date, there have been no labor-management disputes requiring mediation. In 2025, we will hold quarterly labor-management meetings to establish channels for consultation and communication between labor and management.

2024 Meeting	Date	Agenda	Announcement Day
Q1	2025/3/21	1. Reiteration of bi-weekly flexible working hours (Article 30 of the Labor Standards Act) 2. Reiteration of extended working hours (Article 32 of the Labor Standards Act) 3. Reiteration of female night work (Articles 30-1 and 49 of the Labor Standards Act)	2025/3/25
Q2	2025/6/24	1. Replacement of labor representative 2. Reiteration of cash compensation for unused annual leave (Article 38 of the Labor Standards Act)	2025/7/2
Q3	2025/9/23	1. Addition of national holidays (Articles 37 and 39 of the Labor Standards Act)	2025/10/3
Q4	2025/12/23	1. 2026 calendar 2. Reiteration of regular days off and rest days 3. Reiteration of salary calculation principles	2025/12/31

4.5.1.5 Measures to protect the rights and interests of employees：

(1) The company has established a sound document management system and internal announcement platform, and various management measures clearly define the rights and obligations of employees.
(2) In 2021, an online employee complaint channel was added to strengthen the channel for advocating the response of various opinions, and 4 suggestions were received through the employee complaint channel in2025, both of which were successfully handled and closed.

4.5.2 In the latest year and as of the date of publication of the annual report, the losses suffered by the company due to labor disputes, and disclose the estimated amount and countermeasures that may occur in the current and future, if it cannot be reasonably estimated, it should explain the facts that cannot be reasonably estimated:

In addition to complying with the Labor Standards Law, the company attaches importance to employee welfare, provides a good working environment and emphasizes two-way communication among employees, promotes harmonious labor-management relations, and strives to combine the company's future vision with the development goals of colleagues to avoid major labor disputes or losses. The Company has not suffered any major labor disputes in the latest year and as of the date of publication of the annual report.

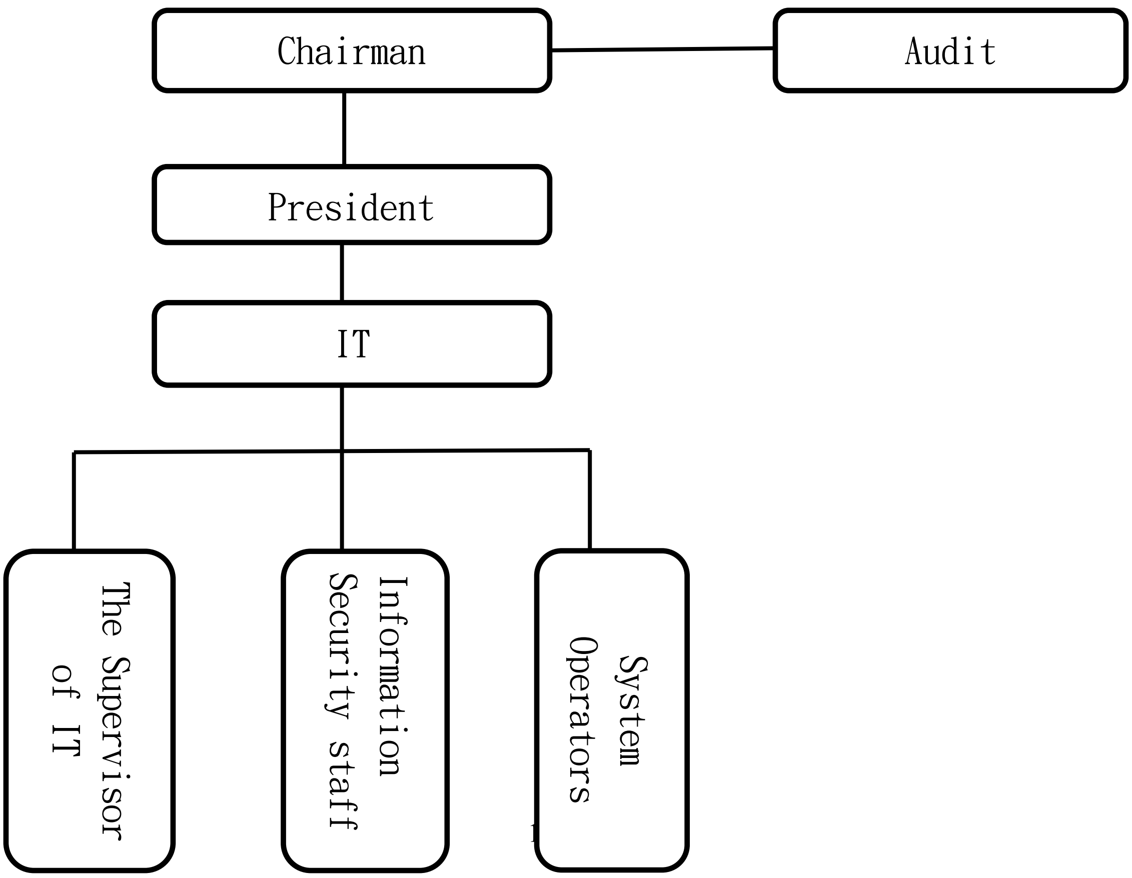
4.6 Cyber Security Management

4.6.1 Clarify the security risk management framework, information security policy, specific management plan and resources invested in information security management：

5.6.1.1Description of the information security risk management framework

The authority and responsibility unit of the company's information security is the information department, which has a second information supervisor and several professional information personnel, which is responsible for formulating internal information security policies, planning and implementing information security operations and information security policies

(1) The organization chart is as follows:



4.6.1.2 Information security policy

(1) Protect the company's information software and hardware equipment and intellectual property.

(2) Avoid leakage of the company's operating information and job secrets.

(3) Respect intellectual property rights and avoid the possibility of the company and colleagues violating the law.

(4) Improve the stable and safe information operation environment to improve the overall work efficiency.

5.6.1.3 Specific information security proposal

Information Control	Control Description
Program and data access control	How to control the new and old versions of programs by programmers and developers.
Data output/input control	Data input and output systems to verify and avoid data input errors.
Data processing controls	How to update and save the operation manuals and electronic files.
Room equipment security control	Information room internal and external environment, equipment and physical security control and other related norms.
File backup operation control	Files and production related to the important system backup methods and time and other related norms.
Data Retention Control	According to legal regulations to be retained and the company's important research results in the preservation of data and other relevant norms.
System Recovery Control	Disaster occurs when the response and avoid the expansion of losses and other related norms.
Network Security Control	The company's network intranet and the company's external network in the use of how to protect and other related norms.
Operation-related system usage control	Specify the restrictions on the use of information services used within the company and other relevant norms.

4.6.1.4 The main measures and implementation of information security risk management

Item	Execution Points
Access Control	● data exchange control. ● Data leakage control. ● Operation trajectory record.
Anti-virus updates	● Anti-virus and anti-hack protection measures. ● regularly update the anti-virus software virus code to reduce the risk of poisoning. ● Anti-virus software version updates.
Firewall Protection	● The firewall sets the connection rules, and by default only opens the

	basic network and mail connection. ● Application service control, restricted access. ● Monthly monitoring and analysis of firewall protection data. ● Update firewall firmware.

4.6.2 For the most recent year and up to the date of printing of the annual report, the Company should state the following facts if it is unable to reasonably estimate the loss, possible impact and response measures suffered as a result of a major information security incident:

For the most recent year and as of the date of the annual report, the Company is not aware of any information security incidents that have had or could have a material adverse effect on the Company's business or operations.

4.7 Major Contract

As of the printing date of the annual report, the Company has no significant contracts other than general commercial transactions that are still in effect and have expired in recent years, such as supply and sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other contracts of significance to shareholders' equity：None.

V. Financial Information

5.1 Financial Status

Unit: NT$ thousands

Item	2025	2024	Amount Variance	Ratio Variance (%)
Current Assets	4,168,601	3,971,393	197,208	4.97%
Fixed Assets	1,038,026	615,158	422,868	68.74%
Intangible assets	3,661	1,165	2,496	214.25%
Other Assets	118,450	157,450	(39,000)	(24.77%)
Total Assets	5,328,738	4,745,166	583,572	12.30%
Current Liabilities	625,027	600,949	24,078	4.01%
Other Liabilities	724,352	746,094	(21,742)	(2.91%)
Total Liabilities	1,349,379	1,347,043	2,336	0.17%
Capital stock	1,410,563	1,408,398	2165	0.15%
Capital surplus	1,210,248	1,174,245	36,003	3.07%
Retained Earnings	1,422,643	875,135	547,508	62.56%
Other Equity	(64,095)	(59,655)	(4,440)	7.44%
Total Stockholders' Equity	3,979,359	3,398,123	581,236	17.10%

Significant changes in assets, liabilities, and equities in the most recent two years (when the change is over 20 percent and the absolute amount of change amounts to NT$ 10 million dollars), the main reason, the impact, and the Company's responsive measures：

1. Increase in fixed assets: Primarily due to the acquisition of a new factory building and the renovation of a cleanroom.
2. Decrease in other assets: Primarily due to a decrease in prepayments for equipment.
3. Increase in retained earnings: Primarily due to an increase in the Company's after-tax profit for 2025 compared to 2024.

5.2 Financial Performance

Unit: NT$ thousands

Item	2025	2024	Amount Variance	Ratio Variance (%)
Operating Revenue	4,384,846	3,451,043	933,803	27.06%
Operating Cost	3,464,207	2,819,255	644,952	22.88%
Gross profit(Loss)	920,639	631,788	288,851	45.72%
Operating expenses	183,418	147,169	36,249	24.63%
Operating income	737,221	484,619	252,602	52.12%
Non-operating income and expenses	40,970	59,230	(18,260)	(30.83%)
Income Before Tax	778,191	543,849	234,342	43.09%
Tax Benefit (Expense)	(13,946)	(10,596)	(3,350)	31.62%
Net profit	764,245	533,253	230,992	43.32%
Other comprehensive income (after tax)	(3,631)	(44,812)	41,181	(91.90%)
Total comprehensive income	760,614	488,441	272,173	55.72%

Significant changes in assets, liabilities, and equities in the most recent two years (when the change is over 20 percent and the absolute amount of change amounts to NT$ 10 million dollars), the main reason, the impact, and the Company's responsive measures：

1. Increases in operating revenue, cost of sales, gross profit, operating income (loss), income (loss) before income tax, net income (loss) for the period, and total comprehensive income (loss) for the period: This was primarily due to increased market demand, which led to revenue growth and higher profits.
2. Increase in operating expenses:
This was primarily due to an increase in related expenses resulting from revenue growth.
3. Decrease in non-operating income and expenses:
Primarily due to a decrease in foreign exchange gains and an increase in interest expense on corporate bonds.
4. Increase in income tax expense: Primarily due to increased profits.
5. Decrease in other comprehensive income (loss):
Primarily due to a decrease in financial assets measured at fair value through other comprehensive income.

5.3 Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

5.3.1.1 Analysis of cash flow change of the most recent year

Item	2025	2023	Ratio Variance (%)
Cash flow ratio (%)	109.00%	127.55%	(18.55%)
Cash flow adequacy ratio (%)	145.28%	159.67%	(14.39%)
Cash reinvestment ratio (%)	7.63%	10.28%	(2.65%)
Analysis of change in cash flow in the current year：NA			

5.3.1.2 Cash Flow of the Current Year

Unit: NT$ thousands

Cash balance at the beginning of the period(2023/12/31)	Cash flow from Operating activities for 2024 the whole year	The cash flow of investment and Financing activities throughout 2024	The amount of surplus (shortage) of cash. (2024/12/31)	Responsive measures with cash balance	
				Investment plan	Investment plan
3,127,743	681,288	(1,265,294)	2,543,737	None	

(1) Cash inflows from operating activities of NT$681,288 thousand: This was primarily attributable to net cash inflows resulting from net income after tax.

(2) Cash outflows from investing activities of NT$1,047,768 thousand: This was primarily attributable to the addition of NT$600,000 thousand in time deposits with maturities of three months or longer; and payments of the third and fourth installments for the acquisition of a new factory and the expansion of production equipment totaling NT$444,656 thousand.

(3) Cash outflow from financing activities of NT$217,526 thousand: This was primarily due to the payment of cash dividends totaling NT$217,512 thousand.

5.3.2 Remedy for Cash Deficit and Liquidity Analysis: Not applicable.

5.3.3 Cash Flow Analysis for the Coming Year：

Unit: NT$ thousands

Cash balance – beginning of the period	The estimated cash flow of operating activities throughout the year	The estimated cash flow of investment and Financing activities throughout the year	The estimated amount of surplus (shortage) of cash.	Responsive measures with cash balance	
				Investment plan	Financial management plan
2,543,737	1,398,080	(604,967)	3,336,850	None	

(1) Operating Activities: Based on the 2026 operational plan, cash inflows from operating activities are expected to be NT$1,398,080 thousand.
(2) Investing Activities: In 2026, the Company expects to purchase equipment for NT$292,280 thousand and computer software for NT$5,184 thousand, resulting in a net cash outflow from investing activities of NT$297,464 thousand.
(3) Financing Activities: Dividends are expected to be distributed in 2026, resulting in a net cash outflow from financing activities of NT$307,503 thousand.

5.4 Major Capital Expenditures and impact on Finance and Business during the recent year

The Company's capital expenditure in the most recent year was mainly the replacement of machinery and equipment and routine maintenance, and there was no major capital expenditure.

5.4.1 The use of major capital expenditures and the sources of funds

Project Item	Actual or Expected Source of Funds	Actual or Planned Use of Funds (2025)
Acquisition of Plant Facilities and Machinery	Issuance of Convertible Bonds, Capital Increase, and Internal Funds	444,656
Impact on Financial and Business Operations: The Company’s major capital expenditures are for acquiring plant facilities and establishing new production capacity for optical communication active components, optical transceiver modules, and submodules. These investments are expected to enhance the Company’s production capacity and drive overall revenue growth, thereby having a positive impact on the Company’s future financial and operating performance.		

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

5.5.1 The Company's reinvestment policy

The company's reinvestment policy is mainly based on the investment targets related to the basic business, and does not engage in investment in other industries, and currently has "investment cycle operating procedures" and "procedures for acquiring or disposing of assets" for the management and control of the reinvestment business, so as to grasp the financial and business status of the reinvestment business; In order to strengthen the control and supervision of the operational risks of subsidiaries and achieve the objectives of the overall strategy of the Company and its subsidiaries, the "Supervision and Management Operations of Subsidiaries" was formulated to establish a risk management mechanism for subsidiaries.

5.5.2 The main reasons for the profit or loss of switching investment and the improvement plan

Investor Companies	Investee Companies	Original Investment Amount		The highest shareholding or capital contribution in the period		Ending Balance			Recognize the profit and loss of the current period	improvement plan	Note
		As of Dec. 31,	As of Dec. 31, 2022	Shares	Per-	Shares	Per-	Book Value			

		2023			centage of ownership (%)		centage of ownership (%)				
The Company	Toplight Corporation	122,980	122,980	4,000	100%	4,000	100%	82,339	-	-	Note
Toplight Corporation	Toptrans Corporation Limited	122,980	122,980	4,000	100%	4,000	100%	82,339	-	-	Note
Note：The long-term equity investments listed above have been written off at the time of preparation of the consolidated financial statements.											

5.5.3 Investment Plans for the Coming Year：None.

5.6 Analysis of Risk Management

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

5.6.1.1 Interest Rates：

The Company is financially sound and has no loans from financial institutions, and future interest rate changes are not expected to have a material impact on the Company's overall operations.

5.6.1.2 Foreign Exchange Rates：

Most of the income and expenses of the Company's business activities are mainly in foreign currencies, so exchange rate fluctuations may affect operating income, operating costs and even profit performance denominated in foreign currencies. Based on foreign currency assets and liabilities as at 31 December 2025, when NTD appreciates or depreciates by 5% against the US dollar, net profit before tax will decrease or increase by NT$44,150 thousand, respectively. In order to reduce the impact of exchange rate changes on profit and loss, the Company adopts the principle of natural hedging, which can significantly eliminate exchange rate risk by offsetting foreign currency assets and liabilities, and continue to forecast and manage foreign currency income and expenditure, and reduce foreign currency exposure by undertaking forward foreign exchange contract transactions when necessary.

5.6.1.3 Inflation on Corporate Finance：

Up to now, the Company's operations have not had a significant impact on inflation, and it will continue to pay close attention to inflation, adjust product selling prices and inventory levels appropriately, so as to minimize the impact on profit and loss.

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

5.6.2.1 High-risk, High-leveraged Investments：The Company is focused on its business and is not engaged in high-risk, highly leveraged investments.

5.6.2.2 Lending：

A. Policies：

All loans of funds from the Company and the consolidated financial statements to others are handled in accordance with the "Procedures for Lending Funds to Others" of the respective companies.

B. Main Causes：

The lending of funds between the Company and the individual entities in the consolidated financial statements is due to the short-term financing needs of the lending parties..

C. Future Response Measures：

Conduct the necessary control measures in accordance with the procedures for lending funds to others.

5.6.2.3 Endorsement Guarantees：None.

5.6.2.4 Derivatives Transactions：For the most recent year and as of the date of the annual report, we have not engaged in derivative transactions and have established the "Procedures for the Acquisition or Disposal of Assets" as a guideline for engaging in derivative transactions, and we are conservative and prudent and aim to hedge exchange rate risk only.

5.6.2.5 The Company has established "Procedures for the Acquisition or Disposal of Assets" and "Procedures for the Lending and Endorsement of Funds", which were approved by the shareholders' meeting, and will be implemented in accordance with these rules and regulations in the future.

5.6.3 Future Research & Development Projects and Corresponding Budget：

The products of the Company's future R&D plan are mainly used in 6G transmission and AI data centers, and the short-term development focus is on 100mW CW LD/ 100/200G EML and advanced packaging technology for applications above 800G, .Therefore, it is expected that the R&D expenses invested will continue to increase every year in the future

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

The Company's operations are conducted in accordance with relevant domestic and foreign laws and regulations. The Company's operations in recent years have not been affected by changes in domestic and foreign policies and laws. The Company will keep an eye on the development of relevant domestic and foreign policies and changes in relevant laws and regulations, so that it can consult with professionals as soon as possible, and appoint them to evaluate, recommend and plan countermeasures when necessary.

5.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales：

The Company focuses on the technological development of the optical communications industry and changes in the business environment, and collects credible market research information to make timely adjustments to the Company's business strategies and product competitiveness.

With respect to information security risks, in order to strengthen information security management and ensure the confidentiality, integrity, and availability of information, as well as the reliability of information equipment and network systems, the Company has established information security control measures in its corporate rules and regulations to serve as a guideline for information security risk management. Meanwhile, under the information security risk management framework, the Company has built an intrusion prevention system, an e-mail anti-spam system, and an endpoint anti-virus system to gradually improve information security protection, and regularly conducts drills on data off-site backup systems and disaster recovery mechanisms to ensure uninterrupted service. As of the publication date of the Company's annual report, the Company has not been affected by any technological changes (including information security risks) or industry changes that may affect the Company's financial operations.

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

Since its establishment, the company has not acted in any way that has caused a bad corporate image or caused a corporate crisis. The company's business philosophy is to continuously innovate product technology and services to meet customer needs, after years of efforts, and constantly improve operating performance and product quality, it is now a high-performing company in the industry. With the continuous growth of the company, while pursuing the rights and interests of shareholders, the company will also give care to all employees, their families and socially disadvantaged groups to fulfill corporate social responsibility, and promote various environmental protection activities. In the latest year and as of the date of publication of the annual report, there have been no changes in the company's corporate image that have had an impact on corporate crisis management.

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

The Company has no plans to acquire other companies in the recent year or as of the date of the annual report. If there are any future mergers and acquisitions, the Company will assess the benefits and control the risks in a prudent manner in accordance with the rules and regulations, with a view to maximizing profits and minimizing risks to the Company's overall operations.

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

In January 2025, the company acquired land and facilities for a new plant located on Jilin Road in the Zhongli Industrial Zone. A total investment of NT$500 million is planned for the expansion of equipment at both the new plant and the existing LuxNet facility. This investment primarily aims to establish new production capacity for optical communication active components, optical transceivers, and subassemblies. The new capacity will include chip production and testing lines at the existing facility, as well as module assembly and testing lines at the new plant.

Pilot production for the module assembly and testing lines is expected to begin in the first quarter of 2025, with projected cash inflows totaling approximately NT$542.95 million during the period from 2025 to 2028. The estimated payback period for this investment is approximately 3.67 years. The funding for this expansion project comes from the proceeds of the convertible bonds issued by the company in December 2024. The additional production capacity is being planned based on anticipated future orders from long-term customers, and the progress of investment and equipment purchases will be carried out in phases in accordance with actual customer demand to mitigate the risk of idle capacity.

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

5.6.9.1 Purchasing：The raw materials required by the company's products due to vertical integration are large, the range of raw materials covers semiconductor process chips, surface treatment coatings and packaging metal components, precious metals, ICs, capacitors and other electronic parts, the main suppliers throughout Europe, America, Japan, Southeast Asia and mainland China, and are long-term cooperation with the company suppliers, so can provide the company stable supply and qualified quality, at the same time the company for the supply of various raw materials, try to adopt the principle of decentralized procurement, in order to achieve the balance of cost price, Stable quality ensures uninterrupted supply sources. Over the years, the company has not been out of stock, and has taken necessary measures to achieve a significant reduction in the risk of purchase concentration.

5.6.9.2 Sales：The products that the company cooperates with the largest customers are growing rapidly, resulting in the phenomenon of concentrated sales, but the company's products from die to packaging sub-modules are diversified, and the target customers are scattered in the United States, Chinese mainland, Japan and Taiwan, and will continue to develop new customers to diversify risks. The Company has established appropriate risk assessment control for each customer in order to ensure the recovery of accounts receivable and reduce the Company's credit risk.

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

There have been no changes in control over the Company in the most recent year and up to the date of publication of the annual report.

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

There have been no changes in control over the Company in the most recent year and up to the date of publication of the annual report.

5.6.12 If the Company’s director, supervisor, general manager, actual ower,shareholders possessing over 10 percent of outstanding shares, and the affiliations is involved in a lawsuit event, a non-contentious case, or an administrative lawsuit event which is convicted or still under the lineage until the printing date of annual report, which has great impact on equity of shareholder or price of stock, and such condition has significant impact on shareholders’ equities, the major impact should be revealed: None.：None.

5.6.13 Other Major Risks：

Information security risks: In order to strengthen information security management, ensure the confidentiality, integrity and availability of information, and the reliability of information equipment and network systems, the company has established information security control measures in the company's regulations as the criteria for information security risk management. At the same time, under the framework of information security risk management, we have built intrusion prevention systems/email anti-spam systems/endpoint anti-virus systems to gradually improve information security protection, and regularly conduct remote data backup systems and disaster recovery mechanism drills to ensure uninterrupted services.

5.7 Other Materiality：None.

VI. Special Disclosure

6.1 Information on Affiliated Enterprises

6.1.1The Company’s most recent consolidated business report, consolidated financial statements, and the report on affiliated enterprises are available on the Market Observation Post System (MOPS) at https://mops.twse.com.tw/mops/#/web/home.

6.1.2Please navigate to: Home > Single Company > Electronic Documents Download > Affiliated Enterprises Disclosure Section (Company Code: 4979).
Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.1.3Corporate Report: The Company is not a subsidiary of other affiliated companies, so there is no need to prepare a relationship report

6.2 Private placement securities for the most recent year and up to the date of printing of the annual report：None.

6.3 Other necessary Supplementary Notes：

The Company's application for the listing of its shares on the Taiwan Stock Exchange (TSE) and the current status of implementation of the undertaking required by the ROC Over-the-Counter Securities Trading Center (OTC) in its letter No. 1000018645 dated July 18, 2011 are as follows

(1) After listing, the Company shall participate in the evaluation of its corporate governance system at least every two years, and the evaluation results shall be reported in the shareholders' meeting; and when revising the relevant internal control and internal audit system, the Company shall refer to the "Code of Corporate Governance Practices for Listed and OTC Companies".

Implementation: In March 2014, the Company obtained the corporate governance system assessment certification from the Chinese Corporate Governance Association, and the Company's "Code of Conduct on Integrity" has been updated in accordance with the "Code of Corporate Governance Practices for Listed and OTC Companies" and submitted to the shareholders' meeting on June 22, 2012. The results of the Company's 2022 corporate governance evaluation are listed in the top 20% of listed companies.

(2) Undertake to add "The Company shall not forgo any capital increase to Toplight Corporation (hereinafter referred to as "Toplight") in each future year; Toplight shall not forgo any capital increase to Toptrans Corporation Limited (hereinafter referred to as "Toptrans") in each future year" to the "Procedures for Acquisition or Disposal of Assets". (hereinafter referred to as "Toptrans"); Toptrans shall not give up its capital increase to Suzhou Changrui Company Limited (hereinafter referred to as "Suzhou Changrui") in each future year. If the Company needs to give up its capital increase to Toptrans or dispose of its equity interest in Toptrans in the future due to strategic alliance consideration or other reasons agreed by the Center, a special resolution must be approved by the Board of Directors of the Company. If there is any amendment to this policy, it shall be entered into the Public Information Observation Post System for disclosure of material information and reported to the Center for review.

Implementation: This commitment has been included in the "Procedures for the Acquisition or Disposal of Assets" of the Company, and the revised method was approved by a special resolution of the Board of Directors on April 26, 2012 and submitted to the shareholders' meeting on June 22, 2012 for recognition.

On March 6, 2018, the Company sent a letter to the OTC to apply for the abandonment of the capital increase of its subsidiary, Suzhou Changrui, due to strategic alliance consideration.

On April 25, 2019, the Company sent a letter to the GreTai Securities Market ("GTSM") to apply for the waiver of the capital increase of Suzhou Changrui, after which the Company held 16.9207% of the shares.

On June 1, 2010, the Company wrote to the OTC to apply for the release of the undertaking "Toptrans shall not give up its commitment to increase the capital of Suzhou Changrui Company Limited in the future years", which was approved by the OTC Supervision Letter No. 1090005917. In addition, the Company approved the amendment to the "Procedures for Acquisition or Disposal of Assets" at the shareholders' meeting on June 14, 2024.

(c) If necessary, the OTC may request the Company to appoint an accountant or institution designated by the OTC to conduct an external professional examination in accordance with the scope of the examination specified by the OTC and submit the examination results to the OTC at the Company's expense.

Implementation status: As of the date of submission, no such situation has occurred. If the OTC must appoint an outside party to conduct the professional inspection, the Company will cooperate and bear the related expenses.

IX. Any Events Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Act for the most recent year and as of the date of the annual report：None.