

Corporate Governance Implementation Status and Deviations
from "the Corporate Governance Practice Principles for TWSE/TPEX Listed Companies"

By M31 2024 Annual Report

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
1. Does the Company establish and disclose the Corporate Governance Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has formulated its "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". The relevant content has been disclosed on the Company's website and in the Market Observation Post System after being approved by the board of directors.	No significant differences.
2. Equity structure and shareholders' equity				
(1) Has the Company instituted an internal procedure for handling suggestions, questions, disputes of the shareholders and legal actions, and comply with the procedure properly?	✓		(1) The Company had formulated a "Corporate Governance Best-Practice Principles" with a spokesperson system and delegated specific person to take charge of shareholder services and handle the proposals submitted by shareholders, and further employed the legal counsel to assist replying and handling the legal inquiries from the shareholders.	No significant differences.
(2) Has the Company kept track on the major shareholders roster of the Company and the parties controlling these shareholders?	✓		(2) The Company appoints a professional stock agent to update the register of shareholders and the list of substantial shareholders on a regular basis, so as to fully grasp the list of substantial shareholders who actually control the Company and the ultimate controllers of the substantial shareholders.	
(3) Has the Company established and implemented the risk control mechanism and firewall between the corporate headquarters and the affiliates?	✓		(3) The business and financial transactions between the Company and its affiliates are governed by the relevant regulations of the competent authorities and are governed by written regulations.	
(4) Has the Company adopted internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	✓		(4) The Company has established the "Operating Procedures for Handling Internal Material Information and Preventing Insider Trading" and formulated written regulations in accordance with the relevant regulations of the competent	

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			<p>authorities to effectively prohibit insiders from using undisclosed information in the market to trade securities.</p> <p>※On December 20, 2024, the Board of Directors conducted an insider trading awareness session for all directors. Additionally, email reminders were sent to directors and managerial officers prohibiting the trading of the Company's stock within 30 days prior to the annual financial report announcement and 15 days prior to each quarterly financial report announcement. The report also covered the 2024 Ethical management implementation, including employee education and training on integrity management and insider trading regulations.</p>	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board established a diversity policy for the composition and specific management goals of its members and implemented it accordingly?</p>	✓		<p>(1) Among the Company's six directors, five have industry backgrounds and one has an accounting background, with each member bringing expertise in areas such as business management, strategic decision-making, industry knowledge, academia, and finance. Directors who are also employees account for 16.67% of the Board, while independent directors represent 33.33%.</p> <p>The Company places importance on gender diversity within the Board of Directors. The target is to have at least one female director; currently, there are two female directors, accounting for 33.33% of the Board. In terms of age diversity, the Company aims to have at least one young or mid-career director; currently, there are two such directors, also accounting for 33.33%. Please refer to pages 11 to 12 of this annual report for details under "Board Diversity."</p>	No significant differences.

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(2) Further to the establishment of the Compensation Committee and the Auditing Committee, has the Company voluntarily established other functional committees?	✓		(2) The Company established a Nomination Committee on July 6, 2021, and formed a Sustainable Development Committee composed of board members on August 6, 2024, to enhance corporate governance functions.	
(3) Has the Company established a methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the Board, and used such as a reference for individual director remuneration and renomination?	✓		(3) The Company has formulated the Board of Directors' performance evaluation method and its evaluation method. The performance evaluation of the Board of Directors and the members of the Board of Directors in 2024 was evaluated as "exceeded the standard", which is the result of "effective operation" and were reported to the Board of Directors and used as reference for individual directors' remuneration and nomination for reappointment.	
(4) Has the Company evaluated the independence of the commissioned CPA regularly?	✓		(4) The Company assessed the independence of the certifying CPA in both 2024 and 2025, with the evaluations approved by the Audit Committee and the Board of Directors on February 27, 2024, and February 25, 2025, respectively. The CPA was appointed accordingly. The certifying CPA provided Audit Quality Indicators (AQIs) in line with the Company's evaluation standards. For details on the AQI indicators, please refer to Note 1.	

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4. Does the TWSE/TPEX Listed Company have an appropriate and appropriate number of corporate governance personnel, and has the Company designated a Corporate Governance Senior Officer to deal with corporate governance related affairs (including, but not limited to, providing directors and supervisors with information required for the execution of their duties; assisting directors and supervisors in complying with the laws and regulations; conducting board meeting and shareholders' meeting related matters; and preparing the minutes for board meetings and shareholders' meeting in accordance with the law, etc.)?	✓		<p>The Company has an interdepartmental corporate governance working group responsible for corporate governance related matters. On May 4, 2021, Ms. Wei-Ning Liu, Vice President, was appointed as the Officer of Corporate Governance to coordinate corporate governance related matters, including.</p> <ul style="list-style-type: none"> A. Handling matters related to the board of directors, each committee (composed of directors) and shareholders' meetings in accordance with the law B. Preparing minutes of board meetings and shareholders' meetings C. Assisting directors in their appointment and continuing education D. Providing information necessary for directors to perform their duties E. Assisting directors in complying with laws and regulations <p>In 2024, the officer of corporate governance performed business as follows:</p> <ul style="list-style-type: none"> A. Organized 8 Board meetings, 8 Audit Committee meetings, 6 Compensation Committee meetings, 3 Nomination Committee meetings, 2 Sustainable Development Committee meetings, and the 2024 General Shareholders' Meeting under the direction of the Chairman and the respective committee conveners. B. Established and supported operations of the functional committee – Sustainable Development Committee. C. Provided directors with information for continuing education. D. Provided directors with necessary information for the execution of their duties. E. Provided directors with relevant updates on legal and regulatory compliance matters. F. Promptly handled requests from directors. <p>Please refer to Table 2 for further continuing education details.</p>	No significant differences.

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5. Has the Company established a communications channel and established a designated zone on its website for stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers), and has the Company properly responded to all CSR issues such stakeholders are concerned with?	✓		The Company has a spokesperson and a proxy spokesperson to handle related matters, and has set up an ESG section on the corporate website with management objectives, identification, issues of concern, communication and contact information for stakeholders (including, customers, employees, suppliers, community groups, investor and government agencies) so that the Company can better understand the issues of concern to stakeholders and respond appropriately.	No significant differences.
6. Has the Company appointed a professional shareholder services agent to deal with shareholder affairs?	✓		The Company has delegated a professional stockbroker, the "Brokerage Registry and Transfer Services Department of SinoPac Securities" to handle shareholder meetings and stock-related matters.	No significant differences.
7. Disclosures (1) Has the Company established a website for the disclosure of Company's financial and business, and corporate governance? (2) Has the Company adopted other means of disclosures (e.g., the installation of a website in English language, appointment of designated persons for the gathering and disclosure of information, the proper implementation of the spokesman system, and the minutes of the investor conference on record posted on the website)? (3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year? Does the Company announce and report the first, second, and third quarter financial reports and the monthly operating conditions well in advance of the required deadlines?	✓ ✓ ✓		(1) The Company has a corporate website to disclose both financial standings and the status of corporate governance. (2) The Company has established a spokesperson system and will disclose information about the Company's corporate presentation on the Company's corporate website and the "Market Observation Post System" in accordance with the regulations. (3) The financial statements for the year 2024 were announced and reported in February 2025, and the financial reports for the first, second and third quarters and the operations for each month were announced and reported by the prescribed deadline.	No significant differences.

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8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices(including, but not limited to, employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, status of directors' continuing education, implementation of risk management policies and risk assessment criteria, implementation of customer related policies, and purchase of liability insurance for directors and supervisors by the Company)?	✓		<p>A. In addition to the Employee Welfare Committee and the pension system, the Company also plans employee group insurance and arranges regular health checks for employees, and actively encourages employees to participate in various training courses.</p> <p>B. The Company has established various internal rules and regulations in accordance with the law to carry out various risk management and evaluation.</p> <p>C. The Company has purchased liability insurance for the directors.</p> <p>D. The directors' continuing education status is detailed in Table 1.</p> <p>E. The Company's corporate website has an ESG section, an investor section and a corporate governance section to provide important information.</p>	No significant differences.
9. State of corrective action taken for responding to the results of the corporate governance assessment announced by Taiwan Stock Exchange Corporation in the Corporate Governance Center the most recent fiscal year, and the priority for improvement on issues pending further corrective action and related measures: None.				

Note 1: The following is a list of the indicators of the accountants evaluated in accordance with the AQIs for 2024, and the results of the evaluations were in line with the expectations.

<p>Aspect 1: Professionalism</p> <p>Indicator 1-1: Auditing Experience</p> <p>Indicator 1-2: Training Hours</p> <p>Indicator 1-3: Turnover Rate</p> <p>Indicator 1-4: Professional Support</p>	<p>Aspect 2: Quality control</p> <p>Indicator 2-1: Accountant's responsibility</p> <p>Indicator 2-2: Audit input</p> <p>Indicator 2-3: Engagement Quality Control Review (EQCR) status</p> <p>Indicator 2-4: Quality control support capability</p>	<p>Aspect 3: Independence</p> <p>Indicator 3-1: Non-audit services</p> <p>Indicator 3-2: Customer familiarity</p>	<p>Aspect 4: Supervision</p> <p>Indicator 4-1: External inspection deficiencies and disciplinary actions</p> <p>Indicator 4-2: Improvement letters from regulatory authorities</p>	<p>Aspect 5: Innovation</p> <p>Indicator 5-1: Innovative planning or initiatives</p>
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Table 1: Directors' Training Status in 2024

Title	Name	Date	Organizer	Course Name	Training Hours
Chairman	Huey-Ling Chen	05/07/2024	Taiwan Investor Relations Institute	Ethical Business Conduct and Insider Trading	3
Chairman	Huey-Ling Chen	07/03/2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Director	Yuan-Hsun Chang	05/07/2024	Taiwan Investor Relations Institute	Ethical Business Conduct and Insider Trading	3
Director	Yuan-Hsun Chang	07/03/2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Director	Li-Kuo Liu	03/01/2024	Taiwan Corporate Governance Association	How the Audit Committee interprets and applies the Audit Quality Indicators (AQIs)	3
Director	Li-Kuo Liu	08/16/2024	Taiwan Corporate Governance Association	Re-evolution of data centers: development trends of silicon photonics and artificial intelligence servers	3
Director	Chun-Hao Lai	08/06/2024	Taiwan Corporate Governance Association	ESG Corporate Actions and Opportunities in Energy Trends	3
Director	Chun-Hao Lai	08/06/2024	Taiwan Corporate Governance Association	Update on International Tax Trends and Brief Analysis of U.S.-Taiwan Tax Relief Legislation	3
Independent Director	Jun-Ji Lin	03/26/2024	Taiwan Corporate Governance Association	Legal Matters Board Directors Should Know About Ethical Corporate Management Best Practice Principles	3
Independent Director	Jun-Ji Lin	05/07/2024	Taiwan Investor Relations Institute	Ethical Business Conduct and Insider Trading	3
Independent Director	Jun-Ji Lin	08/08/2024	Taiwan Corporate Governance Association	Corporate Sustainability and Resilience Management Strategies	3
Independent Director	Shih-Ying Huang	05/07/2024	Taiwan Investor Relations Institute	Ethical Business Conduct and Insider Trading	3
Independent Director	Shih-Ying Huang	07/09/2024	Taipei Exchange	TPEX Group: "AI Strategy and Governance"	3
Independent Director	Shih-Ying Huang	11/22/2024	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3

Table 2: Corporate Governance Officer Training Status in 2024

Title	Name	Date	Organizer	Course Name	Training Hours
Corporate Governance	Wei-Ning Liu	05/07/2024	Taiwan Investor Relations Institute	Ethical Business Conduct and Insider Trading	3
Corporate Governance	Wei-Ning Liu	07/09/2024	Taipei Exchange	TPEX Group: "AI Strategy and Governance"	3
Corporate Governance	Wei-Ning Liu	09/11/2024	Taipei Exchange	Briefing session for insiders on stock ownership, Hsinchu	3
Corporate Governance Officer	Wei-Ning Liu	11/08/2024	Taipei Foundation Of Finance	Corporate Governance – Sustainable Transformation in 2026: Strategic Planning for TNFD and Biodiversity Opportunities	3