

Stock Code: 3062

CyberTAN Technology Inc.

2024

Annual Report

Publication Date: March 5, 2025

Company Website: <http://www.cybertan.com.tw>

MOPS Website: <http://mops.twse.com.tw>

This Is A Translation Of The 2024Annual Report (The "Annual Report") Of Cybertan Technology Inc. (The "Company").

This Translation Is Intended For Reference Only And Nothing Else, The Company Hereby Disclaims Any And All Liabilities Whatsoever For The Translation. The Chinese Text Of The Annual Report Shall Govern Any And All Matters Related To The Interpretation Of The Subject Matter Stated Herein.

I. Names, titles, phone numbers and e-mail addresses of the spokesperson and deputy spokesperson.

| | |
|-------------------------------------|-----------------------------------|
| (I) Spokesperson: Lynn Kuo | Title: Spokesperson |
| Tel: (03)577-7777 | E-mail address:ir@cybertan.com.tw |
| (II) Deputy Spokesperson: Tiger Hsu | Title: Deputy Spokesperson |
| Tel: (03)577-7777 | E-mail address:ir@cybertan.com.tw |

II. Addresses and phone numbers of the headquarters, branches and factories.

Headquarters address: Hsinchu Science Park, No. 99, Yuanqu 3rd Rd., Baoshan Township, Hsinchu County
Tel: (03)577-7777

III. Names, addresses, websites and phone numbers of the stock transfer agent.

Stock Transfer Agent: Stock Affairs Department of Grand Fortune Securities Co., Ltd.
Address: 6F., No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City
Website: <http://www.gfortune.com.tw>
Tel: (02)2371-1658

IV. Names of CPAs, and name, address, website and phone number of the CPA firm for the latest financial statement.

Name of CPA: CPA Po-chuan Lin , CPA Chih-hua Hu
Name of CPA firm: PricewaterhouseCoopers Taiwan
Address: 27F., No. 333, Sec. 1, Keelung Rd., Taipei City
Website: <http://www.pwc.com/tw>
Tel: (02)2729-6666

V. Name of any exchange where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Company website: <http://www.cybertan.com.tw>

Table of Contents

| | |
|--|-----|
| One. Letter to Shareholders | 1 |
| Two. Corporate Governance Report | 3 |
| I. Information about Directors, President, Vice President, Assistant Vice President, and officers of departments and branches | 3 |
| II. Remuneration to Directors, President, Vice President in the most recent year | 15 |
| III. Corporate Governance Implementation | 19 |
| IV. Information of CPA Fees | 84 |
| V. Information on Replacement of CPA | 84 |
| VI. The Company’s Chairman, President, or any financial or accounting manager who has been employed by a CPA firm or any of its affiliates in the most recent year ... | 85 |
| VII. Any transfer of equities and change in equities pledged by directors, supervisors, managers, and shareholders with a stake of more than 10% in the most recent year up to the publication date of this annual report | 78 |
| VIII. Information on the top-ten shareholders who are related parties to each other, in a spousal relationship or within the second degree of kinship | 85 |
| IX. The total number of shares of the same investee held by the Company, its directors, supervisors, managers, and any companies controlled directly or indirectly by the Company, and the consolidated shareholding ratio | 86 |
| Three. Financing Status | 87 |
| I. Capital and shares | 88 |
| II. Issuance of corporate bonds | 88 |
| III. Issuance of preferred shares | 91 |
| IV. Issuance of overseas depository receipts | 91 |
| V. Issuance of employee stock option certificates..... | 91 |
| VI. Issuance of restricted stock awards for employees..... | 91 |
| VII. Issuance of new shares in connection with mergers or acquisitions or with the acquisition of shares of another company | 92 |
| VIII. Implementation of capital utilization plan | 98 |
| Four. Business Operation | 98 |
| I. Capital and shares..... | 99 |
| II. Market and sales overview | 113 |
| III. The number of employees, their average years of service, average age, and ratio by education level in the most recent two years up to the publication date of this annual report..... | 124 |
| IV. Information on environmental protection expenditures | 124 |
| V. Labor relation..... | 125 |
| VI. Cyber Security Management | 126 |
| VII. Important contract..... | 127 |
| Five. Review and Analysis of Financial Position and Financial Performance and Risk Matters | 128 |
| I. Financial position | 128 |

| | |
|---|-----|
| II. Financial performance..... | 128 |
| III. Cash flow..... | 129 |
| IV. Impacts of material capital expenditure in the most recent year on the financial status..... | 130 |
| V. The investment policies, the main reasons for the gains or losses of investments in the most recent year, improvement plans and the investment plans for the next year | 130 |
| VI. Analysis and assessment of risk matters | 130 |
| VII. Other important matters | 132 |
| Six. Special Items | 133 |
| I. Information on affiliates..... | 133 |
| II. Private placement of securities in the most recent year up to the publication date of this annual report..... | 133 |
| III. Other necessary supplementary information | 133 |
| Seven. Any Matters That Have A Material Impact on Shareholders' Equity or the Price of Securities..... | 133 |
| Any matters that have a material impact on shareholders' equity or the price of securities as defined in Sub-Paragraph 2, Paragraph 3, Article 36 of the Act in the most recent year up to the publication date of this annual report | 133 |

One. Report to Shareholders

Dear Shareholders:

We sincerely appreciate your great support for CyberTAN Technology over the past year. We hereby provide a report on the 2024 operational outcome and the 2025 future outlook of the Company for your review and consideration:

2024 Financial and Operational Outcomes

Looking back at our operating performance in 2024, our revenue last year was NTD 3.595 billion, a 5.5% decrease from 2023. The operating performance was unsatisfactory. While there are many internal and external factors that could have contributed to the unsatisfactory operating performance in 2024, we have continued to lay the groundwork and adjust the pace of our operations over the past year, and step by step, we have been able to achieve some results as planned. It is expected that in 2025, with the introduction of new products and the commissioning of a new plant in Vietnam, we will be able to recover from the low point and gradually regain growth momentum, with a significant increase in our revenue and profit.

The overall operating results are summarized as follows: In 2024, our net operating revenue was NTD 3,595,201 thousand, and our net operating loss was NTD 227,886 thousand. The after-tax net profit was NTD 2,717 thousand, and the earnings per share (EPS) were NTD 0.01. Regarding our financial operations, we have adhered to the principle of stability and have planned long- and short-term fund usage based on the status of our operations. In 2024, the current ratio was 225.99%, and the debt ratio was 29.50%. Such results show that we currently have sufficient working capital and that our financial structure is sound.

2025 Business Outlook

It is expected that the external environment in 2025 will continue to be full of uncertainties and variables. In addition to ongoing regional conflicts and widening regional differences in economic development. This year, we are expected to face a greater degree of geopolitical impact and the intensification of tariff wars. Therefore, CyberTAN will maintain a conservative and cautious attitude and will actively strengthen its internal organization and competitiveness to flexibly respond to various external challenges. Looking back to 2024, CyberTAN has made significant progress and achievements in terms of business management and product development. In 2025, CyberTAN will continue to uphold its spirit and pursue excellence by accumulating and achieving breakthroughs.

- In terms of R&D and business, CyberTAN continues to invest in the R&D of new products in 2024 and has obtained clear results. Among them, the “comprehensive corporate network solution” has won the award of Taiwan Excellence 2025. The product series includes the wall-mounted and top-mounted Access Points of WiFi6/WiFi7 wireless base stations; cloud and edge network controllers Cloud & On-Premise Controller, which provides excellent network communication solutions with high performance and cost-effectiveness and cloud intelligent management for small and medium enterprises/vertical market customers and SI/SP system integration and service providers.
- In terms of production and manufacturing, the new factory in Vietnam which started construction on purchased land in 2023 is expected to be completed in Q4 of 2024 and begin production in 2025. This new factory located in northern Vietnam is not only a milestone in the development of CyberTAN, but also the first factory that CyberTAN has planned, built and operated by itself since its establishment, representing our long-term commitment to manufacturing and development in response to the geopolitical situation. Ensuring the transfer of existing production lines and the introduction of new products and new customers is a very important task for CyberTAN this year. All employees of CyberTAN will do their best to ensure a smooth transfer, successful shipment, introduction of new customers, and achievement of the goals set by the Company.

In the promotion of its ESG plan, CyberTAN has continued to place emphasis and investment in the development of its core business and was awarded the Gold Award from the Responsible

Business Alliance (RBA) in 2024. RBA is the largest CSR alliance in the global industrial supply chain. According to the “Guidelines for the Joint Development of Commerce and Human Rights of the United Nations,” the RBA follows the “Declaration of Fundamental Principles and Rights at Work” and “Universal Declaration of Human Rights” of the International Labour Organization, covering all organizations engaged in the design, sales, manufacture or provision of goods and services for electronic products, and applies to their supply chain and outsourced companies, including contract labor, temporary labor and service providers. CyberTAN is a leader in the field of CSR, and it plans for further certification by the world-renowned corporate sustainability rating platform, EcoVadis, in 2025. CyberTAN will continue to implement the spirit of sustainable operation in all aspects of management and manufacturing.

Looking to the future, CyberTAN will not only launch new products and expand its customer base but also begin to organize an ecosystem to seize vertical markets and emerging fields and accumulate momentum for future growth. In addition, we are actively promoting technological advancement, including upgrading standards, deepening AI integration, and adopting open architectures. This not only facilitates the introduction of new products into new markets but also improves product performance, application services, device management, and introduction costs, thereby improving user experience and solidifying CyberTAN’s future position in Wi-Fi and networking.

2025 will be a key year for CyberTAN’s further development after stabilizing its footing. Although challenges in the external environment remain severe, we are still confident that, with the efforts of all of CyberTAN’s employees, we will be able to move steadily toward our goals with continued growth and return good operating results to our investors. Lastly, we want to thank our shareholders, customers, suppliers and all employees for their long-time support and encouragement to CyberTAN.

All the best!

Chairman: Gwong-Yih Lee

Two. Corporate Governance Report I. Information about Directors, President, Vice President, Assistant Vice President, and officers of departments and branches

(I) Directors

1. Shareholding information of Directors

March 5, 2025

| Title | Nationality or place of registration | Name | Gender Age | Date of election (appointment) | Term (Years) | First elected date | Shareholding when elected | | Current shareholding | | Current shares held by spouse and minor children | | Shares held in the names of others | | Selected Education and Professional Qualification Past Positions | Concurrent positions in the Company and in other companies | Other managers, directors, or supervisors who are spouses or relatives within the second degree of kinship | | | Remarks |
|----------|--------------------------------------|-----------------------------|---------------|--------------------------------|--------------|--------------------|---------------------------|--------------------|----------------------|--------------------|--|--------------------|------------------------------------|--------------------|---|---|--|------|--------------|---------|
| | | | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relationship | |
| Chairman | ROC | Gwong-Yih Lee | Male 61~70 | 2024.06.25 | 3 | 2022.04.06 | 663,000 | 0.20% | 911,500 | 0.28% | 670,000 | 0.20% | - | - | Selected Education and Professional Qualification <ul style="list-style-type: none"> ● Master of Electrical Engineering, State University of New York ● Master of Department of Electronics and Electrical Engineering, National Yang Ming Chiao Tung University Past Positions <ul style="list-style-type: none"> ● Chairman and President of CyberTAN Technology Inc. ● Founder, Chairman and President of TransMedia Communication Inc. ● Founder, Chairman and President of Digidom Systems Inc. | <ul style="list-style-type: none"> ● President of CyberTAN Technology Inc. ● managing Director of Translink Capital ● Board Advisor of Creative Technology Ltd. ● Director of ITRI International Inc. ● Director of FOOTPRINTKU INC. ● President of CyberTAN Corp.(USA) ● Chairman of Cyber Touch Investment Inc. ● Chairman of CyberTAN (BVI) Investment Corp. ● Chairman of CyberTAN Technology (Hongkong) Limited | | | | |
| Director | ROC | Foxconn Technology Co., Ltd | - | 2024.06.25 | 3 | 2006.1.20 | 10,035,348 | 3.04% | 10,035,348 | 3.04% | - | - | - | - | - | - | - | - | - | |

| Title | Nationality or place of registration | Name | Gender Age | Date of election (appointment) | Term (Years) | First elected date | Shareholding when elected | | Current shareholding | | Current shares held by spouse and minor children | | Shares held in the names of others | | Selected Education and Professional Qualification Past Positions | Concurrent positions in the Company and in other companies | Other managers, directors, or supervisors who are spouses or relatives within the second degree of kinship | | | Remarks |
|----------|--------------------------------------|-----------------------------|------------|--------------------------------|--------------|--------------------|---------------------------|--------------------|----------------------|--------------------|--|--------------------|------------------------------------|---|--|--|--|------|--------------|---------|
| | | | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relationship | |
| | | | | | | | | | | | | | | | | | | | | |
| ROC | Representative: Deaxy Wang | Male 51-60 | 2024.06.25 | - | 2024.06.25 | 87,000 | 0.03% | 142,500 | 0.04% | - | - | - | - | Selected Education and Professional Qualification <ul style="list-style-type: none"> ● Master's Program of Electronic Engineering, Yuan Ze University Past Positions <ul style="list-style-type: none"> ● Associate of CyberTAN Technology Inc. | <ul style="list-style-type: none"> ● Vice President of ODM/CM CyberTAN Technology Inc. ● Supervisor of Ta Tang Investment Co., Ltd. ● Supervisor of Fuhongkang Technology (Shenzhen) Co., Ltd. ● Supervisor of Chongqing Hongdaofu Technology Co., Ltd. and Responsible Person of its Guangzhou Branch ● Supervisor of Guangzhou Fuguang Communication Technology Co., Ltd. | - | - | - | | |
| ROC | Foxconn Technology Co., Ltd | - | 2024.06.25 | 3 | 2006.1.20 | 10,035,348 | 3.04% | 10,035,348 | 3.04% | - | - | - | - | - | - | - | - | - | | |
| Director | ROC | Representative: Raoul Oyang | Male 51-60 | 2024.06.25 | - | 2024.06.25 | 20,000 | 0.01% | 57,500 | 0.02% | - | - | - | - | Selected Education <ul style="list-style-type: none"> ● Master of Applied Mathematics, National Chung Hsing University Past Positions <ul style="list-style-type: none"> ● Senior Director of R&D Division, TP-Link Taiwan R&D CO., Ltd. ● Vice Director of XAVi Technologies Corporation | <ul style="list-style-type: none"> ● Vice President of SMB CyberTAN Technology Inc. ● Chairman of Guangzhou Fuguang Communication Technology Co., Ltd. | | | | |

| Title | Nationality or place of registration | Name | Gender | Age | Date of election (appointment) | Term (Years) | First elected date | Shareholding when elected | | Current shareholding | | Current shares held by spouse and minor children | | Shares held in the names of others | | Selected Education and Professional Qualification Past Positions | Concurrent positions in the Company and in other companies | Other managers, directors, or supervisors who are spouses or relatives within the second degree of kinship | | | Remarks |
|----------------------|--------------------------------------|-----------|--------|-------|--------------------------------|--------------|--------------------|---------------------------|--------------------|----------------------|--------------------|--|--------------------|------------------------------------|--------------------|--|--|--|------|--------------|---------|
| | | | | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relationship | |
| Independent Director | ROC | Grace Lee | Female | 61-70 | 2024.06.25 | 3 | 2024.06.25 | - | - | - | - | - | - | - | - | Selected Education and Professional Qualification <ul style="list-style-type: none"> ● Doctor of Business Administration, NCCU Department ● Master of Business Administration, NCCU Department Past Positions <ul style="list-style-type: none"> ● General Manager of Business Division - Cost Management of Business Group B, Hon Hai Precision Industry Co., Ltd. ● Director and member of the Nomination Committee, Remuneration Committee and Audit Committee of FIH Mobile Limited ● Supervisor of FOXCONN TECHNOLOGY CO., LTD. ● Chairman of HONGFUJIN PRECISION ELECTRONICS (CHENGDU) CO., LTD. ● Chairman of HON FU CHENG PRECISION ELECTRONICS (CHENGDU) CO., LTD. ● executive Director of Hongfucheng Technology (Tianjin) Co., Ltd. ● Director of Hon Hai Education Foundation | None | - | - | - | |

| Title | Nationality or place of registration | Name | Gender | Age | Date of election (appointment) | Term (Years) | First elected date | Shareholding when elected | | Current shareholding | | Current shares held by spouse and minor children | | Shares held in the names of others | | Selected Education and Professional Qualification Past Positions | Concurrent positions in the Company and in other companies | Other managers, directors, or supervisors who are spouses or relatives within the second degree of kinship | | | Remarks |
|-------|--------------------------------------|------|--------|-----|--------------------------------|--------------|--------------------|---------------------------|--------------------|----------------------|--------------------|--|--------------------|------------------------------------|--|---|--|--|------|--------------|---------|
| | | | | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relationship | |
| | | | | | | | | | | | | | | | <ul style="list-style-type: none"> ● Director of Socle Technology Corp. ● Vice President of Business Division - Cost Management of Business Group B ,Hon Hai Precision Industry Co., Ltd. ● Vice President of Headquarters Central Operations and Control Division ,Hon Hai Precision Industry Co., Ltd. ● Director and Chief Financial Officer, Spokesperson of CyberTAN Technology Inc. ● Assistant Professor, Department of Business Administration of National Central University | | | | | | |

| Title | Nationality or place of registration | Name | Gender Age | Date of election (appointment) | Term (Years) | First elected date | Shareholding when elected | | Current shareholding | | Current shares held by spouse and minor children | | Shares held in the names of others | | Selected Education and Professional Qualification Past Positions | Concurrent positions in the Company and in other companies | Other managers, directors, or supervisors who are spouses or relatives within the second degree of kinship | | | Remarks |
|----------------------|--------------------------------------|-----------------|--------------|--------------------------------|--------------|--------------------|---------------------------|--------------------|----------------------|--------------------|--|--------------------|------------------------------------|--------------------|--|---|--|------|--------------|---------|
| | | | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relationship | |
| Independent Director | ROC | Hui-Chun Liu | Female 51-60 | 2024.06.25 | 3 | 2024.06.25 | - | - | - | - | - | - | - | - | Selected Education and Professional Qualification <ul style="list-style-type: none"> ● LLB. National Taiwan University ● passed the national examination for lawyer Past Positions <ul style="list-style-type: none"> ● supervisor of CyberTAN Technology Inc. ● Restructuring Supervisor of Wintek Technology Inc. ● Liquidator of TOP GREEN ENERGY TECHNOLOGIES INC. ● Bankruptcy Administrator of Chungwa Picture Tubes, Ltd. | <ul style="list-style-type: none"> ● Presiding Attorney of A&P LAW OFFICES ● Independent Director of INFINITE FINANCE CO., LTD. | - | - | - | |
| Independent Director | ROC | Judy Y.C. Chang | Female 71-80 | 2021.7.30 | 3 | 2015.6.22 | - | - | - | - | - | - | - | - | Selected Education and Professional Qualification <p>Doctor of Law, China University of Political Science and Law; Master of Information Management, Lawrence Institute of Technology; Master of Law, American University; Bachelor, Department of Law, Fu Jen Catholic University</p> Past Positions <p>Partner, Lee & Lee Attorneys-At-Law Lecturer of Fu Jen Catholic University</p> | <ul style="list-style-type: none"> ● Senior Advisor of Wu & Partners, Attorneys-At-Law | - | - | - | |

| Title | Nationality or place of registration | Name | Gender Age | Date of election (appointment) | Term (Years) | First elected date | Shareholding when elected | | Current shareholding | | Current shares held by spouse and minor children | | Shares held in the names of others | | Selected Education and Professional Qualification Past Positions | Concurrent positions in the Company and in other companies | Other managers, directors, or supervisors who are spouses or relatives within the second degree of kinship | | | Remarks |
|----------------------|--------------------------------------|------------|--------------|--------------------------------|--------------|--------------------|---------------------------|--------------------|----------------------|--------------------|--|--------------------|------------------------------------|--------------------|--|--|--|------|--------------|---------|
| | | | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relationship | |
| Independent Director | ROC | Hualin Chi | Female 51-60 | 2024.06.25 | 3 | 2024.06.25 | - | - | - | - | - | - | - | - | Selected Education and Professional Qualification ●MBA, University of Florida, USA ●BS, Dept of Business Administration, National Cheng Chi University. Past Positions ●Vice President & CFO 、 corporate governance officer 、 Head of Human Resources 、 spokesperson of Microelectronics Technology Inc. | None | - | - | - | |

2. Major shareholders of corporate shareholders

(1) Major shareholders of corporate shareholders

| Names of corporate shareholders | Major shareholders of corporate shareholders | Shareholding ratio |
|---------------------------------|---|--------------------|
| Foxconn Technology Co., Ltd. | Hon Hai Precision Industry Co., Ltd. | 9.88% |
| | BaoXin International Investment Co., Ltd. | 7.93% |
| | Hyield Venture Capital Co., Ltd. | 6.01% |
| | HongQi International Investment Co., Ltd. | 2.25% |
| | HongYuan International Investment Co. Ltd | 2.19% |
| | Standard Chartered Bank as custodian of LGT | 2.08% |
| | ChungHwa Post Co., Ltd. | 1.18% |
| | Labor Pension Fund | 1.14% |
| | Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds | 1.10% |
| | VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS | 1.00% |

(2) Major shareholders of major corporate shareholders

| Names of corporates | Major shareholders of corporates | Shareholding ratio |
|---|---|--------------------|
| Hon Hai Precision Industry Co., Ltd. | Gou, Tai –ming(Terry Gou) | 12.54% |
| | New Labor Pension Fund | 1.77% |
| | Standard Chartered Bank as custodian of LGT | 1.27% |
| | Citibank Hosting Government of Singapore Investment Account | 1.25% |
| | JPMorgan Chase Bank Hosting Vanguard STAR Developed Markets Index Fund | 1.22% |
| | Citibank Hosting Norges Bank Investment Account | 1.16% |
| | JPMorgan Chase Hosting Vanguard Developing Markets Index Fund | 1.10% |
| | Yuanta/P-shares Taiwan Top 50 ETF | 1.00% |
| | Standard Chartered Bank's iShares Emerging Markets ETF Investment Account | 0.77% |
| | ChungHwa Post Co., Ltd. | 0.69% |
| Bao Shin International Investment Co., Ltd. | Hon Hai Precision Industry Co., Ltd. | 100% |
| Hyield Venture Capital Co., Ltd. | Hon Hai Precision Industry Co., Ltd. | 97.95% |
| Hon Yuan International Investment Co., Ltd. | Hon Hai Precision Industry Co., Ltd. | 100% |

3. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors :

| Criteria Name/Title | Professional Qualification and Experience | Independent Directors' Independence Status | Number of independent directors of other public companies |
|---|--|---|---|
| Chairman Gwong-Yih Lee | For Directors' professional qualification and experience, please refer to page 7-12 of this Annual Report. None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.(Note 1) | Not Aoplicable | 1 |
| Director Deaxy Wang | | | 0 |
| Director Raoul Oyang | | | 0 |
| Independent Director Grace Lee | | All of the following situations apply to each and every of the Independent Directors: 1.Satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Taiwan's Securities and Futures Bureau 2.Independent Director (or nominee arrangement) as well as hiser spouse and minor children do not hold any CyberTan shares 3.Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit sevice" or a "non-audit service" | 0 |
| Independent Director Hui-Chun Liu | | | 1 |
| Independent Director Judy Y.C. Chang | | | 0 |
| Independent Director Hualin Chi | | | 0 |

Note 1: A person shall not act in a management capacity for a company, and if so appointed, must be immediately discharged if they have been:

- 1.Convicted for a violation of the Statutes for the Prevention of Organizational Crimes and: has not started serving the sentence; has not completed serving the sentence; or five years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
- 2.Convicted for fraud, breach of trust or misappropriation, with imprisonment for a term of more than one year, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
- 3.Convicted for violation of the Anti-Corruption Act, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence,

- expiration of probation, or pardon;
- 4. Adjudicated bankrupt or adjudicated to commence a liquidation process by a court, and having not been reinstated to his or her rights and privileges;
- 5. Sanctioned for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- 6. If she/he does not have any or limited legal capacity; or
- 7. If she/he has been adjudicated to require legal guardianship and such requirement has not been revoked yet.

Note 2: 1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

2. Not serving concurrently as an independent director on more than three other public companies in total.

3. During the two years before being elected and during the term of office, meet any of the following situations:

- (1) Not an employee of the company or any of its affiliates;
- (2) Not a director or supervisor of the company or any of its affiliates;
- (3) Not 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 amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3);
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
- (8) Not 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; and
- (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NT\$500,000".

4. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

Based on the policy of diversification and strengthening of corporate governance in order to promote the sound development of the Company's board composition and structure, the nomination of candidates for directors of the Company shall be adopted the candidate nomination system in accordance with the provisions of the Company's Articles of Incorporation. Each candidate's academic qualifications, work experience, professional background, integrity or relevant professional qualifications, and others are evaluated and considered. After the Board of Directors passed the resolution, the proposed nominees will be submitted to the Shareholders Meeting for election. Currently, there are seven directors consisting of professional and diversified members of attorneys, lecturers in colleges or universities and professional managers. Directors who are also employees of the Company represent 42.86% of the Board and the independent directors represent 57.14% of the Board. The Company also pays attention to gender equality regarding the composition of Board members. The targeted ratio of female directors is above 25% and the female directors currently account for about 57.14%. More than half of the independent directors have served for no more than three consecutive terms, and directors under the age of 60 account for approximately 57.14%.

| Item Name of director | Gender | Operational judgment ability | Accounting, financial and legal analysis ability | Business management ability | Crisis management ability | Knowledge of the industry | Insight of international markets | Leadership | Decision-making ability |
|--------------------------|--------|------------------------------|--|-----------------------------|---------------------------|---------------------------|----------------------------------|------------|-------------------------|
| Gwong-Yih Lee | Male | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Deaxy Wang | Male | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Raoul Oyang | Male | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Grace Lee | Female | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Hui-Chun Liu | Female | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Judy Y.C. Chang | Female | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Hualin Chi | Female | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

(2) Independence of the Board of Directors: The Board of Directors of the Company consists of seven directors, of which four are independent directors and three directors as employee (57.14% and 42.86% of all directors), as well as the independent directors are more than half of the board seats. As of March 5, 2025, In addition, all of independent directors comply with the regulations of the Securities and Futures Bureau and none of the circumstances prescribed in paragraph 3 and paragraph 4, Article 26-3 of the Securities Exchange Act exist among the directors and independent directors. The Board of Directors of the Company is independent (Please refer to page 14 of this Annual Report - Disclosure of information on professional qualifications of directors and independence of independent directors).

(II) President, Vice President, Assistant Vice President, and officers of departments and branches

March 05, 2025

| Title | Nationality | Name | Gender | Date of election (appointment) | Shareholding | | Shares held by spouse and minor children | | Shares held in the names of others | | Academic and career achievements | Concurrent positions in other companies | Managers who are spouses or relatives within the second degree of kinship | | | Remarks |
|----------------------|-------------|---------------|--------|--------------------------------|------------------|---------------------|--|---------------------|------------------------------------|---------------------|---|--|---|------|--------------|---------|
| | | | | | Number of shares | Share holding ratio | Number of shares | Share holding ratio | Number of shares | Share holding ratio | | | Title | Name | Relationship | |
| Chairman & President | ROC | Gwong-Yih Lee | Male | 2022.04.06 | 911,500 | 0.28% | 670,000 | 0.20% | - | - | Selected Education Master of Electrical Engineering, State University of New York Master of Department of Electronics and Electrical Engineering, National Yang Ming Chiao Tung University Past Positions Chairman and President of CyberTAN Technology Inc. Founder, Chairman and President of TransMedia Communication Inc. Founder, Chairman and President of Digicom Systems Inc. | <ul style="list-style-type: none"> ● managing Director of Translink Capital ● Board Advisor of Creative Technology Ltd. ● Director of ITRI International Inc. ● Director of FOOTPRINTKU INC. ● President of CyberTAN Corp.(USA) ● Chairman of Cyber Touch Investment Inc. ● Chairman of CyberTAN (BVI) Investment Corp. ● Chairman of CyberTAN Technology (Hongkong) Limited | - | - | - | |
| Vice President | ROC | Deaxy Wang | Male | 2011.08.27 | 142,500 | 0.04% | - | - | - | - | Selected Education Master's Program of Electronic Engineering, Yuan Ze University | <ul style="list-style-type: none"> ● Vice President of ODM/CM CyberTAN Technology Inc. ● Supervisor of Ta Tang Investment Co., Ltd. ● Supervisor of Fuhongkang Technology (Shenzhen) Co., Ltd. ● Supervisor of Chongqing Hongdaofu Technology Co., Ltd. and Responsible Person of its Guangzhou Branch ● Supervisor of Guangzhou Fuguang Communication Technology Co., Ltd. | - | - | - | |
| Vice President | ROC | Maxon Huang | Male | 2019.10.14 | 30,000 | 0.01% | - | - | - | - | Selected Education Bachelor, Industrial Design, San Jose State University Past Positions Senior Director of Network Communication Business Group, Foxconn Technology Group | <ul style="list-style-type: none"> ● Chairman of Fuhongkang Technology (Shenzhen) Co., Ltd. ● Chairman of Chongqing Hongdaofu Technology Co., Ltd. ● Representative of HON YAO FU TECHNOLOGY COMPANY LIMITED ● Representative of FU HAI Technology Company Limited | - | - | - | |

| Title | Nationality | Name | Gender | Date of election (appointment) | Shareholding | | Shares held by spouse and minor children | | Shares held in the names of others | | Academic and career achievements | Concurrent positions in other companies | Managers who are spouses or relatives within the second degree of kinship | | | Remarks |
|------------------------------|-------------|-------------|--------|--------------------------------|------------------|--------------------|--|--------------------|------------------------------------|--------------------|---|---|---|------|--------------|---------|
| | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relationship | |
| Vice President | ROC | Raoul Oyang | Male | 2022.06.01 | 57,500 | 0.02% | - | - | - | - | Selected Education Master of Applied Mathematics, National Chung Hsing University Past Positions Senior Director of R&D Division, TP-Link Taiwan R&D CO., Ltd. Vice Director of XAVi Technologies Corporation | <ul style="list-style-type: none"> ● Chairman of Guangzhou Fuguang Communication Technology Co., Ltd. | - | - | - | |
| associate | ROC | Jeffrey Liu | Male | 2023.03.01 | 35,000 | 0.01% | - | - | - | - | Selected Education Doctor of Computer Science, National Tsing Hua University Past Positions Senior Manager of Business Development, Arcadyan Technology Corporation Manager of Product Line, TP-Link Taiwan R&D CO., Ltd. | <ul style="list-style-type: none"> ● Chairman of SonicFi Inc. | - | - | - | |
| Finance & Accounting Officer | ROC | Sam Huang | Male | 2024.09.04 | 3,000 | 0.00% | - | - | - | - | Selected Education Department of Accounting of Bachelor, Providence University Past Positions Account Manager of PricewaterhouseCoopers Taiwan | <ul style="list-style-type: none"> ● Director of Cyber Touch Investment Inc. ● Chairman of Fuhongkang Technology (Shenzhen) Co., Ltd. ● Chairman of Chongqing Hongdaofu Technology Co., Ltd. | - | - | - | |
| Corporate Governance Officer | ROC | Steven Kuo | Male | 2024.09.26 | - | - | - | - | - | - | Selected Education Master of Accountancy of Jinan University Past Positions Accounting Department Manager of Hocheng Corporation Financial manager of Sunwell Carbon Fiber Composite Corporation. Deputy Manager of Accounting Department of AcBel Polytech. Inc., | None | - | - | - | |

1. Please describe the policy, system, standard and structure of remuneration payment for independent directors and specify the correlation with the remuneration payment amount based on the directors' responsibility, risk, and involvement duration: The Company paid remunerations to the directors in consideration of the peer level in accordance with Article 16 of the Articles of Incorporation.
2. In addition to what is disclosed in the above table, the remuneration to the Company's directors for providing services (such as assuming a non-employee advising post) for all the companies included in the financial statement in the most recent year: None.

Note 1: The Company's directors did not receive any compensation from earning distribution but only received their business execution remuneration.

Note 2: The data represent the contribution to expensed incurred retirement pension.

Note 3: He was the legal representative of Foxconn Technology Co., Ltd. and was nominated as the chairman of the board of directors. After the re-election of directors on June 25, 2024, he was elected as a natural person and was nominated as the chairman of the board of directors.

Note 4: The corporate director and representative of Foxconn Technology Co., Ltd.: Hank Hsieh will step down after the shareholders' regular meeting on June 25, 2024, so the information after his resignation will not be disclosed. The new representatives: Deaxy Wang and Raoul Oyang were elected at the shareholders' meeting on June 25, 2024, so information before the election will not be disclosed.

Note 5: Was elected at the annual general meeting of shareholders held on June 25, 2024.

Note 6: Dismissed after the annual general meeting of shareholders held on June 25, 2024.

Note 7: The payment of employee remuneration to all directors of the Company who are part-time employees has been reviewed by the Company's Remuneration Committee and approved by the Board of Directors.

Note 8: Provide a rental car, the annual rental fee is NT\$1,380,000, and the driver's salary is NT\$848,000, not including remuneration.

Range of Remuneration

| Range of remuneration to the Company's directors | Name of director | | | |
|--|---|---|--|--|
| | Sum of the first 4 items (A+B+C+D) | | Sum of the first 7 items (A+B+C+D+E+F+G) | |
| | The Company | All the companies included in the financial statements H | The Company | All the companies included in the financial statements I |
| Below NTD 1,000,000 | Gwong-Yih Lee 、 Raoul Oyang 、 Deaxy Wang 、 Hank Hsieh 、 Grace Lee 、 Hui-Chun Liu 、 Judy Y.C. Chang 、 Hualin Chi 、 Hung-Hsun Ting 、 Shih-Mei Lin 、 Ying-Shan Lin | Gwong-Yih Lee 、 Raoul Oyang 、 Deaxy Wang 、 Hank Hsieh 、 Grace Lee 、 Hui-Chun Liu 、 Judy Y.C. Chang 、 Hualin Chi 、 Hung-Hsun Ting 、 Shih-Mei Lin 、 Ying-Shan Lin | Hank Hsieh 、 Grace Lee 、 Hui-Chun Liu 、 Judy Y.C. Chang 、 Hualin Chi 、 Hung-Hsun Ting 、 Shih-Mei Lin 、 Ying-Shan Lin | Hank Hsieh 、 Grace Lee 、 Hui-Chun Liu 、 Judy Y.C. Chang 、 Hualin Chi 、 Hung-Hsun Ting 、 Shih-Mei Lin 、 Ying-Shan Lin |
| NTD 1,000,000 (inclusive) ~ NTD 2,000,000 (exclusive) | - | - | Raoul Oyang 、 Deaxy Wang 、 | Raoul Oyang 、 Deaxy Wang 、 |
| NTD 2,000,000 (inclusive) ~ NTD 3,500,000 (exclusive) | - | - | - | - |
| NTD 3,500,000 (inclusive) ~ NTD 5,000,000 (exclusive) | - | - | Gwong-Yih Lee | Gwong-Yih Lee |
| NTD 5,000,000 (inclusive) ~ NTD 10,000,000 (exclusive) | - | - | - | - |
| NTD 10,000,000 (inclusive) ~ NTD 15,000,000 (exclusive) | - | - | - | - |
| NTD 15,000,000 (inclusive) ~ NTD 30,000,000 (exclusive) | - | - | - | - |
| NTD 30,000,000 (inclusive) ~ NTD 50,000,000 (exclusive) | - | - | - | - |
| NTD 50,000,000 (inclusive) ~ NTD 100,000,000 (exclusive) | - | - | - | - |
| Over NTD 100,000,000 | - | - | - | - |
| Total | 11 persons | 11 persons | 11 persons | 11 persons |

(II) Remuneration to the President and Vice President

December 31, 2024 Unit: NTD thousand

| Title | Name | Salary (A) | | Retirement pension (B) | | Bonuses, special allowances, etc. (C) | | Employee remuneration amount (D) (Note 3) | | | | Ratio of sum of A, B, C and D to profit after tax (%) | | Remuneration from investees beyond subsidiaries or the parent company | | |
|----------------------|---------------|-------------|--|------------------------|--|---------------------------------------|--|--|-----------------------|--|-----------------------|---|--|---|--------|------|
| | | The Company | All the companies included in the financial statements | The Company | All the companies included in the financial statements | The Company | All the companies included in the financial statements | The Company | | All the companies included in the financial statements | | The Company | All the companies included in the financial statements | | | |
| | | | | | | | | Amount paid in cash | Amount paid in shares | Amount paid in cash | Amount paid in shares | | | | | |
| Chairman & President | Gwong-Yih Lee | 12,840 | 12,840 | 324 | 324 | 1,792 | 1,792 | - | - | - | - | 14,956 | 550.46 | 14,956 | 550.46 | None |
| Vice President | Deaxy Wang | | | | | | | | | | | | | | | |
| Vice President | Maxon Huang | | | | | | | | | | | | | | | |
| Vice President | Raoul Oyang | | | | | | | | | | | | | | | |

Range of Remuneration

| Range of remuneration to the President and Vice President | Names of the President and Vice President | |
|---|---|--|
| | The Company | All the companies included in the financial statements E |
| Below NTD 1,000,000 | - | - |
| NTD 1,000,000 (inclusive) ~ NTD 2,000,000 (exclusive) | - | - |
| NTD 2,000,000 (inclusive) ~ NTD 3,500,000 (exclusive) | Deaxy Wang | Deaxy Wang |
| NTD 3,500,000 (inclusive) ~ NTD 5,000,000 (exclusive) | Gwong-Yih Lee、Raoul Oyang、Maxon Huang | Gwong-Yih Lee、Raoul Oyang、Maxon Huang |
| NTD 5,000,000 (inclusive) ~ NTD 10,000,000 (exclusive) | - | - |
| NTD 10,000,000 (inclusive) ~ NTD 15,000,000 (exclusive) | - | - |
| NTD 15,000,000 (inclusive) ~ NTD 30,000,000 (exclusive) | - | - |
| NTD 30,000,000 (inclusive) ~ NTD 50,000,000 (exclusive) | - | - |
| NTD 50,000,000 (inclusive) ~ NTD 100,000,000 (exclusive) | - | - |
| Over NTD 100,000,000 | - | - |
| Total | 4 persons | 4 persons |

(III) Names of the managers receiving employee remuneration and the distribution thereof

December 31, 2024 Unit: NTD thousand

| | Title | Name | Amount paid in shares | Amount paid in cash | Total | Ratio of total amount to profit after tax (%) |
|---------|------------------------------|---------------|-----------------------|---------------------|-------|---|
| Manager | Chairman & President | Gwong-Yih Lee | 0 | 0 | 0 | 0 |
| | Vice President | Deaxy Wang | | | | |
| | Vice President | Maxon Huang | | | | |
| | Vice President | Raoul Oyang | | | | |
| | Associate(Note) | Jeffrey Liu | | | | |
| | Finance & Accounting Officer | Sam Huang | | | | |
| | Corporate Governance Officer | Steven Kuo | | | | |

(IV) Comparison and analysis of the total remuneration to directors, supervisors, the President and Vice President of the Company in proportion to the profit after tax from the Company and companies included in the consolidated statements in the most recent two years shown in the separate or individual financial statements, and the policies, standards, and packages based on which they were paid, procedures of determining remunerations, and their correlation with operating performance and future risks.

1. Analysis of ratio of total remuneration to profit after tax

Unit: NTD thousand

| Title \ Year | Total remuneration | | Ratio of total remuneration to profit after tax | |
|------------------------------|--------------------|--------|---|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Director | 9,528 | 15,130 | 350.68% | (4.78)% |
| President and Vice President | 14,956 | 25,213 | 550.46% | (7.96)% |

Note: The Company and all the companies included in the financial statement paid the same amount for the remunerations.

2. Policies, standards, and packages based on which remunerations are paid, procedures of determining remunerations, and their correlation with operating performance and future risks

- (1) Directors: The independent directors of the company receive fixed remuneration and attendance fees, while the other directors do not receive any remuneration. All directors do not receive any remuneration.
- (2) President and vice president: The ratio of the distribution of remuneration to the Company's managers is determined based on the profitability and revenue growth rate for the year, subject to Article 20 of the Company's Articles of Incorporation. The remuneration of the Company's managers is determined based on their degree of participation in the Company's operations and the evaluation of their performance. The aspects evaluated include: practices of the Company's core values and operational management skills, financial and operational performance indicators and comprehensive management indicators, and their participation in continuous education and sustainable management. Their other special contributions or significant negative events are also considered in the performance of evaluation and remuneration distribution.

IV. Corporate Governance Implementation

(I) Operation of the Board of Directors

The Board of Directors convened five meetings in the most recent year (2024).

The attendance record of the directors is listed as follows:

| Title | Name | Actual attendance | Proxy attendance | Actual attendance rate (%) | Remarks |
|----------------------|---|-------------------|------------------|----------------------------|---------|
| Chairman | Gwong-Yih Lee(Note1) | 4 | 0 | 100 | |
| Chairman | Foxconn Technology Co., Ltd. Representative: Gwong-Yih Lee(Note1) | 3 | 0 | 100 | |
| Director | Foxconn Technology Co., Ltd. Representative: Deaxy Wang(Note2) | 4 | 0 | 100 | |
| Director | Foxconn Technology Co., Ltd. Representative: Hank Hsieh (Note2) | 2 | 1 | 66.67 | |
| Director | Foxconn Technology Co., Ltd. Representative: Raoul Oyang (Note3) | 4 | 0 | 100 | |
| Independent Director | Grace Lee(Note4) | 4 | 0 | 100 | |
| Independent Director | Hui-Chun Liu(Note4) | 4 | 0 | 100 | |
| Independent Director | Judy Y.C. Chang | 6 | 1 | 85.71 | |
| Independent Director | Hualin Chi(Note4) | 4 | 0 | 100 | |
| Independent Director | Hung-Hsun Ting(Note5) | 3 | 0 | 100 | |
| Independent Director | Shih-Mei Lin(Note5) | 2 | 1 | 66.67 | |
| Independent Director | Ying-Shan Lin(Note5) | 3 | 0 | 100 | |

Note 1:After election of directors took place on June 25, 2024, the representative of the corporate director of Foxconn Technology Co., Ltd. was elected as director as a natural person.

Note 2:Director Foxconn Technology Co., Ltd. Representative:Hank Hsieh dismissed after the shareholders' meeting on June 25, 2024. should attend 3 times. The new representative:Deaxy Wang was elected at the shareholders' meeting on June 25, 2024. should attend 4 times.

Note 3:On June 25, 2024, Foxconn Technology Co., Ltd. reassigned its representative :Raoul Oyang was elected should attend 4 times.

Note 4:Was elected at the annual general meeting of shareholders held on June 25, 2024, should attend 4 times.

Note 5:Dismissed after the annual general meeting of shareholders held on June 25, 2024, should attend 3 times.

Other particulars:

1. Where the operations of the Board of Directors meet any of the following circumstances, the minutes concerned shall clearly state the meeting date, session, contents of proposals, opinions of all independent directors, and the Company's resolution of said opinions:

(1) Matters specified in Article 14-3 of the Securities and Exchange Act: Not applicable, The Company has established the Audit Committee.

(2) Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing other than those described above: None.

2. Directors' avoidance of the proposals involving any conflict of interest, information including the director's name, contents of the proposals, causes of recusal, and participation in the voting process should be stated:

(1) Board meeting on 2024/03/11

◎ Proposal: Remove the non-competition restrictions against new directors and their representatives.

- Directors who recuse themselves due to a conflict of interest: Chairman Gwong-Yih Lee .
- Reason for recusal: Involved in the proposal to remove the non-competition restrictions against directors and their representatives.
- Participation in voting: The directors mentioned recused themselves from the discussion and voting of this proposal.

(2) Board meeting on 2024/05/10

◎ Proposal: Discussing manager compensation cases.

- Directors who recuse themselves due to a conflict of interest: Chairman Gwong-Yih Lee .
- Reason for recusal: Remuneration to the aforementioned personnel.
- Participation in voting: The directors mentioned recused themselves from the discussion and voting of this proposal.

(3) Board meeting on 2024/06/25

◎ Proposal: Appointment of the Company's Remuneration Committee members.

- Directors who recuse themselves due to a conflict of interest: Independent Director Grace Lee, Independent Director Hui-Chun Liu, Independent Director Judy Y.C. Chang, Independent Director Hualin Chi.
- Reason for recusal: The Company has appointed the independent directors mentioned above to serve as Remuneration Committee members.
- Participation in voting: The directors mentioned recused themselves from the discussion and voting of this proposal.

(4) Board meeting on 2024/11/13

◎ Proposal: Proposal: Appointment of the Company's Cybersecurity Committee members.

- Directors who recuse themselves due to a conflict of interest: Independent Director Judy Y.C. Chang, Independent Director Hualin Chi.
- Reason for recusal: The Company has appointed the independent directors mentioned above to serve as Cybersecurity Committee members.
- Participation in voting: The directors mentioned recused themselves from the discussion and voting of this proposal.

◎ Proposal: Discussing manager compensation cases.

- Directors who recuse themselves due to a conflict of interest: Chairman Gwong-Yih Lee 、 Director Deaxy Wang 、 Director Raoul Oyang.
- Reason for recusal: Remuneration to the aforementioned personnel.
- Participation in voting: The directors mentioned recused themselves from the discussion and voting of this proposal.

3. Information including the cycle, period, scope, method, and contents of the self-evaluation for the Board of Directors:

| | |
|--------|---|
| Cycle | Once a year |
| Period | January 1, 2024 – December 31, 2024 |
| Scope | Evaluation of the performances of the Board of Directors, individual director and functional committees |
| Method | Self-evaluation for the Board of Directors and the members thereof |
| Item | <p>Items of the internal self-evaluation of the Board of Directors' overall performance include the following five major targets: 1. Participation in the Company's operation; 2. Improvement of the Board's decision quality; 3. The Board's composition and structure; 4. Election and continuous training of the directors; 5. Internal control;</p> <p>Items of the performance evaluation for the directors include the following six major targets: 1. Understanding of the Company's goals and tasks; 2. Knowledge of directors' duties; 3. Participation in the Company's operation; 4. Internal relation maintenance and communication; 5. Directors' professional qualification and continuous training; 6. Internal control;</p> <p>Items of the performance evaluation for the Audit Committee include the following five major targets: 1. Participation in the Company's operation; 2. Knowledge of the functional committees' duties; 3. Improvement of the functional committees' decision quality; 4. Composition and member election of the functional committees; 5. Internal control.</p> <p>Items of the performance evaluation for the Remuneration Committee include the following five major targets: 1. Participation in the Company's operation; 2. Knowledge of the functional committees' duties; 3. Improvement of the functional committees' decision quality; 4. Composition and member election of the functional committees.</p> |

4. Enhancements to the functionality of the Board of Directors in the current and the most recent year (e.g. establishment of an audit committee, improvement of information transparency), and the progress of such enhancements:

- ◎ Establishment of the Remuneration Committee and Audit Committee: The Company established the Remuneration Committee on June 18, 2012 and the Audit Committee on June 22, 2015 to strengthen the Board's performance of its responsibilities.
- ◎ Enhancement of corporate governance: The Company established the "Ethical Corporate Management Best Practice Principles," "Corporate Governance Best-Practice Principles," "Sustainable Development Best-Practice Principles," "Regulations on the Performance Evaluation of the Board of Directors," "Rules of Procedure for Board of Directors Meetings" and "Standard Operation Procedures for Management of the Request from the Board of Directors," which were approved by the Board of Directors; these are assessed and reported the Board of Directors every year in accordance with the "Regulations on the Performance Evaluation of the Board of Directors".
- ◎ Enhancement of information transparency: The Company established the "Operation Procedures for Handling Internal Material Information" and it has been approved by the Board of Directors.
- ◎ The Company's directors consist of professional and diversified members who are attorneys, lecturers in colleges or universities and professional managers. In addition, independent directors represent 57.14% of the Board. The Company also pays attention to gender equality regarding the composition of Board members and the female directors currently account for about 57.14%.

(II) Operation of the Audit Committee

The Company's Audit Committee consists of four independent directors and shall convene at least one meeting per quarter. The independent directors are responsible for the adequate expression of the Company's financial statements, election (dismissal), independence and performance of CPAs, effective implementation of internal control, compliance with laws and rules and control over existing or potential risks. Their main responsibilities are described as follows:

- ⊙ Establishment or amendment of the Company's internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- ⊙ Assessment of the validity of the internal control system.
- ⊙ Establishment or amendment of the handling procedures regarding significant financial business behaviors, including the acquisition and disposal of assets, trading of financial derivatives, loaning of funds to others, and endorsement/guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
- ⊙ Matters involving any directors' personal interests.
- ⊙ Significant transactions of assets or financial derivatives.
- ⊙ Significant loans of funds, and endorsement/guarantees.
- ⊙ The offering, issuance, or private placement of equity-type securities.
- ⊙ The hiring or dismissal of CPAs, or the compensation given thereto.
- ⊙ The appointment or discharge of a financial, accounting, or internal audit officer.
- ⊙ Annual financial statements
- ⊙ Any other material matter required by the Company or the competent authority.

The Audit Committee held four meetings in the most recent year (2024). The attendance record of the independent directors is listed below:

| Title | Name | Actual attendance | Proxy attendance | Actual attendance rate (%) | Remarks |
|----------------------|-----------------------|-------------------|------------------|----------------------------|---------|
| Independent Director | Grace Lee(Note1) | 3 | 0 | 100 | |
| Independent Director | Hui-Chun Liu(Note1) | 3 | 0 | 100 | |
| Independent Director | Judy Y.C. Chang | 5 | 1 | 83.33 | |
| Independent Director | Hualin Chi(Note1) | 3 | 0 | 100 | |
| Independent Director | Hung-Hsun Ting(Note2) | 3 | 0 | 100 | |
| Independent Director | Shih-Mei Lin(Note2) | 2 | 1 | 66.67 | |
| Independent Director | Ying-Shan Lin(Note2) | 3 | 0 | 100 | |

Note 1: Was elected at the annual general meeting of shareholders held on June 25, 2024, should attend 3 times.

Note 1: Dismissed after the annual general meeting of shareholders held on June 25, 2024, should attend 3 times.

Other particulars:

1. Where the operations of the Audit Committee meet any of the following circumstances, the minutes concerned shall clearly state the meeting date, session, contents of proposals, resolutions made by the Audit Committee and the Company's resolution of the Audit Committee's opinions.

(1) Matters specified in Article 14-5 of the Securities and Exchange Act.

| Meeting date (session) | Proposal |
|--|---|
| March 11, 2024 (The 14 th session of the 3 rd Audit Committee) | Proposal of the Company's "Assessment for the Effectiveness of Internal Control Policies" and "Declaration of Internal Control System" |
| | Proposal of the 2023 financial statements |
| | Change of financial statement certification accountant |
| | Proposal for assessment of the independence and competence of CPAs and relevant remuneration |
| | Amendment to the "Organizational Rules of the Audit Committee" of the Company |
| | Remove the non-competition restrictions against new directors and their representatives. |
| | To meet the short-term financing needs of Hon Yao Fu Technology Company Limited, we plan to lend funds to others. |
| May 10, 2024 (The 15 th session of the 3 rd Audit Committee) | Proposal of the 2023 business report |
| | Proposal for 2023 earnings distribution |
| | Proposal for establishment of the 2022 Related Matters regarding fifth Issue of Restricted Stock Awards for Employees of the Company |
| August 9, 2024 (The 1 th session of the 4 th Audit Committee) | Amendment to the "pre-licensed policy of the Company's non-assurance service" of the Company |
| September 26, 2024 (The 2 th session of the 4 th Audit Committee) | Appointment for the finance and accounting officers proposal of the Company |
| November 13, 2024 (The 3 th session of the 4 th Audit Committee) | Proposed revision of the company's "Internal Audit System" |
| | Proposal of the 2024 audit plan |
| | Change of financial statement certification accountant |
| | Amount of payments arising from other receivables assessed to be reclassified as funds loaned to others as of the end of September 2024 |

If none of the independent directors objects or expresses qualified opinions to the proposals mentioned above, such proposals shall be approved unanimously by all attending members.

(2) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of all the directors: None.

2. Independent directors' avoidance of proposals involving any conflict of interest, information including the director's name, contents of the proposals, causes of recusal, and participation in the voting process should be stated: None.

3. Communication of the independent directors with the internal audit officer and CPAs (e.g. the major matters, methods, and results of communication with regard to the financial and business affairs of the Company):
- ◎ Policies of the communication between the independent directors and the internal audit officer: The internal audit officer shall submit audit reports to the independent directors on a regular basis and report the progress of the audit work thereto at least once per quarter. When any material irregularities occur, a report must be immediately prepared for review, and the independent directors shall be notified.
 - ◎ Policies of the communication between the independent directors and CPAs: CPAs shall meet with the independent directors at least once a year (at an Audit Committee meeting or a communication meeting) to report the Company's financial position and internal control implementation to the independent directors and explain accounting practice principles and matters causing major impacts on profits or losses and any recent amendments to relevant laws and regulations. In case of any material circumstances, such meeting may be convened at any time.

(III) Corporate governance implementation, any nonconformity to the Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof

| Evaluation item | Implementation | | | Nonconformities to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof |
|--|----------------|----|--|---|
| | Yes | No | Summary | |
| I. Does the Company establish and disclose its corporate governance principles based on Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies? | ✓ | | The Company has established the “Corporate Governance Best-Practice Principles” in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and disclosed the same on the Company’s website and MOPS after the approval of the Board of Directors. | No major difference. |
| II. Company’s equity structure and shareholders’ equity | | | | |
| (I) Does the Company have any internal operating procedures regulated to deal with suggestions, questions, disputes, and legal actions from shareholders and implement the procedures? | ✓ | | The Company has established the “Regulations on Shareholder Services Management” and the spokesperson, deputy spokesperson and designated personnel to handle the suggestions, questions, disputes and legal actions of shareholders. | (I) No major difference. |
| (II) Does the Company have a list of the major shareholders who actually control the Company and the persons who are their ultimate controllers? | ✓ | | Part of the Company’s directors are the major shareholders of the Company and the changes in shareholding of the Company’s major shareholders, directors and managers are reported and disclosed on the MOPS according to laws. The Company also has a list of the major shareholders who actually control the Company and the persons who are their ultimate controllers. | (II) No major difference. |
| (III) Does the Company establish or implement any risk control measures and firewall mechanisms between the Company and the affiliates? | ✓ | | As a listed company, the Company has established a comprehensive internal control system. The Company and its affiliates are individual legal entities with independent finance and business. | (III) No major difference. |

| Evaluation item | Implementation | | | Nonconformities to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof |
|--|----------------|----|---|---|
| | Yes | No | Summary | |
| (IV) Does the Company establish internal regulations to prohibit Company insiders from using information not available to the market to trade securities? | ✓ | | The Company has established promotion information to prevent insider trading and the “Code of Ethical Conduct for Directors and Managers” to prevent the Company insiders from using information not available to the market to trade securities. | (IV) No major difference. |
| III. Composition and responsibilities of the Board of Directors | | | | |
| (I) Does the Board established a diversity policy, specific management goals and implemented it accordingly? | ✓ | | Article 20 of the Company’s “Corporate Governance Best-Practice Principles” has specified the diversity policy for the composition of the Board of Directors. Currently, there are seven directors consisting of professional and diversified members of attorneys, lecturers in colleges or universities and professional managers. Directors who are also employees of the Company represent 42.86% of the Board and the independent directors represent 57.14% of the Board. The Company also pays attention to gender equality regarding the composition of Board members. The targeted ratio of female directors is above 25% and the female directors currently account for about 57.14%. More than half of the independent directors have served for no more than three consecutive terms, and directors under the age of 60 account for approximately 57.14%. Please refer to Page 14 of the related implementation is shown. | (I) No major difference. |
| (II) Is the Company, in addition to establishing the Remuneration Committee and Audit Committee, pursuant to laws, willing to voluntarily establish any other functional committees? | ✓ | | The Company has established the Remuneration Committee and Audit Committee pursuant to laws and will establish other functional committees depending on the operation status. | (II) No major difference. |

| Evaluation item | Implementation | | | Nonconformities to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof |
|--|----------------|----|---|---|
| | Yes | No | Summary | |
| (III) Does the Company establish policies and methods for evaluating the performance of the Board of Directors, conduct regular performance evaluations every year and report the results to the Board of Directors? Does the Company utilize the results as the reference for the individual remuneration and reelection nomination of directors? | ✓ | | <p>The Company adopted the resolution by the Board of Directors to establish the “Regulations on the Performance Evaluation of the Board of Directors” on November 12, 2019. Please refer to Page 25 of the annual report for the evaluation method and contents.</p> <p>The evaluation results of 2024 have been reported to the Board of Directors in Q1, 2025. The performance of the Board of Directors (Functional Committee) was evaluated as excellent while the self-evaluations regarding the performance of Board members were also excellent. The overall Board of Directors (Functional Committee) functions effectively. For detailed information, please refer to the corporate governance section of the Company’s website.</p> | (III) No major difference. |
| (IV) Does the Company assess the CPAs for their independence on a regular basis? | ✓ | | <p>The company's audit committee evaluates the independence and competency of its certified accountants every year. In addition to requiring the certified accountants to provide "Declaration of Detachment of Independence" and "Audit Quality Indicators (AQIs)", it also relies on the standards and 13 AQI indicators in the table below. to evaluate. It is confirmed that the accountant has no other financial interests and business relationships with the company except for visa and financial tax case fees; the accountant's family members do not violate the independence requirements, and with reference to the AQI indicator information, it is confirmed that the accountant and the firm are in the verification experience and training The hours are better than the industry average.</p> <p>approved by the Audit Committee on March 11, 2024 was reported and resolved by the Board of Directors on March</p> | (IV) No major difference. |

| Evaluation item | Implementation | | | Nonconformities to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof | | | | | | | | | | | | | | | | | | |
|--|-------------------|--------------------------------------|---|---|-------------------|--------------------------------------|---|----|-----|---|----|-----|--|----|-----|--|----|-----|---|----|-----|--|
| | Yes | No | Summary | | | | | | | | | | | | | | | | | | | |
| | | | <p>11, 2024.</p> <p>Accountant independence assessment standards</p> <table border="1"> <thead> <tr> <th>evaluation items</th> <th>evaluation result</th> <th>Is it consistent with independence ?</th> </tr> </thead> <tbody> <tr> <td>Those who are currently employed by the client to perform regular work and receive a fixed salary</td> <td>no</td> <td>yes</td> </tr> <tr> <td>A person who once served as an employee of the client and was dismissed less than two years ago</td> <td>no</td> <td>yes</td> </tr> <tr> <td>The firm where he works and the client are related parties to each other</td> <td>no</td> <td>yes</td> </tr> <tr> <td>Those who have a spouse, direct blood relative, direct marriage relative, direct marriage relative, or brother or sister relationship with the chairman or general manager of the client</td> <td>no</td> <td>yes</td> </tr> <tr> <td>The person or his/her spouse has an investment interest or interest-sharing relationship with the principal</td> <td>no</td> <td>yes</td> </tr> </tbody> </table> | evaluation items | evaluation result | Is it consistent with independence ? | Those who are currently employed by the client to perform regular work and receive a fixed salary | no | yes | A person who once served as an employee of the client and was dismissed less than two years ago | no | yes | The firm where he works and the client are related parties to each other | no | yes | Those who have a spouse, direct blood relative, direct marriage relative, direct marriage relative, or brother or sister relationship with the chairman or general manager of the client | no | yes | The person or his/her spouse has an investment interest or interest-sharing relationship with the principal | no | yes | |
| evaluation items | evaluation result | Is it consistent with independence ? | | | | | | | | | | | | | | | | | | | | |
| Those who are currently employed by the client to perform regular work and receive a fixed salary | no | yes | | | | | | | | | | | | | | | | | | | | |
| A person who once served as an employee of the client and was dismissed less than two years ago | no | yes | | | | | | | | | | | | | | | | | | | | |
| The firm where he works and the client are related parties to each other | no | yes | | | | | | | | | | | | | | | | | | | | |
| Those who have a spouse, direct blood relative, direct marriage relative, direct marriage relative, or brother or sister relationship with the chairman or general manager of the client | no | yes | | | | | | | | | | | | | | | | | | | | |
| The person or his/her spouse has an investment interest or interest-sharing relationship with the principal | no | yes | | | | | | | | | | | | | | | | | | | | |

| Evaluation item | Implementation | | | Nonconformities to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof |
|--|----------------|----|--|---|
| | Yes | No | Summary | |
| IV. If the Company is a TWSE/TPEX listed company, does the Company have qualified governance personnel in an appropriate number and designate one chief corporate governance officer to oversee corporate governance affairs (including but not limited to providing the directors and supervisors with information needed to perform their duties, assisting the legal compliance of the directors and supervisors, handling matters related to board meetings and shareholders' meetings according to laws and preparing minutes of board and shareholders' meetings)? | ✓ | | <p>As the corporate governance unit of the Company, the management division is responsible for matters related to corporate governance to set up Corporate Governance Officer based on the resolution of Board of Directors on May 8, 2019. The major duties include handling matters related to board meetings and shareholders' meetings according to laws, preparing minutes of board and shareholders' meetings, assisting assumption of office and continuing education of directors, providing the directors with information needed to perform their duties, assisting the legal compliance of the directors, and other matters regulated in the Articles of Incorporation or contracts.</p> <p>The business implementation of the Company's corporate governance unit in 2024 is as follows:</p> <ul style="list-style-type: none"> (I) Dealing with change in registration of the Company. (II) Arranging matters regarding the continuing education for directors regularly, provision of information required for performance of duties by the directors and latest development of laws and regulations related to company management to assist the directors in legal compliance. (III) Implementing meeting procedures of the Board of Directors and the shareholders' meeting and resolution regarding legal compliance matters. (IV) Responsible for announcing material information of important resolutions after the Board meeting to ensure the legitimacy and accuracy of material information and secure the information equivalence in investor trading. <p>Further education of the Corporate Governance Supervisor</p> | No major difference. |

| Evaluation item | Implementation | | | Nonconformities to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof |
|---|----------------|----|---|---|
| | Yes | No | Summary | |
| | | | for 2024: 2024 Conference on Awareness of the Prevention of Insider Trading on October 18, 2024 for 3 hours, 2024 Conference on Awareness of Compliance with the Laws Governing Equity Trading by Insiders on November 29, 2024 for 3 hours. | |
| V. Does the Company build communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), establish a stakeholder section on the Company's website, and duly respond to the stakeholders' concerns on issues related to corporate social responsibilities? | ✓ | | The Company has established a stakeholder section on the Company's website to build the communication channels with stakeholders and duly respond to the stakeholders' concerns on important issues. | No major difference. |
| VI. Does the Company commission a professional registrar to deal with the affairs of shareholders' meetings? | ✓ | | The Company has appointed the Share Administration Department of Grand Fortune Securities as the registrar to deal with the affairs of shareholders' meetings of the Company. | No major difference. |
| VII. Information disclosure (I) Does the Company establish a corporate website to disclose information concerning financial affairs and corporate governance? (II) Does the Company use other information disclosure methods (e.g. establishment of an English website, assignment of specific personnel to collect and disclose corporate information, | ✓ ✓ | | The Company has established Chinese and English websites of the Company and disclosed information concerning financial affairs and corporate governance. The Company has assigned specific personnel responsible for the collection and disclosure of corporate information and implemented a spokesperson system. We also have established an English website and held the investor conference to disclose information concerning financial affairs and business on December 6, 2024. | (I) No major difference. (II) No major difference. |

| Evaluation item | Implementation | | | Nonconformities to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof |
|---|----------------|----|---|---|
| | Yes | No | Summary | |
| <p>implementation of a spokesperson system, and the broadcasting of investor conferences via the company website)?</p> <p>(III) Does the Company publicly announce and file the annual financial report within two months after the close of fiscal year and announce and file the financial reports of the first, second and third quarters and the monthly operation status prior to the regulated deadline?</p> | ✓ | | <p>The Company publicly announces the annual financial report, quarterly financial reports and monthly operation status within the deadline according to the regulations without any announcement in advance.</p> | (III) No major difference. |
| <p>VIII. Does the Company have additional important information that is helpful to understand the implementation of the corporate governance (including but not limited to the interests and care of employees, investor relationships, supplier relationships, rights of stakeholders, continuing training of directors and supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, and liability insurance coverage for directors and supervisors)?</p> | ✓ | | <p>1.The Company pays attention to the interests of employees and relations between the employer and employee by irregularly holding labor-management communication meetings.</p> <p>2.Focusing on the investor relationships, supplier relationships and the rights of stakeholders, the Company has established the spokesperson and designated personnel to handle the inquiry of the shareholders, suppliers and all stakeholders.</p> <p>3.The directors of the Company participate in the continuing education courses to strengthen their professional capabilities. Please refer to Attachment 1 and 2 for the continuing education status of directors and managers in 2024.</p> | No major difference. |

| Evaluation item | Implementation | | | Nonconformities to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof |
|-----------------|----------------|----|--|---|
| | Yes | No | Summary | |
| | | | <p>4.The directors of the Company pay attention to proposals involving personal interests and avoid participation due to conflict of interests in accordance with the laws. The Board of Directors' meetings of the Company are convened at least once every quarter with good participation of the directors. The internal control policies, risk management systems and necessary regulations of the Company are implemented faithfully after reported and approved by the Board of Directors.</p> <p>5.The Company has purchased liability insurance for all directors and relevant information is disclosed on MOPS.</p> | |

IX. Please explain the improvements made based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures for any issues that are yet to be rectified:

- 1.The Company participates in the corporate governance evaluation every year eleven consecutive times.
- 2.The Company has enhanced the following corporate governance matters in 2024:
 - (1) Report on remuneration received by directors at regular shareholders' meeting.
 - (2) Disclosure of policies linking the remuneration for senior managers to ESG-related performance evaluation.
 - (3) Convening a physical annual shareholders' meeting assisted with video conferencing (video-assisted shareholders' meeting).
- 3.The Company takes priority corrective actions for the following matters based on the result of corporate governance evaluation:
 - (1) Disclosure of Scope 3 categories and annual emissions of GHG for the past year.
 - (2) Establishing a personal data protection policy and disclosing its contents and status of implementation.

Attachment 1: In-service training of the Company’s Directors in 2024

| Name | Course | Organizer | Date of Course | Hours |
|---|--|---|----------------|-------|
| Director : Gwong-Yih Lee | Exploring the International Competitiveness of Taiwanese Businesses Under Global Competition | Taiwan Institute of Directors | 2024/06/19 | 3 |
| | Seminar on Net-Zero Emissions | Taiwan Corporate Governance Association | 2024/09/04 | 3 |
| Director : Deaxy Wang | 2024 Conference on Awareness of the Prevention of Insider Trading | Securities and Futures Institute, SFI | 2024/10/18 | 3 |
| | Board of Directors vs Management | TPMA, Taiwan Project Management Association | 2024/11/21 | 3 |
| | 2024 Conference on Awareness of Compliance with the Laws Governing Equity Trading by Insiders | Securities and Futures Institute, SFI | 2024/11/29 | 3 |
| | Sustainable Corporate Development and the Formulation of ESG and SDG Action Plans and Strategies | TPMA, Taiwan Project Management Association | 2024/12/23 | 3 |
| Director : Raoul Oyang | 2024 Conference on Awareness of the Prevention of Insider Trading | Securities and Futures Institute, SFI | 2024/10/04 | 3 |
| | Board of Directors vs Management | TPMA, Taiwan Project Management Association | 2024/11/21 | 3 |
| | How to Analyze Key Information of Corporate Finance: Strengthening the Capability of Early Warning of Crisis | Accounting Research and Development Foundation | 2024/11/28 | 6 |
| Independent Director : Grace Lee | Shareholders’ Meeting, Management and Equity Strategy | Securities and Futures Institute, SFI | 2024/12/12 | 3 |
| | Applications of Generative AI and ChatGPT | TPMA, Taiwan Project Management Association | 2024/12/17 | 3 |
| Independent Director : Hui-Chun Liu | Strategy Against Hostile M&A and the Responsibilities of Directors and Supervisors for Corporate M&A | CNAIC | 2024/03/01 | 3 |
| | Discussion on the Requirements and FAQs of the 2024 Board of Directors’ and Shareholders’ Meetings | CNAIC | 2024/03/15 | 3 |
| Independent Director : Judy Y.C. Chang | Design of the Remuneration for Senior Managers and ESG Performance System | Taiwan Corporate Governance Association | 2024/01/19 | 3 |
| | 2024 Conference on Awareness of the Prevention of Insider Trading | Securities and Futures Institute, SFI | 2024/09/20 | 3 |
| Independent Director : Hualin Chi | Legal Responsibilities and Case Studies of “Insider Trading” by Corporate Insiders | THE ASSOCIATION OF ALLIED INDUSTRIES IN SCIENCE-BASED INDUSTRIAL PARK | 2024/09/19 | 3 |
| | Legal Responsibilities and Case Studies of “False Transaction” and “Misrepresentation of Financial Statements” | THE ASSOCIATION OF ALLIED INDUSTRIES IN SCIENCE-BASED INDUSTRIAL PARK | 2024/11/21 | 3 |
| | Case Studies of the Digital Transformation of Businesses | TPMA, Taiwan Project Management Association | 2024/11/22 | 3 |
| | How to Implement Corporate Sustainability | THE ASSOCIATION OF ALLIED INDUSTRIES IN SCIENCE-BASED INDUSTRIAL PARK | 2024/12/05 | 3 |

Attachment 2: In-service training of the Company's managers and their proxies in 2024:

| Name | Course | Organizer | Date of Course | Hours |
|-------------------------------------|---|--|--------------------------|-------|
| Accounting Officer: Sam Huang | Continuing Education Program for the Accounting Managers of Issuers, Securities Firms and Exchanges | Accounting Research and Development Foundation | 2024/12/09 to 2024/12/10 | 12 |
| Deputy Accounting Officer: May Chou | Continuing Education Program for the Accounting Managers of Issuers, Securities Firms and Exchanges | Accounting Research and Development Foundation | 2025/01/13 to 2025/01/14 | 12 |

(IV) Disclosure of the composition, responsibility, operation of the Remuneration Committee (if any)

1. Information about Remuneration Committee members

| Criteria Name/Title | Professional Qualification and Experience | Independent Directors' Independence Status | Number of Other Taiwanese Public Companies Concurrently Serving as a Compensation Committee Member |
|--|---|---|--|
| Convenor and Independent Director Grace Lee | CyberTan's Compensation Committee is comprised of all four independent directors. For members professional qualification and experience, please refer to page 7-12 of this Annual Report. | All the Compensation Committee members meet any of the following situations: 1. Satisfy the requirements of Article 14-6 of "Securities and Exchange Act" and the requirements of "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" (Note) issued by Taiwan's Securities and Futures Bureau 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any CyberTan shares 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service" | 0 |
| Independent Director Hui-Chun Liu | | | 1 |
| Independent Director Judy Y.C. Chang | | | 0 |
| Independent Director Hualin Chi | | | 0 |

Note : During the two years before being elected and during the term of office, meet any of the following situations:

- (1) Not an employee of the company or any of its affiliates;
- (2) Not a director or supervisor of the company or any of its affiliates;
- (3) Not 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 amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3);
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
- (8) Not 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; and
- (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NT\$500,000".

2. Operation of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of three independent directors (Ying-Shan Lin, Hung-Hsun Ting, Judy Y.C. Chang and Shih-Mei Lin).
- (2) Term of office: 2024/06/25–2027/06/24. The Remuneration Committee convened four meetings (A) in 2024, and the attendance of the Committee members are listed as follows:

| Title | Name | Actual attendance (B) | Proxy attendance | Actual attendance rate (%) (B/A) | Remarks |
|-----------------------------------|-----------------------|-----------------------|------------------|----------------------------------|---------|
| Convener and independent director | Grace Lee(Note1) | 1 | 0 | 100 | |
| Independent Director | Hui-Chun Liu(Note1) | 1 | 0 | 100 | |
| Independent Director | Judy Y.C. Chang | 2 | 1 | 66.67 | |
| Independent Director | Hualin Chi(Note1) | 1 | 0 | 100 | |
| Independent Director | Ying-Shan Lin(Note2) | 2 | 0 | 100 | |
| Independent Director | Hung-Hsun Ting(Note2) | 2 | 0 | 100 | |
| Independent Director | Shih-Mei Lin(Note2) | 1 | 1 | 50 | |

Note 1: Was elected at the annual general meeting of shareholders held on June 25, 2024, should attend 1 times.

Note 1: Dismissed after the annual general meeting of shareholders held on June 25, 2024, should attend 2 times.

| Meeting date (session) | Proposal |
|--|--|
| March 11, 2024 (1st meeting in 2024) | Report: Report on annual salary adjustment and bonus planning for 2024 |
| May 10, 2024 (2nd meeting in 2024) | The fifth issuance of restricted stock awards in 2022 by the Company for employees serving as managers |
| | Discussing manager compensation |
| | The company's 2025 manager salary increase proposal |
| November 13, 2024 (3rd meeting in 2024) | The company's manager remuneration case |
| | The company's 2025 manager bonus proposal |

Other particulars:

1. Scope of Duties of the Remuneration Committee:
 - (1) Establish and periodically review the policies, standards and structure of the performance evaluation and remuneration for the directors and managers of the Company.
 - (2) Regularly review and adjust the remunerations to the directors and managers.
2. If the Board of Directors does not adopt or amend the suggestions from the Remuneration Committee, the date and session of the Board meeting, contents of the proposals, meeting resolutions, and the Company's handling of the Remuneration Committee's opinions shall be specified (if the remuneration passed by the Board of Directors is higher than that suggested by the Remuneration Committee, the deviation and causes thereof shall be specified): None.
3. If any member objects or expresses qualified opinions to the resolution made by the Remuneration Committee, whether on-the-record or in writing, the date and session of the meeting, contents of the proposal, the entire members' opinions, and how their opinions are addressed shall be specified: None.

(V) Promote the implementation of sustainable development

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|--|----------------|----|---|--|
| | Yes | No | Summary | |
| I. Does the Company establish a governance structure to promote sustainable development, established a dedicated (part-time) unit to promote sustainable development; and did the Board of Directors authorize senior management to handle it and report the supervisory status to the Board of Directors? | ✓ | | <p>To achieve corporate sustainable development, the Company has established a part-time Sustainability Committee with the Chairman, who is also the President, serving as the Chairman. The Sustainability Promotion Office was set in the President Office, consisting of 5 separate teams to formulate work plans. The Sustainability Committee is chaired by the Chairman every quarter, and together with senior executives from different fields, it reviews the company's core operating capabilities, formulates mid- and long-term sustainable development plans, and launches the company's 2024 Ten Sustainable Development Plans at the end of 2023 to track the progress of sustainable work and continue to promote and deepen the sustainable corporate culture.</p> <p>Since the second quarter of 2023, the Sustainability Committee has been reporting the progress to the Board of Directors every quarter. The content of proposals includes (1) sustainable development implementation and work plan execution performance, (2) climate-related financial disclosure reports, and (3) greenhouse gas emissions inventory evaluation and implementation. The Company's Board of Directors listens to the sustainability report regularly every quarter. It is required to propose the Company's sustainability goals and strategic plans to the Board of Directors and review its performance. If there is any need for amendment, the Board of Directors will urge the management team to make improvements.</p> | No major difference. |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|--|----------------|----|--|--|
| | Yes | No | Summary | |
| II. Does the Company implement the risk assessment of environmental, social, and corporate governance issues related to corporate operation and establish relevant risk management policies or strategies based on the principle of materiality? | ✓ | | <p>The data disclosures and risk assessment boundaries cover the consolidated company's sustainable development performance from January to December 2024.</p> <p>In accordance with the principle of materiality, the Company uses the Risk Priority Number (RPN) to conduct a risk assessment regarding environmental, social, and corporate governance issues, and establishes the following related risk management policies or strategies based on the assessed risks:</p> <p>Environmental:</p> <p>Economic recession</p> <ul style="list-style-type: none"> • Prudently increasing prices, enhancing automation capabilities, and improving the competitiveness of product prices. <p>Fierce market competition</p> <ul style="list-style-type: none"> • Diversifying sales channels for the market and products. <p>Customer ESG requirements</p> <ul style="list-style-type: none"> • The Company gradually introduces ESG into its operations in accordance with the international sustainability context (GRI, SASB, TCFD, and CDP) and actively sets carbon reduction targets. In addition to environmental issues, human rights (RBA) and diversity (DEI) assessments are also included as indicators. <p>Natural disasters</p> <ul style="list-style-type: none"> • Preparing a disaster prevention plan and improving supply chain resilience. <p>Geopolitics</p> | No major difference. |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|-----------------|----------------|----|--|--|
| | Yes | No | Summary | |
| | | | <ul style="list-style-type: none"> • Real-time understanding of international situation and timely integration with the Group’s strategic planning. • Repositioning of investment risks: Avoiding investment in a single region and readjusting the structure of existing investment directions. • Gradually building up local marketing talents to be closer to the market and provide more real-time services to customers. <p>Market demand for low-carbon products</p> <ul style="list-style-type: none"> • Introducing the concept of the product life cycle (LCA) and the ISO 14067 product carbon footprint calculation process to develop low-carbon products that meet market and consumer demand. <p>Collection of carbon tax</p> <ul style="list-style-type: none"> • Continuing to monitor the implementation rules and details of carbon fee collection by government agencies, the EU’s Carbon Border Adjustment Mechanism (CBAM), and the execution methods and legislative progress of the US Clean Competition Act (CCA) regarding reporting and taxation. • Implementing the organization’s carbon inventory, using the CDP questionnaire to disclose carbon emissions, committing to the SBTi initiative, proposing a scientific carbon reduction plan, and clearly planning a net-zero pathway. <p>Social:</p> <p>Human resource difficulties</p> <ul style="list-style-type: none"> • Strengthening the search and reinforcement of the talent | |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|-----------------|----------------|----|--|--|
| | Yes | No | Summary | |
| | | | <p>pool, diversifying the recruitment methods, and improving the recruitment conditions.</p> <ul style="list-style-type: none"> Increasing salaries and workplace benefits to attract talents. <p>Corporate governance:</p> <p>Information security attacks</p> <ul style="list-style-type: none"> Installing anti-virus software with ransomware protection and updating it from time to time. Firewall upgrades and periodic operating system patching. Conducting information security training to enhance employees' information security awareness. Organizing information security awareness sessions and social engineering exercises periodically to raise information security and crisis awareness. Information security monitoring, software installation restrictions and control. <p>Sustainable supply chain management</p> <p>Establishing green procurement policies, a supplier screening and verification system, and an RSM supply chain management mechanism. Responding to CSDDD's requirements on human rights and environment in advance.</p> <p>Intellectual property</p> <ul style="list-style-type: none"> Regularly assessing intellectual property risks to identify potential risks, regularly updating patents and trademarks, and taking legal actions to protect rights. Introducing an NAC management system for access control | |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|---|----------------|----|---|--|
| | Yes | No | Summary | |
| | | | <p>of computer network compliance.</p> <ul style="list-style-type: none"> Assessing the document management mechanism to prevent leakage of important information. <p>Material management</p> <ul style="list-style-type: none"> Establishing safety stocks and reviewing them regularly. Real-time monitoring and reflection of market shortages, and timely negotiation with upstream and downstream suppliers and customers to transfer risks. <p>Accounting compliance</p> <ul style="list-style-type: none"> Complying with all relevant laws and regulations and organizing regular training. <p>Over-concentration of customers</p> <ul style="list-style-type: none"> Developing a wide range of products and segmenting different product markets to help diversify the customer base. <p>Product information security</p> <ul style="list-style-type: none"> Immediately patching identified vulnerabilities and conducting comprehensive testing to ensure effective patching. <p>Establishing a strong patch management process to ensure patches are deployed in a timely and consistent manner.</p> | |
| <p>III. Environmental issue</p> <p>(I) Has the Company established environmental policies suitable for the Company's industrial</p> | ✓ | | <p>The company has established a safety and health management system in accordance with labor safety and health regulations. The manufacturing plant subsidiary HON YAO FU</p> | (I) No major difference. |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|--|-------------------|----|--|--|
| | Yes | No | Summary | |
| <p>characteristics?</p> <p>(II) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?</p> <p>(III) Does the Company assess the present and future potential risk and opportunities of climate change in relation to the Company and adopt countermeasures related to climate issues?</p> | <p>✓</p> <p>✓</p> | | <p>TECHNOLOGY COMPANY LIMITED has established an environmental management system and an occupational safety and health management system in accordance with ISO 14001 and ISO45001 and continues to pass third-party verification (certificates are valid from April 4, 2023 to April 3, 2026) day). In terms of greenhouse gas management, our company will conduct a 2023 greenhouse gas inventory for our Taiwan plant in accordance with the ISO14064 greenhouse gas inventory standard. The greenhouse gas inventory for our Taiwan plant will be verified by a third party (the verification period is from January 1, 2023 to December 31, 2023, and the certificate will be obtained on July 2, 2024). The results of the 2024 greenhouse gas inventory are expected to be obtained by a third party in June and will be disclosed in the sustainability report.</p> <p>We have always complied with environmental protection laws and regulations. The Company contracts with a legal cleaning company for legal and regular waste treatment and recycling to protect the environment and the planet as well as recycle resources. Target: 80% waste recycling rate or above.</p> <p>To reduce the impact of our business activities on the environment, we promote and implement resource and energy reduction in our daily operation, conduct a greenhouse gas inventory regularly, review the data of water consumption and the total amount of waste, so as to mitigate the risk of climate change.</p> | <p>(II) No major difference.</p> <p>(III) No major difference.</p> |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|---|----------------|----|---|--|
| | Yes | No | Summary | |
| (IV) Does the Company gather statistics of the greenhouse gas emission, water consumption and the gross weight of waste of the past 2 years and establish policies for energy saving, carbon reduction, reduction of greenhouse gas emission and water consumption or other waste management? | ✓ | | <p>1. For our greenhouse gas emission, water consumption, and total weight of waste in 2024 and 2023, please refer to Attachment 1.</p> <p>2.(1)Greenhouse gas reduction strategy: Jianhan’s main source of greenhouse gas emissions is indirect greenhouse gas emissions from energy input. In order to respond to the United Nations’ sustainable development goals and corporate social responsibility, we will effectively implement environmental protection and energy-saving measures of “environmental protection, energy conservation, and love the earth” in our daily operations. Therefore, we have formulated the following methods to reduce carbon emissions.</p> <p>A. The air conditioning temperature in the office is controlled at 27 degrees to reduce the load on the ice water host.</p> <p>B. Perform regular maintenance on equipment to enhance energy efficiency.</p> <p>C. Promote energy conservation and carbon reduction activities and employee education and training to reduce electricity usage. (For example, areas such as air-conditioning equipment, tea rooms, warehouses and toilets can be turned on and off at any time for non-essential energy).</p> <p>D. Eat local and seasonal food to reduce the carbon footprint of food.</p> <p>E. Keep the refrigerator 70% full to avoid hoarding,</p> | (IV) No major difference. |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|-----------------|----------------|----|---|--|
| | Yes | No | Summary | |
| | | | <p>expiration and power consumption, and clean it regularly.</p> <p>(2)We conduct air quality improvement measures even though we are not in the first batch of announced premises conforming to the Indoor Air Quality Act. Considering our employees stay in indoor environments (including homes, offices or other buildings) at least for eight hours every day and the indoor air quality directly affects the working quality and efficiency, we should pay attention to the impact of indoor air pollutants on human health.</p> <p>A. Subsidize employees to obtain the certificate of indoor air quality maintenance and management specialist, so as to familiarize themselves with the law and subsequent promotion.</p> <p>B. Therefore, in addition to granting subsidies for employees to earn certifications, we have set the maintenance frequency and measures for our air conditioning system, for example, cleaning the filter of the indoor blower, planting indoor/outdoor plants (around 200 trees and hedgerows are planted outdoors to form a greenbelt), increasing/decreasing outdoor air circulation based on the air quality provided by the Central Weather Bureau, and moving printers to non-office areas or installing air extractors. For indoor decoration, we have asked contractors to use materials and paint that are the “Green Building Material” in the hope to improve the quality of indoor/outdoor air.</p> <p>C. Our labor safety unit purchases portable CO₂ detectors</p> | |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|-----------------|----------------|----|---|--|
| | Yes | No | Summary | |
| | | | <p>and monitors the indoor air quality at any time to provide employees with the good air quality.</p> <p>(3)Water improvement measures: Our water consumption is generated mainly from domestic water for employees (water for drinking and bathrooms) and air conditioner water. The water used is running water originating from the Baoshan Second Reservoir in Hsinchu. There is no wastewater generated from production. Clean rainwater in plants is drained to rainwater ditches on the ground to ensure the separation of rainwater and wastewater.</p> <p>Water saving measures:</p> <p>A. Suspend the cleaning of walls</p> <p>B. Reduce the frequency of cleaning cooling towers (from twice a year to a frequency as appropriate)</p> <p>C. Plant drought-enduring plants</p> <p>D. Install water economizers for taps in bathrooms and reduce the amount of water used for a flush</p> <p>E. Assign security to record water meter readings and keep an eye on any leaks in water facilities to avoid waste of water resources</p> <p>F. Further maintain water facilities with leaks</p> <p>G. Reduce the operational time of the water chiller and bring in outdoor fresh air in all the seasons other than summer to reduce the operational time of the water chiller or avoid the use of the water chiller (the operational time is reduced from 24 hours to 0–12 hours).</p> <p>The measures mentioned above have been implemented</p> | |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|--|----------------|----|--|--|
| | Yes | No | Summary | |
| | | | <p>successively since 2013 to actively reduce the consumption of tap water.</p> <p>(4)For the waste management policy, the Company has actively reduced wastes by improving the design and manufacturing, use of materials, and packaging materials, effectively performed internal waste sorting, and formulated waste disposal plans.</p> <p>Target: 80% waste recycling rate or above. Measures for reduction:</p> <p>A. Control the printing paper consumption and encourage employees to reuse paper printed on one side.</p> <p>B. Implement waste and sorting and recycling</p> <p>C. Recycle or return cartons, styrofoam and pallets to suppliers.</p> <p>D. Reuse coffee grounds as a fertilizer for trees.</p> <p>E. Provide wastepaper to the Yuen Foong Yu Paper Factory for recycling.</p> <p>Obtained ISO14064-1:2018 declaration in 2024</p> | |
| <p>IV. Social issue</p> <p>(I) Does the Company develop management policies and procedures in accordance with the relevant regulations and international human rights conventions?</p> | ✓ | | <p>The Company observes related labor laws and respects the basic and internationally recognized basic labor rights. Our employees are covered by labor and health insurance, and their pension is contributed in accordance with law, in order to guarantee their legitimate rights. All of our management systems comply with the local labor laws and regulations, and the relevant systems are announced on our internal website for employees' reference.</p> | (I) No major difference. |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|--|----------------|----|---|--|
| | Yes | No | Summary | |
| (II) Does the Company establish and implement proper employee welfare measures (including the salary, holidays and other welfare) and reflect the corporate business performance or achievements in the employee remuneration? | ✓ | | <p>The company complies with the "Labor Standards Act" and related laws and regulations to formulate various welfare measures for employees, and provides market competitive benefits to motivate employees. In addition, regular performance appraisals are used as the basis for annual salary increases and promotions, and performance bonuses are issued to share with colleagues. Surplus results.</p> <p>The company attaches great importance to the salary and benefits of its colleagues. The overall salary includes basic salary, increment, allowances and bonuses. The company measures market salary levels through salary surveys and reference to overall economic indicators and price index evaluations every year to conduct competitive evaluations. Salary adjustment is expected to attract outstanding talents to join the company. The salary and remuneration evaluation of employees is based on their positions, professional skills, academic experience, professional years and personal performance. There will be no differential treatment based on gender, race, religion, or political affiliation. The average employee salary will be increased by 4% in 2024.</p> | (II) No major difference. |
| (III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly? | ✓ | | <p>1. Our two plants are engaged in R&D, and thus, there is no use of toxic chemicals in production or manufacturing. The measures for personnel safety and environmental control are as follows:</p> <p>(1) Personnel safety measures:</p> <p>A. Our security guards work 24-hour shifts and inspect the plant after hours on a regular basis (every 2</p> | (III) No major difference. |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|-----------------|----------------|----|---|--|
| | Yes | No | Summary | |
| | | | <p>hours from 22:00) to ensure the safety of employees working overtime and check if the electronic equipment in unused areas is turned off.</p> <p>B. Eight emergency push-buttons are installed in the motorcycle parking shed and car parking lot. Once a button is pressed, a call for assistance is sent to the security station.</p> <p>C. The entrances and exits of offices in each floor are equipped with an access control system. Surveillance equipment is also installed at entrances and exits. We provide an extension phone for employees to contact security or other employees in case they forget to bring their access card or are locked out.</p> <p>D. Occupational safety personnel conduct daily factory inspections and sign in at each inspection area</p> <p>E. We conduct education and training for new employees in accordance with the Occupational Safety and Health Act, informing new employees of relevant knowledge such as factory environmental safety, traffic safety, fire emergency evacuation assembly points, electrical appliances, and fire safety. This year, a total of 46 new employees participated in the education and training, with a total training time of 138 hours. Fire drills are conducted twice a year, divided into fire group training and escape drills for all employees.</p> | |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|-----------------|----------------|----|---|--|
| | Yes | No | Summary | |
| | | | <p>F. Anti-slip strips are installed on the stairs, and safety nets and anti-collision cushions are installed at dangerous places in the stairwell.</p> <p>(2) Workplace protection measures:</p> <p>A. We conduct the operational environment inspection (CO2 and illumination) twice every year pursuant to the Occupational Safety and Health Act. The inspection report is regularly announced/reviewed, and all the inspection results are better than the requirement of the law.</p> <p>B. In the management of mechanical equipment, automatic inspection lists are established in accordance with the regulations and inspections are carried out at the same time.</p> <p>C. CO2 detectors are installed on each floor. We monitor the indoor air quality at any time, and employees may observe the air quality on their own, in order to provide the employees with the good air quality.</p> <p>D. Induction lamps are installed in the basement for energy saving/safety purpose.</p> <p>2. Occupational safety and health management system (ISO 45001): Independently build and install occupational safety management system documents. Although it has not obtained ISO 45001 or CNS 45001 certification, it has written corresponding rules and regulations that are consistent with the occupational safety system according to</p> | |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|-----------------|----------------|----|--|--|
| | Yes | No | Summary | |
| | ✓ | | <p>the certification system and established annual occupational safety work. Plan and check regularly according to the plan every month.</p> <p>3. The number of employee occupational accidents was 1, accounting for 0.4% of the total number of employees. Regular on-the-job health checks are carried out for employees, and related health lectures are held from time to time, such as: Understanding the workplace violence prevention policy, stress coping ~ handmade DIY course (Bean Puzzle) 6/19 (18 people), evidence shows that high stress may directly cause cancer, how to improve office syndrome 7/3 (24 people), eat safely without panic 7/9 (10 people). This year, the company obtained the National Health Administration's Healthy Workplace Certification. The application project for obtaining the "Health Promotion Label" is: Small and medium-sized workplaces (less than 299 employees)</p> <p>4. The number of fires in the year was 0, and the number of casualties and the ratio of casualties to total employees was 0%. Every six months, we conduct simulated emergency response drills according to different situations. The fire response teams are divided into five major groups: reporting team/fire extinguishing team/safety protection team/evacuation guidance team/rescue team. Each group has its own responsibilities and conducts lectures and evacuation drills for the entire factory to avoid or minimize casualties when a disaster occurs and protect the safety of employees.</p> | |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|---|----------------|----|--|--|
| | Yes | No | Summary | |
| (IV) Does the Company have an effective career capacity development training program established for the employees? | | | <p>The annual evacuation drill is given more importance by the company's top management. In addition to the participation of all employees in the plant on November 7, all employees "squatted" after the roll call, which effectively distinguished those who were called and those who were not. After that, the roll call was carried out in this mode, and all employees completed the assembly roll call in only 8 minutes and 10 seconds.</p> <p>1.New employee training: Provide new employees with courses such as "company introduction, management regulations, labor safety,..." to help new employees quickly integrate into the work team.</p> <p>2.Professional training: Professional courses for employees are arranged every year, such as "Design and Measurement of Key RF Transceiver Circuits, Procurement Negotiation Strategies and Contract Management Practices,..." , etc., in order to strengthen employee functions, increase personal competitiveness, and benefit Employees' future career development.</p> <p>3.Supervisor training: Plan a series of management ability and practical drill training programs for grassroots and middle-level and senior managers, such as "Problem Analysis and Solving, High-Performance Team Leadership,..." , and then make a good succession plan and build an elite team .</p> | (IV) No major difference. |
| (V) Does the company's products and services comply with relevant laws and international standards | ✓ | | <p>To protect consumers' rights, complaint channels are provided on the Company's website for the consumers to contact our R&D, procurement, production, operational and service</p> | (V) No major difference. |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|---|----------------|----|---|--|
| | Yes | No | Summary | |
| <p>in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented</p> <p>(VI) Does the Company establish supplier management policies and require them to follow relevant regulations on the issues of environmental protection, occupational safety and health, or labor rights? How is the implementation?</p> | ✓ | | <p>personnel. The Company complies with relevant laws and international standards with regard to marketing and labeling in relation to our products and services.</p> <p>According to the company regulations, new suppliers must sign the quality contract and provide the “RoHS Management Survey Form.” The components used by the Company must be RoHS compliant, and REACH and RBA regulations have been investigated in response to customer requirements, and the supplier’s management (PLM) system has been integrated. The results of RoHS and REACH compliance inspection of materials are controlled in the Product Lifecycle Suppliers must still diligently address environmental protection issues and declare material composition after entering the supplier chain system. Performance evaluation of suppliers is conducted according to the Company’s “Supplier Management Procedure,” and various indicators of suppliers are assessed periodically. If any supplier fails to reach the targets, such nonconforming supplier is warned, has their orders reduced, or suspended from trading with the Company to ensure green production in our supplier chain system, reduce pollution, maintain the environment, and fulfill our social responsibility. Suppliers are also invited to sign the</p> | (VI) No major difference. |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|-----------------|----------------|----|---|--|
| | Yes | No | Summary | |
| | | | <p>Supplier Code of Conduct and the Environmental Protection and Social Responsibility Acknowledgment Letter, which are required to be followed by suppliers. In addition, supplier conferences are convened periodically to convey and discuss various laws and regulations, as well as reaching a consensus on the achievement of the goal of a green supply chain.</p> <p>CyberTAN Technology performs quality and process assessments and conducts social, environmental responsibility, green product, and greenhouse gas (GHG) audits on medium- and high-risk suppliers. When a supplier's audit or improvement result satisfies the Company's requirements, such supplier may then be included in the qualified supplier list. In addition, the Company implements key management on suppliers of crucial component. Through the supplier management platform, supplier online surveys and field audits are performed periodically. After an audit is completed, in the case of the discovery of a zero tolerance deficiency, such supplier will lose its qualification to be listed as a new supplier. If a non-zero tolerance deficiency is found, the supplier is requested to submit an improvement plan and measures within a time limit according to the severity of the deficiency. When the deficiency is found to be severe, a second review is conducted; however, if no improvement is made within the time limit specified, it will be listed in the poor-performance supplier list.</p> <p>To properly implement procurement management of CyberTAN, the suppliers' GP management status including</p> | |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|-----------------|----------------|----|---|--|
| | Yes | No | Summary | |
| | | | <p>contract signing, factory GP overall risk, contractor system certification progress, hazardous substance inspection capability, is understood through the supplier green product management platform constructed by the parent company, Hon Hai Technology Group.</p> <p>Regarding conflict mineral management, CyberTAN Technology complies with relevant international and industrial non-use regulations and prohibits the purchase of Sn, W, Ta, and Au from the Democratic Republic of the Congo (DRC) and its surrounding countries and regions. In addition, the Conflict Minerals Reporting Template (CMRT) of the Conflict-Free Sourcing Initiative (CFSI) jointly developed by Responsible Business Alliance (RBA) and Global e-Sustainability Initiative (GeSI) is used, in order to conduct conflict mineral investigation work on suppliers.</p> <p>To quantify the supplier risk, in order to properly determine the risk, to continuously promote supplier improvement, and to enhance the supplier management capability, the Group has established the supplier SER system management platform. Supplier SER management is divided into four stages: introduction, risk assessment, audit verification, and continuous improvement. Suppliers' responses must satisfy the Group and CyberTAN Technology's requirements and be used as the basis for the present year and future procurement. Any nonconforming supplier will be replaced by other suppliers further searched for and sought. CyberTAN Technology values the impact of environmental pollution on the overall living</p> | |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|---|----------------|----|--|--|
| | Yes | No | Summary | |
| V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?? | ✓ | | <p>environment, and requests suppliers to perform audits periodically and to implement improvements properly.</p> <p>As the largest electronics manufacturer in the industry, the CyberTAN Technology implements an internal green procurement management directive comprehensively, and establishes an organization and designates dedicated personnel to transform various regulations, environmental protection requirements of customers, industry, and society (RoHS/REACH/HF, etc.) into internal executable standards, and such standards are also conveyed to the entire supply chain. Accordingly green compliance control of raw materials are traced from upstream suppliers, and source suppliers are requested to disclose product hazardous substance content information, which is further conveyed to end customers.</p> <p>We voluntarily prepare the CSR report based on the GRI Standards and disclose the report on the Company's website and MOPS. We have not acquired any third-party assurance or verification opinion for the report.</p> | No major difference. |
| <p>VI. Whether the Company has instituted the sustainable development best practice principles in accordance with the "Sustainable Development Best Practice Principles for the TWSE Listed and TPEX Listed Companies," specify the implementation of these principles and the variation with the Sustainable Development Best Practice Principles for the TWSE/TPEX-listed Companies:</p> <p>The Company established the "Corporate Social Responsibility Best Practice Principles" to fulfill corporate social responsibilities. The actual operation has been consistent with such Principles.</p> | | | | |

| Evaluation item | Implementation | | | Variations from the Sustainable Development Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons. |
|---|----------------|----|---------|--|
| | Yes | No | Summary | |
| <p>VII. Is there any other essential information that helps to understand the performance of sustainable development: The Company has been devoted to implementation of waste management policies, such as actively reducing wastes from design and manufacturing and the use of materials, improving packaging materials, effectively performing internal waste sorting, and establishing waste disposal programs. The Company produces an average of 1.5 metric tons of business waste monthly. We provide recyclable bottles, cartons and batteries to charities for recycling without compensation in the hope to realize the reuse of resources and engage in public welfare.</p> | | | | |

Attachment 1: CyberTAN Plant Greenhouse Gas Emission, Water Consumption and Total Weight of Waste in 2024 and 2023

◎Whole year electricity expense and consumption

| Year | 2024 | 2023(Note) |
|---------|------------------------------|------------------------------|
| Scope 1 | 150.7013 tCO ₂ e | 145.8026 tCO ₂ e |
| Scope 2 | 432.2880 tCO ₂ e | 499.7304 tCO ₂ e |
| Scope 3 | 3277.3508 tCO ₂ e | 3850.6649 tCO ₂ e |
| total | 3860.3401 tCO ₂ e | 4496.1979 tCO ₂ e |

Note: The greenhouse gas data in 2023 will undergo external verification and verification, and a declared in June 2024.

◎Whole year water expense and consumption

| Year | 2024 | 2023(Note) |
|--|-------|------------|
| CO ₂ emission (equivalent/kg) from water consumption in the period (whole year) | 1,268 | 1,177 |
| Water consumption in the period (whole year) | 5,442 | 5,470 |

Note: The greenhouse gas data in 2023 will undergo external verification and verification, and a declared in June 2024.

◎Whole year waste tonnage

| Year | 2024(Note2) | 2023(Note1) |
|--------------------------|-------------|-------------|
| Whole year waste tonnage | 21.167 | 17.76 |

Note1: The greenhouse gas data in 2023 will undergo external verification and verification, and a declared in June 2024. Note2: The external verification and inventory verification method is compared with the 2023 greenhouse gas data. The increase in 2024 is the temporary storage of waste in 2023 that has not been removed.

Climate-related information for TWSE/TPEX-listed companies

1. Climate-related information implementation

| Item | Implementation | | |
|--|---|---|--|
| 1. Describe the board of directors and management's supervision and governance of climate-related risks and opportunities. | <p>The chairperson is the Chairman and President. The Sustainability Promotion Office has been established under the President's Office and consists of five working groups tasked with formulating work plans. The Board of Directors is the highest governance body of the Company, and the chief director of the Sustainability Promotion Office reports progress to the Board of Directors at least semi-annually and completes an annual sustainability report each year. The Sustainability Committee is directly involved in supervising and managing the Company's performance and risk management in economic, environmental, and social issues (including climate change) and making final decisions. It continues to promote that the Board of Directors consider these economic, environmental, and social issues (including climate change) and their impacts, risks, and opportunities, as well as the views of stakeholders, when making decisions on important matters.</p> | | |
| | Organization | Governance/Implementation | Frequency of discussion |
| | Board of Directors | Supervising the management of climate issues and verifying the achievement of climate-related targets. | Quarterly – Board of Directors meeting |
| | Sustainability Committee | The Sustainability Committee is directly involved in supervising and managing the Company's performance and risk management in climate issues and making the final decisions, and it continues to promote that the Board of Directors consider climate issues and their risks and opportunities, as well as the views of stakeholders when making decisions on important matters. | Quarterly – Sustainability Committee meeting |

| | Sustainability Promotion Office | It is responsible for identifying the overall climate risks and opportunities of the Company, and regularly tracking and assessing the progress and effectiveness of implementation, in order to formulate response strategies. | <ul style="list-style-type: none"> ● Quarterly – The chief director (Vice President) reports the progress of climate issues to the Board of Directors. ● Annually – Completing the annual sustainability report and climate-related financial disclosures report ● Meeting as needed | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|---|---------------------------|-------------|-----------|-------------------|--|--|--|--|----------|------|------------------|------------------|---------------------------|--|--|-------------------|------------|-------------|-----------|--|--|--|--|--|--|--|--|
| | TCFD core executive bodies and business groups | Implementing risk and opportunity management measures for climate change, and coordinating with internal and external stakeholders for communication over climate issues. | Meeting as needed | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>2. Describe the board of directors and management’s supervision and governance of climate-related risks and opportunities.</p> | <p>The Company categorizes the risks and opportunities arising from climate change into short term (within 2 years), medium term (2–6 years) and long term (over 6 years), and each executive body lists the short-, medium- and long-term risks and opportunities that may arise from climate change for business operations based on international research reports, industry trends, and internal and external surveys of corporate stakeholders, in order to deploy the corresponding response capabilities in advance. For the six risks and five opportunities identified in 2024, response measures and strategies are formulated according to the duration and level of impact. The impacts of climate change risks and opportunities are analyzed as follows:</p> <p>(1) The six risks are summarized as follows:</p> <table border="1" data-bbox="651 1066 2085 1209"> <thead> <tr> <th colspan="8">Risks</th> </tr> <tr> <th rowspan="2">Category</th> <th rowspan="2">Item</th> <th rowspan="2">Risk description</th> <th rowspan="2">Financial impact</th> <th colspan="3">Possibility of occurrence</th> <th rowspan="2">Response strategy</th> </tr> <tr> <th>Short term</th> <th>Medium term</th> <th>Long term</th> </tr> </thead> <tbody> <tr> <td> </td> </tr> </tbody> </table> | | | Risks | | | | | | | | Category | Item | Risk description | Financial impact | Possibility of occurrence | | | Response strategy | Short term | Medium term | Long term | | | | | | | | |
| Risks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Category | Item | Risk description | Financial impact | Possibility of occurrence | | | Response strategy | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Short term | Medium term | Long term | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | |
|--|--------|--------------------------|--|--|--------|----------------|----------------|---|
| | Market | Customer behavior change | Increased awareness of climate change has led to changes in customer preferences for products/services, and thus changes in procurement policies. For example, if customers demand products and services that exceed the current requirements of environmental standards, or reduced-plastic products, inability to meet the demand may result in the loss of part of customers or market share. | <ul style="list-style-type: none"> • Increased R&D expense • Decreased revenue | Medium | Medium to high | Medium to high | Preparing product life cycle assessment reports or carbon footprint reports for benchmark products; using recycled materials in product packaging design and eco-friendly water-based inks for printing to minimize environmental impact and damage; setting environmental standards to ensure that all materials and products comply with international requirements; and participating in domestic and international sustainability-related ratings to enhance the transparency of sustainable practices. |
|--|--------|--------------------------|--|--|--------|----------------|----------------|---|

(2) The five opportunities are summarized as follows:

| Opportunities | | | | | | | |
|---------------|------|-------------------------|------------------|---------------------------|-------------|-----------|-------------------|
| Category | Item | Opportunity description | Financial impact | Possibility of occurrence | | | Response strategy |
| | | | | Short term | Medium term | Long term | |

| | | | | | | | | | |
|--|--|---------------|---|---|---|--------|--------|----------------|--|
| | | Energy source | Diversification of renewable energy sources | <p>Vietnam's DPPA program allows businesses to purchase power directly from renewable energy generators and transmit it through private transmission systems. Alternatively, it can pass through the national grid, with renewable energy generators contracting with Vietnam's power companies at wholesale prices or at lower prices that fluctuate with the market. This program is expected to increase the supply of renewable energy in Vietnam and reduce its cost of use.</p> | <ul style="list-style-type: none"> • Decreased operational cost • New sources of income | Medium | Medium | Medium to high | <p>The new factory in Vietnam is equipped with a smart energy-saving system that collects data to analyze and evaluate the organization's carbon emissions, product carbon footprint, and emission hotspots. This system determines the paths and optimization plans for carbon emission reduction, which have been included in the 2025 work plan to increase investment in renewable energy and the procurement of renewable energy and electricity.</p> |
|--|--|---------------|---|---|---|--------|--------|----------------|--|

| | | | | | | | | | |
|--|--|-----------------------|--|--|---|---------------|--------|----------------|---|
| | | Products and services | Behavioral changes of individual consumers | <p>The “Who Cares, Who Does?” study launched by Kantar shows that over half of the consumers care about sustainability or have proactively begun to reduce waste through various methods. Another report called “Purpose in Asia” indicates that 75% of the consumers think that corporate social responsibility affects their willingness to purchase. Consumers mind whether the products they purchase are friendly to the environment and are concerned that the money they spend on these products contributes to destroying the environment.</p> | <ul style="list-style-type: none"> Increased operating revenue | Medium to low | Medium | Medium to high | <p>The Company offers extended warranty cost options for its products. Through this after-sales service strategy, the Company can increase the possibility of customers’ sustainable use of its products. With the design of highly durable parts and modules, the Company can enhance users’ confidence in the extended warranty, thus extending the life cycle of the whole product. CyberTAN believes that the use of green materials, low-carbon product design, and the reduction of waste generation are important concepts in the development of green products.</p> |
|--|--|-----------------------|--|--|---|---------------|--------|----------------|---|

| | | | | | | | | | |
|--|--|--------|-------------------|---|---|--------|----------------|----------------|---|
| | | Market | Green Procurement | <p>If the Company can compile sustainability-related data or develop and produce low-carbon products, it has a chance to help corporate customers win orders from telecommunication service providers, seize business opportunities, and expand market share.</p> | <ul style="list-style-type: none"> Increased operating revenue | Medium | Medium to high | Medium to high | <p>Green Product Management Information System (GPMIS) is under construction by CyberTAN. It strictly monitors product information from raw materials, production, shipping, and use to waste. The system includes a “Complete Green Parts and Design Database,” a “Product Lifecycle Assessment (LCA) System,” a “Product Recycling Database System,” and a “Carbon Footprint Data Integration Calculation System” to achieve the corporate citizen commitments of “low-toxicity,” “energy-saving,” “energy-saving,” and “ease of recycling” for green products. This green product management information system helps CyberTAN in effectively controlling and supervising the R&D of green product design, users’ applications, and subsequent waste recycling to reduce environmental impact.</p> |
|--|--|--------|-------------------|---|---|--------|----------------|----------------|---|

| | | | | | | | | |
|--|---|---------------|---|--|--------|--------|----------------|---|
| | Market | Green funding | <p>Global investment institutions are increasingly focusing on the carbon reduction achievements of businesses as a reference indicator for their green and sustainable investments. If the Company transforms into a business with outstanding performance in low-carbon transformation and seizes prospective ESG opportunities, it may become a target for sustainability funds or investors. Additionally, it could invest in the research and development and design of green products and sustainable transformation by issuing green bonds, sustainability-related bonds, and obtaining low-interest sustainability-linked loans (SLL) from banks, thereby forming a positive cycle.</p> | <ul style="list-style-type: none"> • New sources of financing | Medium | Medium | Medium to high | <p>The quality of ESG information disclosure maintains compliance with the green financing review criteria in order to quickly obtain the support of banks and rating agencies, whenever operationally necessary, for the use of sustainability-linked loans or the issuance of sustainability bonds to develop new sources of financing and demonstrate the Company's long-term commitment to climate change and environmental sustainability.</p> |
| 3. Describe the financial impact of extreme weather events and | Please refer to the description of Item 2 above for the financial impact of extreme climate and transformation actions. | | | | | | | |

| | | | | | | | | |
|--|--|--|---|--|---|--|--|---|
| <p>transition actions.</p> | <p>The Company will continue to reduce the impact of climate risk factors on its operations and market competitiveness through technological innovation and the implementation of continuous operation plans. In addition, based on the scenario analysis results, the Company will redefine its risk tolerance and asset risk pricing, and establish the climate VaR monitoring indicator based on the estimated loss of the investment portfolio to monitor the value loss caused by extreme climate risks.</p> <p>To properly manage the risks associated with extreme weather events and the transition to a low-carbon economy, the risks of climate change have been incorporated into our operational decisions. This involves identifying and managing these risks while also acknowledging the crises of global warming and resource depletion. We are fully committed to responding to the trend of energy conservation and carbon reduction through mitigation and adaptation measures.</p> | | | | | | | |
| <p>4. Describe how to integrate identification, evaluation and management process of climate risk in risk management system.</p> | <p>● Processes for identifying, assessing and managing climate risks</p> <p>CyberTAN adopts TCFD’s four pillars of “governance,” “strategy,” “risk management” and “metrics and targets” to disclose climate-related information. Through discussions by the Sustainability Committee and its working groups, the identification of climate-related risks and opportunities is performed for all operational and business aspects of the Company to evaluate the potential impacts and financial effects that might occur. Management guidelines and action plans corresponding to material risks and opportunities are developed. In order to develop appropriate climate change response strategies and action plans, CyberTAN not only collects information on climate-related issues and trends through the ESG working group meeting regularly on a quarterly basis, but also establishes a Risk Management Executive Team under the Audit Committee with a convener. The Risk Management Executive Team conducts a comprehensive assessment of the Company’s operational and emerging risks, and reports the status of risk management operations to the Audit Committee and the Board of Directors at least once a year for a rolling assessment of the impact on the Company. In addition, the Risk Management Executive Team also conducts comprehensive inventory, assessment, ranking, and other related identification activities on the risks and opportunities arising from climate change on an annual basis.</p> <p>CyberTAN identifies and manages climate-related risks and opportunities through a four-step process, which includes ESG working group meetings to collect information on relevant issues and trends, regular assessment of the impact and materiality of risks and opportunities, formulation of corresponding strategies and target metrics, and regular tracking and review in accordance with the PDCA principles, in order to maintain comprehensive control and make immediate responses.</p> <table border="1" data-bbox="651 1289 2085 1437"> <tr> <td data-bbox="651 1289 1010 1437"> <p>STEP 01 Collecting issues: listing the climate-related risks and opportunities</p> </td> <td data-bbox="1010 1289 1368 1437"> <p>STEP 02 Identifying impacts: assessing the materiality of risks/opportunities</p> </td> <td data-bbox="1368 1289 1727 1437"> <p>STEP 03 Formulating strategies: developing corresponding strategies</p> </td> <td data-bbox="1727 1289 2085 1437"> <p>STEP 04 Monitoring and management: monitoring material risks and</p> </td> </tr> </table> | | | | <p>STEP 01 Collecting issues: listing the climate-related risks and opportunities</p> | <p>STEP 02 Identifying impacts: assessing the materiality of risks/opportunities</p> | <p>STEP 03 Formulating strategies: developing corresponding strategies</p> | <p>STEP 04 Monitoring and management: monitoring material risks and</p> |
| <p>STEP 01 Collecting issues: listing the climate-related risks and opportunities</p> | <p>STEP 02 Identifying impacts: assessing the materiality of risks/opportunities</p> | <p>STEP 03 Formulating strategies: developing corresponding strategies</p> | <p>STEP 04 Monitoring and management: monitoring material risks and</p> | | | | | |

| | | | |
|--|--|---|--|
| | | for material risks and opportunities | opportunities in accordance with the PDCA principles |
| Through the ESG work group’s quarterly meeting platform, the Company continues to collect information on external development trends and actual internal climate-related issues. | Based on the possibility of occurrence of the relevant issues and their actual financial impact on CyberTAN, the materiality of these issues is assessed, and the risks that must be prioritized for management or the opportunities that must be actively explored will be identified and ranked. | With respect to the material risks and opportunities, feasible strategies and specific measures will be further formulated, and corresponding metrics and targets will be set to facilitate subsequent supervision. | The Company follows the PDCA principles to continue monitoring and managing material climate-related risks and opportunities, and regularly reviews and improves them, to ensure the appropriateness of relevant strategies and the effectiveness of measures. |

● **Risk management system**

In response to the threat of climate change, CyberTAN has adopted a comprehensive risk management strategy that encompasses all operations, including its own activities and supply chain management. In terms of operations, the Company has introduced the ISO 14064-1 Greenhouse Gas Inventory Certification and the ISO 14001 Environmental Management System, and plans to introduce the ISO 50001 Energy Management System in the new plant. The Company will actively promote energy conservation and carbon reduction, and establish a continuous operation plan to ensure its ability to respond to climate disasters. In terms of supply chain management, CyberTAN has been actively promoting local procurement to enhance the resilience of the supply chain. Meanwhile, through the ESG management platform, the Company requires suppliers to conduct greenhouse gas inventory, set carbon reduction targets, and hold training to strengthen suppliers’ sustainability awareness.

Based on the results of measurement and assessment, the relevant departments are requested to adopt strategies for avoidance, mitigation, transfer or control, including:

1. Developing response strategies and management measures.
2. Continuous management of operations.
3. Regular monitoring.

Adopting avoidance, mitigation, transfer or control strategies for identified risk and opportunity factors.

5. If using scenario analysis to assess resilience to climate change risks, provide details of the scenarios, parameters, assumptions, analysis factors and key financial impacts.

● **Selection of climate scenarios**

The Company has included the scenarios of SSP1-1.9, SSP1-2.6, and SSP5-8.5 in the IPCC’s 6th Assessment Report (IPCC AR6 2021) as a reference for scenario analysis. The Company analyzes scenario SSP1-1.9 for transition risks with a higher level of low-carbon transition, and scenarios SSP1-2.6 and SSP5-8.5 for physical risks with greater severity of disasters. The results of the scenario analysis and future directions for improvement are as follows.

| IPCC AR6 scenario | Scenario description | Corresponding temperature rise by the end of the century (2100) |
|--|--|---|
| SSP1-1.9 scenario: ultra-low emission | In this scenario of mitigation, the world is undergoing an orderly transition, and it is expected to achieve net-zero emissions by 2050. | 1.5°C |
| SSP1-2.6 scenario: low emission | In this scenario of mitigation, the global carbon dioxide emissions have significantly reduced, but the results are unsatisfactory. It is expected to achieve net-zero emissions by 2075. | ~2°C |
| SSP5-8.5 scenario: ultra-high emission | The rapid growth of the global economy is mainly dependent on the development of fossil fuels and high-energy-intensive industries, and there is almost no climate policy management. By 2050, global GHG emissions will double. | >4°C |

● **Analysis of transition risk scenarios**

In accordance with the IPCC AR6 report, the Company has selected the ultra-low-emission scenario (SSP1-1.9) as the basis for its analysis of the transition risk scenario to assess the potential financial impact of climate change on the Company’s operations. This scenario assumes that the world will take the most aggressive carbon reduction actions to achieve the Paris Agreement’s 1.5°C temperature control target by 2050. In response to the national low-carbon transition policy and the demand for supply chain carbon reduction from international customers, the Company has set phased low-carbon transition targets:

1. The 2030 phase target: Reducing carbon emissions by 40%, and the use of renewable energy accounting for at least 30% (with 2024 as the base year).
2. The 2050 long-term target: Achieving net-zero emissions (it is estimated that 100% use of renewable energy is required). This analysis is mainly based on the assessment of the energy transition cost changes

of the factories in Hsinchu and the Vietnam Plant, including the following factors:

- Expected growth rate of the energy consumption need of each factory
- Trends in conventional energy price changes
- Forecasts of renewable energy purchase costs
- Progress of energy transformation technology development

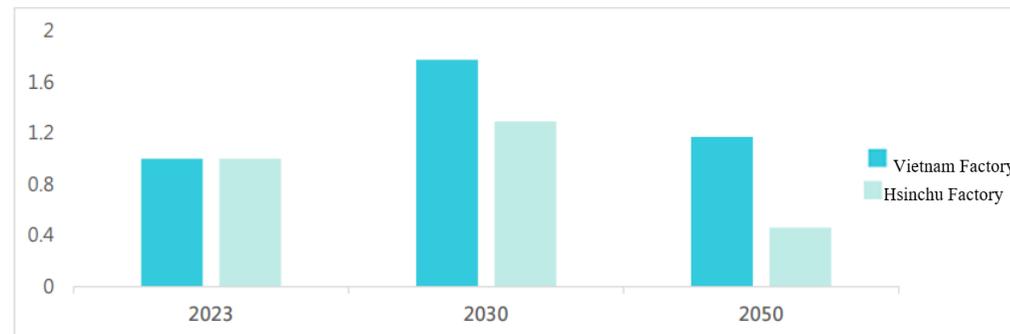
The results of analysis based on the energy consumption cost in 2023 (set to 1.0) indicate:

Medium-term impact by 2030:

- Vietnam Factory: Cost is expected to increase by 1.77 times.
- Hsinchu Factory: Cost is expected to increase by 1.29 times.

Long-term impact by 2050:

- Vietnam Factory: Cost is expected to increase by 1.17 times.
- Hsinchu Factory: Cost is expected to decrease by 0.46 times.



The results of the analysis show that although the energy transition will result in huge cost increases for the factories in the medium term, in the long term the low carbon strategy adopted by the Company, supplemented by sound planning and implementation, will not only reduce operating costs but also strengthen the Company's competitiveness in the market as the world moves toward a net-zero transition. CyberTAN will continue to monitor global and regional energy market trends and will continue to evaluate and plan for relevant measures to minimize the financial impact of the transition process, such as:

- Continuing to optimize the energy management system and improving energy use efficiency.
- Diversifying the procurement channels of renewable energy to reduce supply risks.
- Investing in the R&D of energy-saving technologies to reduce overall energy needs.
- Establishing an internal carbon pricing mechanism to improve the accuracy of investment decision making.

- Regularly reviewing and updating the transition path to ensure the flexibility of strategic implementation and room for adjustment.

- **Analysis of physical risk scenarios**

With reference to the IPCC AR6 SSP scenarios, CyberTAN has selected the low-emission scenario (SSP1-2.6) and ultra-high emission scenario (SSP5-8.5) for the analysis of physical risk scenarios and cited data from the National Science and Technology Center for Disaster Reduction (NCDR) and ClimateAnalytics to examine the short-, medium-, and long-term potential risks of the primary operating locations, including flooding, drought, high temperature, and extreme rainfall. The results of the assessment have been incorporated into the continuous operation plan to strengthen the relevant actions and enhance operating resilience.

Results of analysis of the impacts of extreme climate events:

| Factory location | Scenario | Climate disasters | | | |
|------------------|----------|-------------------|---------|------------------|----------------------------|
| | | Flooding | Drought | High temperature | Extreme rainfall indicator |
| Hsinchu Factory | SSP1-2.6 | Level 3 | Level 1 | Level 3 | Level 2 |
| | SSP5-5.8 | Level 3 | Level 1 | Level 4 | Level 5 |
| Vietnam Factory | SSP1-2.6 | Level 1 | Level 2 | Level 3 | Level 3 |
| | SSP5-5.8 | Level 1 | Level 2 | Level 4 | Level 5 |

The results of the analysis show that the primary operating locations of CyberTAN are under the low-emission and ultra-high emission scenarios. The Hsinchu factory is considered a Level 3 risk under two emission scenarios. There is no flooding recorded in the past five years, but the factory has a 1.5hp water pump. Drought is not a risk of upgrade under low-emission and ultra-high emission scenarios. The Vietnam factory has installed a wastewater recycling system and 8-tonne storage tanks for water recycling to reduce the risk. The risk of high temperature increases slightly with time and in extreme scenarios. Under the SSP5-8.5 scenario, the primary operating locations are all medium-to-high-risk areas. The Vietnam factory has installed a smart control system, and the Hsinchu factory is also evaluating the response strategy. The main financial impact is that if the temperature rises by 1°C, it will require an increase of 3% in electricity consumption. If the temperature at both factories increases by 1.6 to 2.3°C, the Hsinchu factory will increase its electricity bills by NTD 55,000 to 80,000 per year, and the Vietnam factory will increase its electricity bills by NTD 172,000 to 247,000 per year.

The extreme rainfall indicator is the highest physical risk for CyberTAN. Under the SSP5-8.5 scenario, the primary operating locations are all high-risk areas, with a 5.6%–18.8% increase in the possibility of occurrence,

| | |
|--|---|
| | <p>which may lead to operational disruptions. The main financial impact is that, on average, a one-day disruption of operations in Hsinchu will result in a loss of NTD 927,642, and a one-day disruption of operations in Vietnam will result in a loss of NTD 8,431,356, which is significant. Based on the historical records of the past five years, the annual loss from operational disruptions in Hsinchu would be approximately NTD 1.37 million to 1.55 million, while the annual loss from operational disruptions in Vietnam would be approximately NTD 8.9 million to 10.02 million. Currently, we are in the process of discussing amendments to the continuous operation plan, and we are expected to put forward mitigation measures in 2025.</p> |
| <p>6. If there is a transformation plan for managing climate-related risks, provide an explanation of the plan's contents and the indicators and objectives used to identify and manage physical and transition risks.</p> | <p>CyberTAN has established comprehensive climate-related metrics to monitor its environmental sustainability performance and guide its overall business strategy. The Company focuses on two core areas: GHG and energy management, and green product and supply chain management, supplemented by key environmental indicators, such as water resource management and waste management. It also sets clear targets for each of these areas. In terms of GHG and energy management, the Company is committed to reducing carbon emissions by 40% by 2030 and achieving net-zero emissions by 2050. In terms of green product and supply chain management, the Company is committed to making its own products 100% carbon-neutral by 2030, and aims to achieve a 40% share of revenue from green products. In terms of water resource management, the Company will introduce water purification facilities in the new factories. In terms of waste management, the Company has set a target recycling rate of at least 80%, as described in point 8 of the Targets and Metrics for Identifying Climate-Related Risks. The Company will disclose the progress of implementation for these climate metrics annually to demonstrate its commitment and practical actions to environmental sustainability.</p> |
| <p>7. If using internal carbon pricing as planning instrument, provide an explanation of the basis of price setting.</p> | <p>In order to promote the goals of sustainable development, the Company uses shadow pricing as the basis for internal carbon pricing, and includes carbon fees as a reference factor for procurement decisions, which are applicable to equipment purchases equaling or exceeding NTD 100,000. For equipment purchases equaling or exceeding NTD 100,000, the rated power (kW) and the estimated annual operating hours (hours/year) of the equipment are converted to the carbon emission equivalent to be calculated based on the carbon price announced by the Ministry of Environment (if the Ministry of Environment announces a change in the carbon fee, the sustainability department will immediately update the carbon pricing standard), and the carbon fee generated from the estimated service life of the equipment will be included in the consideration of the purchases.</p> |
| <p>8. If climate-related targets are established, provide information on the covered activities, greenhouse gas emission scopes, planning</p> | <p>The Company is conducting a greenhouse gas inventory and obtained ISO 14064-1 certification in the first half of 2024. To achieve the carbon reduction set by the Company's Sustainability Committee, it is expected to apply for the international Science Based Targets initiative (SBTi) in 2025 to meet the carbon reduction path of controlling the temperature rise by 1.5°C. We will set short-, medium-, and long-term phase targets at five-year intervals.</p> <p>The Company covers operational activities such as electricity usage at our operating sites. By implementing</p> |

timeline, annual progress. If carbon offsets or renewable energy certificates (RECs) are used to achieve these targets, the source and amount of carbon offsets or the number of RECs should be specified.

energy-saving equipment and utilizing renewable energy (hereafter referred to as green electricity), we installed solar panels on the rooftop of CyberTAN’s Hsinchu factory in 2023. Additionally, we have planned energy-saving and carbon reduction investments for our new Vietnam plant, including installing solar panels, an energy management system, and a water recycling system.

| Indicator | Commitment | Target | | | Actual performance |
|---------------------------|--|---|---|--|---|
| | | Short term | Medium term | Long term | |
| GHG and energy management | <ul style="list-style-type: none"> ● Reducing GHG emissions at global factories by 40% by 2030 (with 2024 as the base year) ● Net-zero emissions by 2050 ● The use of green electricity accounts for at least 30% by 2030 | <ul style="list-style-type: none"> ● Participation in CDP carbon disclosure ● Introducing ISO50001 Energy Management System, and acquiring external certifications ● Introducing energy-saving smart control systems and green energy at the new factories ● At least 15% reduction | <ul style="list-style-type: none"> ● The new factories acquire certifications for organizational GHG inventory ● Participation in the Science Based Targets Initiative (SBTi) | <ul style="list-style-type: none"> ● The use of green electricity accounts for at least 30% ● Reducing GHG emissions at global factories by at least 20% | <ul style="list-style-type: none"> ● For the global GHG emissions in 2022, please refer to the 2023 Sustainability Report of CyberTAN. ● Participate in the reduction consultation guidance held by the competent authorities. ● CyberTAN’s factory in Taiwan received the ISO14064-1 certification for organizational GHG inventory in July 2024. ● The unit product energy consumption was 0.4213kWh/kg, a 26.42% decline from 0.5725kWh/kg in 2020, and better |

| | | | | | | | |
|--|--------------------------------|--|--|--|--|--|---|
| | | | | | | | than the target of 5% reduction in unit energy intensity set in 2020. |
| 9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately). | To be filled in at 1-1 and 1-2 | | | | | | |

1-1 The Company's greenhouse gas inventory and assurance in the recent two years
1-1-1 Greenhouse gas inventory information

| Describe the greenhouse gas emission volume (tCO ₂ e), intensity (tCO ₂ e/NTD million), and data coverage for the most recent two years. | | | | | |
|--|---------|---------------------------------|--|---------------------------------|--|
| | | 2023 | | 2024 | |
| | | Emissions in tCO ₂ e | Intensity (tCO ₂ e/NTD million) | Emissions in tCO ₂ e | Intensity (tCO ₂ e/NTD million) |
| Hsinchu Factory | Scope 1 | 145.8026 | | 150.7013 | |
| | Scope 2 | 499.7304 | | 432.288 | |
| total | | 645.533 | 0.1694 | 582.9893 | 0.1622 |

Carbon inventory will be conducted in 2023. The data covers: CyberTAN Technology Inc.'s CyberTAN Plant, and the data is calculated in terms of turnover (NTD million).

1-1-2 Greenhouse gas inventory assurance information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

In order to strengthen climate change and greenhouse gas management, the company voluntarily carried out third-party greenhouse gas assurance in 2023. The implementation status in the past two years is as follows:

| Execution confidence range | | Emissions in 2023 (tCO2e) | Emissions in 2024 (tCO2e) |
|----------------------------|--|----------------------------------|--|
| Hsinchu Factory | Scope 1 | 145.8026 | 150.7013 |
| | Scope 2 | 499.7304 | 432.288 |
| | total | 645.533 | 582.9893 |
| | Percentage of the above 1-1-1 disclosed investigation data | 100% | 100% |
| Guarantee Agency | | Global Inter Certification (GIC) | Industrial Research Institute |
| Guarantee basis | | ISO14064-3:2019 | ISO14064-3:2019 |
| Guaranteed conclusion | | Unqualified opinion | Expected to be acquired in June and disclosed in the sustainability report |

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

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.

- **Base year and targets for GHG reduction**

The Company is actively planning the GHG reduction policies and targets, and has completed the GHG inventory before the statutory deadline of 2023, the scope of which covered the Company's Hsinchu factory in Taiwan. The Hsinchu factory's Category 1 and Category 2 emissions in 2024 were 140.5845 tonne-CO2e and 450.528 tonne-CO2e respectively. CyberTAN is actively conducting GHG inventory for the Vietnam factory and is planning for the relevant certifications. The base year will be determined based on the actual progress. The Company aims to achieve a 40% reduction from the base year by 2030, and net-zero by 2050 in the long term.

- **Strategies and specific action plans for GHG reduction**

The Company is committed to investing in green energy by installing 6,000 kW of rooftop solar power in its new factories in Taiwan and Vietnam in 2023 and 2024, as well as improving energy efficiency. In 2023, the unit product energy consumption was 40.4213kWh/kg, a decrease of 26.42% from

0.5725kWh/kg in 2020, which was better than the original target of a 5% reduction. In 2024, the Company invested more in the new factory in Vietnam to build a smart energy control system, which will result in an annual energy saving of 11.2%. In terms of waste management, the waste recycling rates of the factories in Taiwan and Vietnam reached 94% and 89.6%, respectively, exceeding the target of 80%. At the same time, CyberTAN joined hands with its supply chain partners to organize three ESG management policy training seminars for suppliers in 2023, which were attended by 265 suppliers. The training covered carbon neutrality, zero waste, and green product management policies. The Company also held an online sharing session on suppliers' carbon reduction achievements, which was attended by 226 suppliers, demonstrating its commitment to sustainable supply chain management. These specific actions and achievements demonstrate CyberTAN's proactiveness and continuous progress on climate change issues.

(VI) Fulfillment of integrity management and measures taken

| Evaluation item | Implementation | | | Nonconformities to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof |
|---|----------------|----|--|---|
| | Yes | No | Summary | |
| I. Enactment of ethical management policy and program | | | | |
| (I) Does the Company establish ethical corporate management policies that are adopted by the Board of Directors and explicitly state such policies and the implementation methods in its Articles of Incorporation and external documents? Do the Board of Directors and top management actively implement their commitment to implementing the operating policies? | ✓ | | The Company is committed to ethical corporate management and complies with relevant laws and regulations. We adopted the “Ethical Corporate Management Best-Practice Principles” approved by the Board of Directors as the corporate management policies of the Company and disclosed the same on the Company’s website and MOPS to actively fulfill and supervise the execution of ethical corporate management policies committed. | (I) No major difference. |
| (II) For the risk of unethical conduct, does the Company establish an assessment mechanism and regularly analyze and assess the business activities within its business scope which are possibly at a higher risk of being involved in unethical conduct to establish preventive solutions that at least cover the conduct specified in each subparagraph under Paragraph 2 in Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed | ✓ | | The Company adopts proper preventive measures such as the establishment of “Code of Ethical Conduct for Directors and Managers” and “Employee Work Rules.” | (II) No major difference. |

| Evaluation item | Implementation | | | Nonconformities to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof |
|--|----------------|----|---|---|
| | Yes | No | Summary | |
| <p>Companies”?</p> <p>(III) Whether the Company explicitly defines procedures, guides of conduct, and disciplinary and reporting systems in case of a violation in the preventive solutions of unethical conduct, implements them accordingly, and carries out reviews and modifications of these solutions?</p> | ✓ | | <p>The Company has established the “Employee Work Rules” to specify that employees shall be ethical and fulfill their duties without accepting bribes and keeping a disorderly house to enhance the prevention of unethical conduct. We also conduct irregular promotions and have established the “Code of Ethical Conduct for Directors and Managers.” The Board of Directors and management also commits to actively fulfill and supervise the execution of ethical corporate management policies.</p> | (III) No major difference. |
| <p>II. Implementation of ethical business practices</p> <p>(I) Does the Company have the integrity record of the trading counterparty assessed and with the clauses of ethical conduct expressed in the contract signed between them?</p> <p>(II) Whether the Company establishes a unit dedicated to promoting ethical corporate management under supervision by the Board of Directors and whether such unit reports the ethical corporate management policies and the preventive solutions of unethical conduct, as well as the supervision of the implementation effectiveness to the Board of Directors</p> | ✓ | | <p>The business unit and procurement unit of the Company has respectively conducted the credit and loan investigations of the customers based on the internal control system of the Company and conducted the service quality control of the suppliers.</p> <p>To implement the supervision responsibility of ethical corporate management, the HR unit of the Company is dedicated to managing operations related to the amendments, explanations and consultation services of relevant operating procedures and guides of conduct. The unit also conducts audit and follow-up based on the “Ethical Corporate Management Best-Practice Principles” and regularly reports the implementation status to the Board of Directors once every year. In addition, the Audit Committee of the Company has established regulations regarding the</p> | <p>(I) No major difference.</p> <p>(II) No major difference.</p> |

| Evaluation item | Implementation | | | Nonconformities to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof |
|---|----------------|----|--|---|
| | Yes | No | Summary | |
| (at least once a year)? | | | <p>supervision and implementation of accounting, audit, financial report procedures to ensure the internal control procedure and integrity.</p> <p>2. The Company has implemented an ethical management policy. The relevant status is as follows:</p> <p>(1) Education and training: Upon the training of newcomers, the Company promotes employee management principles. By doing this, the employees are aware of relevant laws, regulations and policies, of which the employees are reminded for strict compliance.</p> <p>(2) Compliance: The Company promotes ethical management and prevention of employee insider trading from time to time via intranet website. This way, our employees are able to pay attention to relevant matters when carrying out their duties.</p> | |
| (III) Does the Company define any policy against conflict of interest, provide adequate channels thereof, and fulfill the same precisely? | ✓ | | <p>The “Rules of Procedure for Board of Directors Meetings” of the Company has specified the policy against conflict of interests and the Company’s website also provides adequate channels thereof to prevent conflict of interest and implement accordingly. Also, the Company has established the “Code of Ethical Conduct” specifying that employees shall not exploit their authorities for improper gains.</p> | (III) No major difference. |
| (IV) Has the Company fulfilled ethical management by establishing an effective accounting system and internal control system, and had an internal audit unit develop relevant audit plans according to the risk | ✓ | | <p>To fulfill the ethical corporate management, the Company has established effective accounting system and internal control system, and had an internal audit unit to conduct the audit. In the future, we may appoint the CPA to perform the audit depending on the situation.</p> | (IV) No major difference. |

| Evaluation item | Implementation | | | Nonconformities to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof |
|--|----------------|----|--|---|
| | Yes | No | Summary | |
| <p>assessment results of unethical conduct and audited the compliance with the preventive solutions of unethical conduct accordingly, or appointed a CPA to do so?</p> <p>(V) Has the Company organized internal/external educational training for ethical management periodically?</p> | ✓ | | <p>The Company has conducted the promotion and education of the employee management rules during the new employee training; the Company promotes the prevention of insider trading for the employees on the internal website of the Company on an irregular basis; we also promote the notices of “Personal Data Protection Act” for the employees on a irregular basis.</p> | (V) No major difference. |
| <p>III. Implementation of the Company’s whistleblowing system</p> <p>(I) Does the Company define a specific whistleblowing and rewarding system, and establish convenient whistleblowing channels, and assign competent dedicated personnel to deal with the situation?</p> <p>(II) Has the Company defined the standard operating procedure for investigation after acceptance of a reported misconduct, the follow-up actions to be taken after the investigation, and relevant confidentiality mechanism?</p> | ✓ | | <p>The HR unit of the Company has established a specific whistleblowing mechanism and channel to handle various whistleblowing matters and assigned dedicated personnel to deal with the situation.</p> <p>The HR unit of the Company has established a specific whistleblowing mechanism and channel with confidentiality measures throughout the process.</p> | <p>(I) No major difference.</p> <p>(II) No major difference.</p> |

| Evaluation item | Implementation | | | Nonconformities to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof |
|--|----------------|----|--|---|
| | Yes | No | Summary | |
| (III) Has the Company adopted any measures to prevent the whistleblowers from being abused after reporting misconduct? | ✓ | | The Company has adopted measures to prevent the whistleblowers from being abused after reporting misconduct. | (III) No major difference. |
| (IV) Enhancing information disclosure Has the Company disclosed the Ethical Management Best Practice Principles and the effect of implementation thereof on its website and Market Observation Post System? | ✓ | | The Company has established the Ethical Corporate Management Best-Practice Principles and disclosed thereof on the Company's website and MOPS. | No major difference. |
| <p>V.If the Company has established ethical management best practice principles based on “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” please describe any discrepancy between the principles and their implementation: The Company formulated the “Ethical Corporate Management Best Practice Principles” and “Code of Ethical Conduct for Directors and Managers.” The actual operation has been consistent with such Principles and Code.</p> | | | | |
| <p>VI. Other important information useful to the understanding of the corporate ethical management implementation: (e.g. the Company's review and amendment of the Ethical Corporate Management Best Practice Principles established thereby)Please refer to the Company's website and Market Observation Post System (MOPS).</p> | | | | |

(VII) If the Company has corporate governance principles and related regulations in place, the access to such principles and regulations shall be disclosed: Please refer to the Company's website and MOPS.

(VIII) Other important information enabling better understanding of the Company's corporate governance implementation may also be disclosed: Please refer to the Company's website and MOPS.

(IX) Implementation of the internal control system:

1. Declaration of an Internal Control System: Please go to the MOPS (<https://mops.twse.com.tw>) and click on "Single Company" under "Corporate Governance" and "Company Regulations/Internal Control" and click on the internal control statement announcement for query.
2. If a CPA is appointed to review the Company's internal control system, the CPA's review report shall be disclosed: None.

(XI) Major resolutions made by shareholders' meetings and the Board of Directors in the most recent year up to the publication date of this annual report:

1. Important resolutions made by the shareholders' meeting in 2024

| Important resolution: | Implementation |
|--|--|
| Proposal for ratification of the 2023 business report and financial statements | Ratified by the shareholders' meeting |
| Proposal for ratification of 2023 Audit Committee's review report | Ratified by the shareholders' meeting |
| Proposal for reelection of the Company's directors | The list of elected candidates has been announced after the meeting as material information. |
| Proposal for removal of the non-competition restrictions against new directors and their representatives | The proposed is passed as originally proposed |

2. Important resolutions made by the Board of Directors

| Date | Important resolution: | Implementation |
|------------------|--|---|
| January 15, 2024 | <ul style="list-style-type: none"> ● Plan to apply for a mid-term credit line from a financial institution | Completed in accordance with the resolution |
| March 11, 2024 | <ul style="list-style-type: none"> ● Proposal of the Company's "Assessment for the Effectiveness of Internal Control Policies" and "Declaration of Internal Control System" ● Proposal of the Company's 2024 budget ● Proposal of the 2023 financial statements ● Change of financial statements visa accountant case ● Proposal for assessment of the independence and competence of CPAs and relevant remuneration ● Proposal for amendment to the "Level Of Authority Table" of the Company ● Proposal for amendment to the "Organizational Rules of the Audit Committee" of the Company. ● Proposal for amendment to the "Regulations Governing Procedure for Board of Directors Meetings" of the Company. ● Proposal for amendment to the "Sustainability Report Preparation and Verification Operation Methods" ● Formulating the company's "anti-corruption and anti-bribery management measures" ● Proposal for holding the annual meeting of shareholders in 2024. ● Proposal for acceptance of shareholders' proposals and the list of nominated candidates for directors by the annual meeting of shareholders ● Proposal for reelection of the Company's directors. ● Nomination of candidates for directors (including independent directors) ● Approve the suspension of non-competition restrictions on the Directors and their representatives. | Completed in accordance with the resolution |

| | | |
|--------------------|--|---|
| | <ul style="list-style-type: none"> ● Set the base date for cancellation and capital reduction of the company's issued new shares with restricted employee rights ● Proposal of contracts with financial institutions ● In order to meet the needs of short-term financing of Hon Yao Fu Technology Company Limited, it is planned to provide fund loans to others | |
| May 10, 2024 | <ul style="list-style-type: none"> ● Proposal of the 2023 business report ● Proposal for 2023 Deficit Compensation. ● Report 2023 no appropriations of earnings in cash dividends. ● Proposal of the 2024 Q1 financial statements. ● Proposal for amendment to the "Internal Major Information Processing and Insider Trading Prevention Management Operating Procedures" of the Company. ● Proposal for the implementation of repurchasing Company shares to assign to employees for the sixth time to motivate and enhance employee loyalty ● Proposal of addition to the agenda of the Company's 2023 annual general meeting of shareholders ● The second issuance of restricted stock awards in 2022 by the Company for employees serving as managers ● Discussion of the proposal of the managers' bonus | Completed in accordance with the resolution |
| June 25, 2024 | <ul style="list-style-type: none"> ● Proposal of the election of the Company's new chairman ● Proposal of appointment of the Company's Remuneration Committee members | Completed in accordance with the resolution |
| August 9, 2024 | <ul style="list-style-type: none"> ● Proposal of the 2024 Q2 financial statements. ● Amendment to the "pre-licensed policy of the Company's non-assurance service" of the Company ● Proposal for the implementation of repurchasing Company shares to assign to employees for the seventh time to motivate and enhance employee loyalty ● Set the base date for cancellation and capital reduction of the company's issued new shares with restricted employee rights ● Proposal for subsidiary HR planning. ● 2023 Sustainability Report | Completed in accordance with the resolution |
| September 26, 2024 | <ul style="list-style-type: none"> ● Appointment for the finance and accounting officers proposal of the Company ● Appointment for the Corporate Governance Officer proposal of the Company | Completed in accordance with the resolution |
| November 13, 2024 | <ul style="list-style-type: none"> ● Proposed revision of the company's "Internal Audit System" ● Proposal of the 2024 audit plan. ● Change of financial statement certification accountant | Completed in accordance with the resolution |

-
- Proposal of the 2024 Q3 financial statements.
 - Amount of payments arising from other receivables assessed to be reclassified as funds loaned to others as of the end of September 2024
 - The company established the Information and Communications Security Committee and drafted its organizational charter
 - Appointment of the Company's Cybersecurity Committee members.
 - Proposal for the implementation of repurchasing Company shares to assign to employees for the eighth time to motivate and enhance employee loyalty
 - Set the base date for cancellation and capital reduction of the company's issued new shares with restricted employee rights
 - Proposal of contracts with financial institutions
 - The company's manager remuneration case
 - The company's 2025 manager bonus proposal

March 5, 2025

- Proposal of the Company's "Assessment for the Effectiveness of Internal Control Policies" and "Declaration of Internal Control System"
- Proposal of the Company's 2025 budget
- Proposal of the 2024 financial statements
- Proposal of the 2024 business report
- Proposal for distribution of the remuneration to employees in 2024
- Proposal for 2024 earnings distribution
- Report 2024 no appropriations of earnings in cash dividends.
- Proposal for assessment of the independence and competence of CPAs and relevant remuneration
- Amount of payments arising from other receivables assessed to be reclassified as funds loaned to others as of the end of December 2024
- Amendments to the "Articles of Corporation".
- Defining the scope of the company's "grassroots employees"
- Proposal for amendment to the "Organizational Rules of the Audit Committee" of the Company.
- Proposal to transfer shares to employees at less than the average actual share repurchase Price.
- Proposal for holding the annual meeting of shareholders in 2025.
- Proposal for acceptance of shareholders' proposals to the annual meeting of shareholders.
- Set the base date for cancellation and capital reduction of the company's issued new shares with restricted employee rights
- Proposal of contracts with financial institutions
- In order to meet the needs of short-term financing of Hon Yao Fu Technology Company Limited, it is planned to provide fund loans to others
- Remuneration and ESG-related performance

Completed in accordance with the resolution

(XII) Documented opinions or declarations in writing made by directors against important board resolutions in the most recent year up to the publication date of this annual report: None.

V. Information of CPA Fees

Unit: NTD thousand

| Name of CPA office | Name of CPA | Examination Period | Audit fees | Non-audit fees | Total | Remark |
|--------------------|--------------|---------------------|------------|----------------|-------|--|
| PwC Taiwan | Po-chuan Lin | 2024/1/1~2024/12/31 | 4,135 | 1,230 | 5,365 | non-audit fees mainly for the transfer pricing report and Master File. |
| | Chih-hua Hu | | | | | |

(I) If replacement of a CPA firm results in a lower audit fee in that year compared to the previous year, the amount, percentage and reason of the reduction shall be disclosed: None.

(II) If an audit fee is reduced by more than 15% compared to the previous year, the amount, percentage and reason of the reduction shall be disclosed: None.

VI. Information on Replacement of CPA

(I) Former CPA:

| | | | |
|---|---|------------|------------------------------------|
| Replacement Date | 2024/11/13 | | |
| Reasons and explanations for replacement | Due to the rotation of internal accountants at CPA Singapore, the accountants certifying the Company's financial statements will be changed to Po-chuan Lin and Chih-hua Hu from the third quarter of 2024. | | |
| Indicates that the client or accountant terminates or does not accept the appointment | litigant | Accountant | Appointment |
| | Condition | | |
| | Voluntary termination of appointment | | ✓ |
| | No longer accept the commission | | |
| Audit report opinions other than unqualified opinions issued within the last two years and the reasons therefor | No such situation | | |
| Any disagreement with the issuer? | yes | | Accounting principles or practices |
| | | | Disclosure of financial reports |
| | | | Audit scope or steps |
| | | | other |
| | NO | ✓ | |
| | illustrate | | |

| | |
|---|-------------------|
| Other disclosure matters (those that should be disclosed in accordance with Article 10, Paragraph 6, Item 1-4 to Item 1-7 of these Regulations) | No such situation |
|---|-------------------|

(II) Succeeding CPA:

| | |
|--|------------------------------|
| F i r m N a m e | PwC Taiwan |
| A c c o u n t a n t ' s N a m e | Po-chuan Lin and Chih-hua Hu |
| D a t e o f a p p o i n t m e n t | 2024/11/13 |
| Pre-appointment accounting for specific transactions | No such situation |
| Treatment methods or accounting principles and | No such situation |

(III)The former CPA's written response to the items referred to in Items 1 and 2-3, Subparagraphs 6, Article 10 of the Guidelines: None.

VII.The Company's Chairman, President, or any financial or accounting managers who have been employed by a CPA firm or any of its affiliated companies in the most recent year: None.

VIII. Any transfer of equities and/or pledge of or change in equities by a director, supervisor, manager, or shareholder with a stake of more than 10% in the most recent year up to the publication date of this annual report

(I) Any change in equities of directors, managers, and major shareholders: For equity changes, please go to MOPS (<https://mops.twse.com.tw>) and click on "Equity Changes/Securities Issuance" under "Single Company", "Equity Transfer Information Inquiry", and click on "Post-Insider Shareholding Change Report Form" to query.

(II) Counterparts of the shares transferred or pledged are related parties: None.

IX. Information on the top-ten shareholders who are related parties to each other, in a spousal relationship or within the second degree of kinship

| Name | Shares held by the shareholder | | Shares held by spouse and minor children | | Total shares held in the names of others | | The title or name and relation in case of the top-ten shareholders who are related parties to each other, in a spousal relationship or within the second degree of kinship. | | Remarks |
|---|--------------------------------|--------------------|--|--------------------|--|--------------------|---|--|---------|
| | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Title (or name) | Relationship | |
| LGT Bank AG | 13,189,000 | 3.99% | 0 | 0 | 0 | 0 | None | None | |
| Foxconn Technology Co., Ltd. | 10,035,348 | 3.04% | 0 | 0 | 0 | 0 | Hyield Venture Capital Co., Ltd. | Major Shareholder of Foxconn Technology | |
| Representative: Chun-Fu Lu | 0 | 0 | 0 | 0 | 0 | 0 | None | None | |
| Hyield Venture Capital Co., Ltd. | 10,035,348 | 3.04% | 0 | 0 | 0 | 0 | Hon Hai Precision Industry Co., Ltd. | Major Shareholder of Hyield Venture Capital | |
| Representative: Te-Tsai Huang | 0 | 0 | 0 | 0 | 0 | 0 | None | None | |
| CyberTAN Technology, Inc. Treasury Stock Account | 7,511,000 | 2.27% | 0 | 0 | 0 | 0 | | | |
| Hon Yuan International Investment Co., Ltd. | 6,694,348 | 2.03% | 0 | 0 | 0 | 0 | Hon Hai Precision Industry Co., Ltd. | Hon Yuan is a 100% invested company of Foxconn | |
| Representative: Te-Tsai huang | 0 | 0 | 0 | 0 | 0 | 0 | None | None | |
| Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds | 4,608,006 | 1.40% | 0 | 0 | 0 | 0 | None | None | |
| VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS | 4,196,000 | 1.27% | 0 | 0 | 0 | 0 | None | None | |
| Barclays Capital Securities Limited--Barclays Capital Securities Limited SBL/PB | 2,920,000 | 0.88% | 0 | 0 | 0 | 0 | None | None | |
| Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II | 2,409,000 | 0.73% | 0 | 0 | 0 | 0 | None | None | |
| UBS Europe SE | 1,576,073 | 0.48% | 0 | 0 | 0 | 0 | None | None | |

X. For the total number of shares held in any single enterprise invested in by the Company, its directors and supervisors, managers, and any enterprises controlled directly or indirectly by the Company, the general shareholding ratio is calculated in a consolidated manner

December 31, 2024

| Invested enterprise | The Company's investment | | Investment by directors, supervisors and managers, or by directly or indirectly controlled enterprises | | Combined investment | |
|--|--------------------------|--------------------|--|--------------------|----------------------|--------------------|
| | Amount of investment | Shareholding ratio | Amount of investment | Shareholding ratio | Amount of investment | Shareholding ratio |
| CyberTAN(B.V.I) Investment Corp. | USD61,044,000 | 100% | — | — | USD61,044,000 | 100% |
| CyberTAN Corp.(USA) | USD600,000 | 100% | — | — | USD600,000 | 100% |
| Cyber Touch Investment Inc. | NTD100,000,000 | 100% | — | — | NTD100,000,000 | 100% |
| SonicFi Inc. | NTD5,000,000 | 100% | — | — | NTD5,000,000 | 100% |
| CyberTAN Technology (Hong Kong)Limited | — | — | USD6,644,000 | 100% | USD6,644,000 | 100% |
| Fu Hong Kang Technology Precision Industry(Shenzhen) Co., Ltd. | — | — | USD6,344,000 | 100% | USD6,344,000 | 100% |
| Chongqing Hongdaofu Technology Co.,Ltd. | — | — | CNY67,500,000 | 100% | CNY67,500,000 | 100% |
| HON YAO FU TECHNOLOGY COMPANY LIMITED | — | — | USD9,000,000 | 100% | USD9,000,000 | 100% |
| FU HAI Technology Company Limited | — | — | USD39,000,000 | 100% | USD39,000,000 | 100% |
| Guangzhou Fuguang Communication Technology Co., Ltd. | — | — | USD300,000 | 100% | USD300,000 | 100% |

Four. Financing Status

I. Capital and shares

(I) Source of capital

1. Formation of capital

| Date | Issue price (dollars) | Authorized capital | | Paid-in capital | | Remarks | |
|---------------|-----------------------|------------------------------------|---------------------------|------------------------------------|---------------------------|---|---|
| | | Number of shares (thousand shares) | Amount (thousand dollars) | Number of shares (thousand shares) | Amount (thousand dollars) | Source of capital | Offset against payments of shares by any property other than cash |
| March 2024 | 10 | 500,000 | 5,000,000 | 330,235 | 3,302,354 | Cancellation of new shares with restricted employee rights (Note 1) | - |
| May 2024 | 10 | 500,000 | 5,000,000 | 330,495 | 3,304,954 | Issuance of new restricted stock awards to capital increase. (Note 2) | - |
| August 2024 | 10 | 500,000 | 5,000,000 | 330,445 | 3,304,454 | Cancellation of new shares with restricted employee rights (Note 3) | - |
| November 2024 | 10 | 500,000 | 5,000,000 | 330,325 | 3,303,254 | Cancellation of new shares with restricted employee rights (Note 4) | - |
| March 2025 | 10 | 500,000 | 5,000,000 | 330,310 | 3,303,104 | Cancellation of new shares with restricted employee rights (Note 5) | - |

Note 1: The capital increase was approved by the Zhu-Shang-Zi Letter No. 1130009005 issued by the Hsinchu Science Park Bureau, National Science and Technology Council, MOST on March 27, 2024.

Note 2: The capital increase was approved by the Zhu-Shang-Zi Letter No. 1130016378 issued by the Hsinchu Science Park Bureau, National Science and Technology Council, MOST on May 27, 2024.

Note 3: The capital increase was approved by the Zhu-Shang-Zi Letter No. 1130027455 issued by the Hsinchu Science Park Bureau, National Science and Technology Council, MOST on August 27, 2024.

Note 4: The capital increase was approved by the Zhu-Shang-Zi Letter No. 1130038192 issued by the Hsinchu Science Park Bureau, National Science and Technology Council, MOST on November 28, 2024.

Note 5: The capital increase was approved by the Zhu-Shang-Zi Letter No. 1140008690 issued by the Hsinchu Science Park Bureau, National Science and Technology Council, MOST on March 20, 2025.

2. Type of issued shares

| Type | Shares | Authorized capital | | | Remarks |
|--------------|--------|--------------------|--------------------|--------------------|---------|
| | | Outstanding shares | Unissued shares | Total | |
| Common stock | | 330,310,418 shares | 169,689,582 shares | 500,000,000 shares | - |

3. Information relevant to reporting: None.

(II) List of major shareholders

| Names of major shareholders | Shares | Number of shares held | Shareholding ratio |
|---|--------|-----------------------|--------------------|
| LGT Bank AG | | 13,189,000 | 3.99% |
| Foxconn Technology Co., Ltd. | | 10,035,348 | 3.04% |
| Hyield Venture Capital Co., Ltd. | | 10,035,348 | 3.04% |
| CyberTAN Technology, Inc. Treasury Stock Account | | 7,511,000 | 2.27% |
| Hon Yuan International Investment Co., Ltd. | | 6,694,348 | 2.03% |
| Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds | | 4,608,006 | 1.40% |
| VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS | | 4,196,000 | 1.27% |
| Barclays Capital Securities Limited--Barclays Capital Securities Limited SBL/PB | | 2,920,000 | 0.88% |
| Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II | | 2,409,000 | 0.73% |
| UBS Europe SE | | 1,576,073 | 0.48% |

(III) Dividend policy and implementation thereof

1. Dividend policy defined by the Articles of Incorporation

The dividend policy defined by Article 20-1 of the Company's Articles of Incorporation is specified as follows:

If the Company has profit at the year's final accounting, it shall first be used to pay the income tax and make up any cumulative losses in accordance with laws, and 10% of the balance shall be appropriated as legal reserve, unless the existing legal reserve reaches the amount of the Company's paid-in capital. The rest of the balance shall be used for provision/reversal of special reserves pursuant to laws. The residual balance, if any, shall be added to cumulative undistributed earnings. The Board of Directors shall draft a motion for allocation of the residual balance plus the undistributed earnings, and submit the same to the shareholders' meeting to resolve whether shareholder bonus shall be distributed.

CyberTAN authorizes the Board of Directors to make a resolution with respect to payment of all or part of the distributable dividends, bonuses, capital reserves or legal reserves in cash by a majority vote at a meeting attended by over two-thirds of the directors and report such payment to the shareholders' meeting without being subject to the resolution of the shareholders' meeting referred to in the preceding paragraph.

CyberTAN is currently at the growth stage. Its policy for distribution of bonuses to shareholders must be based on the current and future investment environment, funding needs, domestic and international competition, capital budget and other factors, and must take into account shareholders' interests and CyberTAN's long-term financial plan. Bonuses to shareholders shall be allocated from the accumulated distributable earnings and shall be no less than 15% of the distributable earnings of the current year. No distribution is required if the distributable earnings of the current year are less than 3% of the paid-in capital. Cash dividends shall account for no less than 10% of the bonuses to shareholders.

2. Dividend distribution proposed at the shareholders' meeting

CyberTAN resolved at the board meeting held on Mar 5, 2025 no appropriations of earnings in cash dividends.

3. Explain the effect of expected significant changes in the dividend policy:

None.

(VII) Impacts of stock dividends proposed at the shareholders' meeting on the Company's business performance and EPS: N/A.

(VIII) Remuneration to employees and directors

1. Percentage and range of the remuneration to employees, directors, and supervisors stated in the Articles of Incorporation:

Article 20 of the Company's Articles of Incorporation is shown below:

7%–9% of the annual earnings of the Company, if any, shall be set aside as the remuneration to employees. The Board of Directors shall decide whether such remuneration to the employees is distributed in shares or in cash. The employees to whom remuneration may be distributed include those of the controlled or affiliate companies who meet specific conditions. The Board of Directors is authorized to define these conditions and the distribution methods. Distribution of remuneration to the employees shall be reported to the shareholders' meeting.

However, earnings must first be used to offset cumulative losses, if any, before being distributed to the employees and directors as their remuneration at the percentage mentioned above.

2. The basis of estimating the amount of employee, director and supervisor remuneration, the basis for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of any difference between the actual distributed amount and the estimated figure, in the current

period: Such differences were treated as changes in accounting estimates and recognized as the profit or loss in the year of distribution.

3. Distribution of the remuneration approved by the Board of Directors:

- (1) CyberTAN Board of Directors resolved to distribute NTD 1,476,135 as employee remuneration and NTD 0 as director remuneration in 2024.
- (2) The Company expected to allocate NTD 1,476,135 and NTD 0 to employee bonuses and director remuneration in 2024, respectively.
- (3) The accounting treatment of any difference between the actual distributed amount and the estimated figure: The differences were treated as changes in accounting estimates and recognized as the profit or loss in the year of distribution.
- (4) The proposed amount of employee remuneration paid in shares and the ratio thereof to the total of profit after tax and employee bonuses in the current year: The Company did not distribute stock dividends to employees.
- (5) Estimated earnings per share after distribution of the proposed employee remuneration and director remuneration:
Since the employee remuneration was recognized as expenses and the Company was to distribute NTD 0 as director remuneration, the earnings per share were not affected.

4. Actual distribution of remuneration to employees, directors, and supervisors in the previous year:

- (1) NTD 0 for employee bonuses; NTD 0 for director remuneration.
- (2) The Company's estimated amount of allocation for employee bonuses and director remuneration in 2023 was NTD 0 and NTD 0 respectively (Both amounts were estimated in consideration of legal reserves and calculated based on the profit after tax up to the current period and the percentage specified in the Articles of Incorporation).
- (3) There is no difference between the actual allotment amount and the estimated amount .

(IX) Repurchase of the Company's shares:

| Buy back installments | 6th | 7th | 8th |
|---|---------------------------------|---------------------------------|---------------------------------|
| Purpose of the buyback | Transfer of shares to employees | Transfer of shares to employees | Transfer of shares to employees |
| Expected buyback period | 2024/05/15 ~ 2024/07/12 | 2024/08/13 ~ 2024/10/11 | 2024/11/18 ~ 2025/01/13 |
| Price range per share | NT\$ 15.5 ~ 33.6 | NT\$ 17.8 ~ 33 | NT\$ 24.85 ~ 37.3 |
| The actual quantity bought back | Common stock 2,650,000 shares | Common stock 1,785,000 shares | Common stock 3,000,000 shares |
| Amount of shares bought back | NT\$ 78,605,176 | NT\$ 56,911,660 | NT\$ 96,224,610 |
| The ratio of the quantity bought back to the quantity scheduled to be bought back (%) | 53% | 59.5% | 100% |
| Number of shares canceled and transferred | 0 shares | 0 shares | 0 shares |
| Cumulative number of shares held in the company | 2,715,000 shares | 4,500,000 shares | 7,500,000 shares |
| Ratio of the cumulative number of shares held in the company to the total number of issued shares (%) | 0.82% | 1.36% | 2.27% |

II. Issuance of corporate bonds: None.

III. Issuance of preferred shares: None.

IV. Issuance of overseas depository receipts: None.

V. Issuance of employee stock option certificates: None.

VI. Issuance of restricted stock awards for employees:

1. For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the effect on shareholders' equity:

May 10, 2024

| Category of new restricted employee shares | First issuance (2022) new restricted employee shares | Second issuance (2022) new restricted employee shares | Third issuance (2022) new restricted employee shares | Fourth issuance (2022) new restricted employee shares | Fifth issuance (2022) new restricted employee shares |
|---|--|--|--|--|--|
| Date of approval by competent authorities and total number of shares | July 22, 2022 2,000,000 common shares | July 22, 2022 2,000,000 common shares | July 22, 2022 2,000,000 common shares | July 22, 2022 2,000,000 common shares | July 22, 2022 2,000,000 common shares |
| Issue date | September 13, 2022 | November 8, 2022 | August 11, 2023 | November 10, 2023 | May 10, 2024 |
| Number of outstanding new restricted employee shares | 1,110,000 common shares | 500,000 common shares | 100,000 common shares | 30,000 common shares | 260,000 common shares |
| New restricted employee shares to be issued | 890,000 common shares | 390,000 common shares | 290,000 common shares | 260,000 common shares | 0 common shares |
| Issue price | NT\$0 per shar |
| Outstanding new restricted employee shares to total outstanding shares (Note) | 0.34% | 0.15% | 0.03% | 0.01% | 0.08% |
| Vesting conditions for new restricted employee shares | Where an employee, after having been offered restricted stock awards (i.e. on the record | Where an employee, after having been offered restricted stock awards (i.e. on the record | Where an employee, after having been offered restricted stock awards (i.e. on the record | Where an employee, after having been offered restricted stock awards (i.e. on the record | Where an employee, after having been offered restricted stock awards (i.e. on the record |

| | | | | | |
|---|--|--|--|--|--|
| | <p>date for capital increase), remains in service at the end of any of the following periods, the percentage of shares that may meet the vesting criteria for the respective period is as follows:</p> <ol style="list-style-type: none"> 1 year: 40% of the shares received may be vested. 2 years: 30% of the shares received may be vested. 3 years: 30% of the shares received may be vested. | <p>date for capital increase), remains in service at the end of any of the following periods, the percentage of shares that may meet the vesting criteria for the respective period is as follows:</p> <ol style="list-style-type: none"> 1 year: 40% of the shares received may be vested. 2 years: 30% of the shares received may be vested. 3 years: 30% of the shares received may be vested. | <p>date for capital increase), remains in service at the end of any of the following periods, the percentage of shares that may meet the vesting criteria for the respective period is as follows:</p> <ol style="list-style-type: none"> 1 year: 40% of the shares received may be vested. 2 years: 30% of the shares received may be vested. 3 years: 30% of the shares received may be vested. | <p>date for capital increase), remains in service at the end of any of the following periods, the percentage of shares that may meet the vesting criteria for the respective period is as follows:</p> <ol style="list-style-type: none"> 1 year: 40% of the shares received may be vested. 2 years: 30% of the shares received may be vested. 3 years: 30% of the shares received may be vested. | <p>date for capital increase), remains in service at the end of any of the following periods, the percentage of shares that may meet the vesting criteria for the respective period is as follows:</p> <ol style="list-style-type: none"> 1 year: 40% of the shares received may be vested. 2 years: 30% of the shares received may be vested. 3 years: 30% of the shares received may be vested. |
| <p>Restricted rights for new restricted employee shares</p> | <ol style="list-style-type: none"> 1. Before employees meet the vesting conditions, employees cannot transfer, sale, or give new restricted employee shares to others or any other methods. 2. The rights to attend, submit a proposal, speak, vote, and be elected at shareholders' meetings are identical to those for outstanding common shares. The rights are exercised according to the trust agreement. | <ol style="list-style-type: none"> 1. Before employees meet the vesting conditions, employees cannot transfer, sale, or give new restricted employee shares to others or any other methods. 2. The rights to attend, submit a proposal, speak, vote, and be elected at shareholders' meetings are identical to those for outstanding common shares. The rights are exercised according to the trust agreement. | <ol style="list-style-type: none"> 1. Before employees meet the vesting conditions, employees cannot transfer, sale, or give new restricted employee shares to others or any other methods. 2. The rights to attend, submit a proposal, speak, vote, and be elected at shareholders' meetings are identical to those for outstanding common shares. The rights are exercised according to the trust agreement. | <ol style="list-style-type: none"> 1. Before employees meet the vesting conditions, employees cannot transfer, sale, or give new restricted employee shares to others or any other methods. 2. The rights to attend, submit a proposal, speak, vote, and be elected at shareholders' meetings are identical to those for outstanding common shares. The rights are exercised according to the trust agreement. | <ol style="list-style-type: none"> 1. Before employees meet the vesting conditions, employees cannot transfer, sale, or give new restricted employee shares to others or any other methods. 2. The rights to attend, submit a proposal, speak, vote, and be elected at shareholders' meetings are identical to those for outstanding common shares. The rights are exercised according to the trust agreement. |

| | | | | |
|---|---|---|---|---|
| <p>3. Other rights include but are not limited to: the right to receive interests, dividends, statutory reserve, and capital surplus and the right to subscribe to cash issues. The rights are identical to those for the outstanding common shares. The shares are not required to be kept in trusts or be subject to a vesting period.</p> | <p>3. Other rights include but are not limited to: the right to receive interests, dividends, statutory reserve, and capital surplus and the right to subscribe to cash issues. The rights are identical to those for the outstanding common shares. The shares are not required to be kept in trusts or be subject to a vesting period.</p> | <p>3. Other rights include but are not limited to: the right to receive interests, dividends, statutory reserve, and capital surplus and the right to subscribe to cash issues. The rights are identical to those for the outstanding common shares. The shares are not required to be kept in trusts or be subject to a vesting period.</p> | <p>3. Other rights include but are not limited to: the right to receive interests, dividends, statutory reserve, and capital surplus and the right to subscribe to cash issues. The rights are identical to those for the outstanding common shares. The shares are not required to be kept in trusts or be subject to a vesting period.</p> | <p>3. Other rights include but are not limited to: the right to receive interests, dividends, statutory reserve, and capital surplus and the right to subscribe to cash issues. The rights are identical to those for the outstanding common shares. The shares are not required to be kept in trusts or be subject to a vesting period.</p> |
| <p>4. Regarding the period between the ex-dividend date for dividend distribution, ex-dividend date for cash dividends, ex-dividend date for cash issue subscription, ex-dividend date for shareholders' meeting in Article 165, Paragraph 3 of the Company Act, or other statutory ex-dividend date and the ex-rights date, the timing and procedure for removing restrictions for employee who meet the</p> | <p>4. Regarding the period between the ex-dividend date for dividend distribution, ex-dividend date for cash dividends, ex-dividend date for cash issue subscription, ex-dividend date for shareholders' meeting in Article 165, Paragraph 3 of the Company Act, or other statutory ex-dividend date and the ex-rights date, the timing and procedure for removing restrictions for employee who meet the</p> | <p>4. Regarding the period between the ex-dividend date for dividend distribution, ex-dividend date for cash dividends, ex-dividend date for cash issue subscription, ex-dividend date for shareholders' meeting in Article 165, Paragraph 3 of the Company Act, or other statutory ex-dividend date and the ex-rights date, the timing and procedure for removing restrictions for employee who meet the</p> | <p>4. Regarding the period between the ex-dividend date for dividend distribution, ex-dividend date for cash dividends, ex-dividend date for cash issue subscription, ex-dividend date for shareholders' meeting in Article 165, Paragraph 3 of the Company Act, or other statutory ex-dividend date and the ex-rights date, the timing and procedure for removing restrictions for employee who meet the</p> | <p>4. Regarding the period between the ex-dividend date for dividend distribution, ex-dividend date for cash dividends, ex-dividend date for cash issue subscription, ex-dividend date for shareholders' meeting in Article 165, Paragraph 3 of the Company Act, or other statutory ex-dividend date and the ex-rights date, the timing and procedure for removing restrictions for employee who meet the</p> |

| | vesting conditions during this period will be executed according to the trust agreement or related regulations | vesting conditions during this period will be executed according to the trust agreement or related regulations | vesting conditions during this period will be executed according to the trust agreement or related regulations | vesting conditions during this period will be executed according to the trust agreement or related regulations | vesting conditions during this period will be executed according to the trust agreement or related regulations |
|---|--|--|--|--|--|
| Custody of new restricted employee shares | Restricting employees' rights After the new shares are issued, they must be directly handed over to the trust custody immediately, and the company or the person designated by the company will sign a trust custody contract with the stock trust custodian on behalf of the employees. The person or custodian agency requests the return of new shares that restrict employee rights. | Restricting employees' rights After the new shares are issued, they must be directly handed over to the trust custody immediately, and the company or the person designated by the company will sign a trust custody contract with the stock trust custodian on behalf of the employees. The person or custodian agency requests the return of new shares that restrict employee rights. | Restricting employees' rights After the new shares are issued, they must be directly handed over to the trust custody immediately, and the company or the person designated by the company will sign a trust custody contract with the stock trust custodian on behalf of the employees. The person or custodian agency requests the return of new shares that restrict employee rights. | Restricting employees' rights After the new shares are issued, they must be directly handed over to the trust custody immediately, and the company or the person designated by the company will sign a trust custody contract with the stock trust custodian on behalf of the employees. The person or custodian agency requests the return of new shares that restrict employee rights. | Restricting employees' rights After the new shares are issued, they must be directly handed over to the trust custody immediately, and the company or the person designated by the company will sign a trust custody contract with the stock trust custodian on behalf of the employees. The person or custodian agency requests the return of new shares that restrict employee rights. |
| Handling of shares received or subscribed by employees who subsequently fail to meet the vesting conditions | The Company will revoke and cancel the unvested new restricted employee shares. | The Company will revoke and cancel the unvested new restricted employee shares. | The Company will revoke and cancel the unvested new restricted employee shares. | The Company will revoke and cancel the unvested new restricted employee shares. | The Company will revoke and cancel the unvested new restricted employee shares. |
| Revoked or bought back Number of new | 120,000 shares | 125,000 shares | 50,000 shares | 0 shares | 11,000 shares |

| | | | | | |
|---|---|---|---|---|---|
| restricted employee s h a r e s | | | | | |
| Number of new restricted shares with restrictions removed | 657,000 shares | 252,000 shares | 20,000 shares | 12,000 shares | 0 shares |
| Number of new restricted shares with restrictions not r e m o v e d | 333,000 shares | 108,000 shares | 30,000 shares | 18,000 shares | 249,000 shares |
| New restricted shares with restrictions not removed to total outstanding shares (%) (N o t e) | 0.10% | 0.03% | 0.03% | 0.01% | 0.08% |
| Impact on shareholders' e q u i t y | They have no material effect on shareholders' equity |

Note: Based on 330,310,418 current outstanding shares (common shares) on Mar 31, 2025.

2.Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired:

| Title | Name | Number of new restricted employee shares acquired | Units of new restricted employee shares exercised to total outstanding shares (Note) | Restrictions removed | | | | Restrictions not removed | | | | |
|--------------------|-------------------------------|---|--|--|-------------|--------------|--|--|-------------|--------------|--|-------|
| | | | | Number of shares with restrictions removed | Issue price | Issue amount | Units with restrictions removed to total outstanding shares (Note) | Number of shares with restrictions not removed | Issue price | Issue amount | Units with restrictions not removed to total outstanding shares (Note) | |
| Executive Officers | President | Gwong-Yih Lee | 880,000 | 0.26% | 622,000 | 0 | 0 | 0.18 | 258,000 | 0 | 0 | 0.08% |
| | Vice President | Deaxy Wang | | | | | | | | | | |
| | Vice President | Maxon Huang | | | | | | | | | | |
| | Vice President | Raoul Oyang | | | | | | | | | | |
| | associate | Jeffrey Liu | | | | | | | | | | |
| | | | | | | | | | | | | |
| Employees | Deputy Director | Dean Wang | 416,000 | 0.13% | 84,000 | 0 | 0 | 0.03 | 222,000 | 0 | 0 | 0.07% |
| | Deputy Director | Weiyu Tai | | | | | | | | | | |
| | Deputy Director of Technology | City Kuo | | | | | | | | | | |
| | Deputy Director | Jack Tsai | | | | | | | | | | |
| | Assistant manager | sam chen | | | | | | | | | | |
| | manager | Charlene Yu | | | | | | | | | | |
| | special assistant | Even Lee | | | | | | | | | | |
| | Director | Eric Liao | | | | | | | | | | |

| | | | | | | | | | | | |
|--------------------|-------------|--|--|--|--|--|--|--|--|--|--|
| Deputy Director | Kello Wu | | | | | | | | | | |
| Senior Manager | Pc Fu | | | | | | | | | | |

VII. Issuance of new shares in connection with mergers or acquisitions or with the acquisition of shares of another company: None.

VIII. Implementation of Capital Utilization Plan: None.

Four. Business Operation

I. Capital and shares

(I) Scope of Business

1. Principal business activities

- (1) Wired communication equipment and apparatus manufacturing
- (2) Manufacturing of electronics components
- (3) Restrained telecom radio frequency equipments and materials manufacturing (radio transceiver only)
- (4) Restrained telecom radio frequency equipments and materials import (radio transceiver only)
- (5) Computer and peripheral equipment manufacturing.
- (6) Data storage media manufacturing and duplicating.
- (7) Wireless communication equipment and apparatus manufacturing
- (8) International trade
- (9) Software design services

Research, development, production, manufacturing and sale of the following products:

- (1) Broadband Internet router/gateway
- (2) Virtual private network
- (3) Firewall
- (4) Layer 3/Layer 4 switch
- (5) Wired high-end broadband network security router
- (6) Wireless high-end broadband network security router
- (7) LEO Satellite Broadband Network Service Gateway
- (8) Network service matching platform
- (9) Backbone network switch OEM
- (10) OEM production of indoor/outdoor network cameras and doorbell network cameras

2. The Company's major products and their weights:

Unit: NTD thousand

| Product type | 2024 turnover | Weight of business |
|-----------------------|---------------|--------------------|
| Communication product | 3,168,380 | 88.13% |
| Others | 426,821 | 11.87% |
| Net operating revenue | 3,595,201 | 100.00% |

3. Present products of the Company:

- (1) DOCSIS 3.0/3.1 Cable Modem
- (2) IoT Module/Gateway/Sensor
- (3) Mesh Wi-Fi Router
- (4) GPON HGU Gateway
- (5) Outdoor WiFi AP
- (6) Security Router
- (7) Wireless xDSL Router
- (8) Wireless AP/Bridge/Router
- (9) Smart Router
- (10) VPN Router
- (11) VoIP Gateway/Router
- (12) Satellite Gateway
- (13) Satellite Router
- (14) SMB Indoor/Outdoor AP
- (15) Wi-Fi 6 Router/Gateway
- (16) NB IOT Tracker
- (17) Small and medium-sized enterprise network switches and spine switches
- (18) Indoor/outdoor network cameras, doorbell network cameras

- (19) Wi-Fi 7 Double, 3 Frequency wireless router, Mesh wireless router, and Mesh network node expansion device
4. New products planned for development
- (1) 5G FWA/CPE
 - (2) WiFi FWA Remote Wireless Communication Bridge
 - (3) Wi-Fi 7 Router/Gateway
 - (4) SMB Network Controller
 - (5) Cloud Version SMB Network Controller
 - (6) Ceiling Mount EAP
 - (7) Wall Mount EAP
 - (8) SMB Smart/Management Gigabit/Multi-G Switch
 - (9) XGS-PON SFU
 - (10) SMB Controller microservice integrated with 3rd party SD-WAN
 - (11) Wi-Fi 7 Outdoor AP
 - (12) SMB Total Solution integrates Easy SD-WAN
 - (13) SMB Total Solution integrates GPON/XGS-PON
 - (14) SMB Total Solution integrates 5G FWA/CPE
 - (15) SD-WAN Gateway
 - (16) SMB Total Solution integrated SD-Branch
 - (17) SMB IP Camera/Surveillance
 - (18) SMB 10G Managed Switch
 - (19) SMB Gigabit Lite Managed Switch
 - (20) Satellite Ground Station

(II) Industry Overview

1. Current status and development of the industry:

5G will continue to develop in 2023. According to the data of GSMA, the global average 5G adoption rate is 16%. Ericsson stated that in 2023, the global number of 5G users increased by over 1.67 billion. Additionally, with the acceleration of global urbanization, smart cities are continuously evolving. Many smart city initiatives and measures are being implemented globally, encouraging investments in urbanization worldwide. According to the forecast of the Organization for Economic Co-operation and Development (OECD), between 2010 and 2030, investments in global smart city metropolitan infrastructure projects will reach approximately \$1.8 trillion. This initiative is expected to drive the demand for 5G base stations to ensure uninterrupted services for customers.

Due to its high investment rate in 5G deployment, the United States is a major innovator and investor in the 5G base station market. The country's telecommunications industry accounts for a significant portion of the global consumption of 5G technology. In the regional 5G base station market, investments and deployments in the United States have been significant. U.S. telecommunications companies such as AT&T, Verizon, and T-Mobile have signed agreements worth USD 1 billion with network equipment suppliers like Ericsson, Samsung, Nokia, Huawei, and ZTE to participate in the construction of 5G network infrastructure in the United States.

Ericsson expects that by 2026, the number of 5G users worldwide will exceed 195 million. In the United States, it is projected that by 2029, 5G will account for approximately 71.5% of the overall mobile market. CTIA indicated that rapid growth will lay the foundation for the 5G economy in the United States. This will bring about USD 275 billion in investment and 3 million new job positions, contributing to a USD 500 billion economic growth in employment

opportunities.

On the other hand, in 2023, Taiwan successfully hosted its first 3GPP plenary meeting, attracting top executives from leading technology and telecommunications companies such as Intel, Qualcomm, Samsung, Apple, Vodafone, SoftBank, and T-Mobile, among others. These executives traveled to Taiwan specifically to participate in the 3GPP plenary meeting, including Younsun Kim, Vice President of Technology of Samsung Research Institute; Juho Lee, Executive Vice President of Samsung Technology Department; Chen Wan-Shih, Senior Vice President of Qualcomm Technology Department and Chairman of 3GPP TSG-RAN; Yusuke Nakano, Head of KDDI 3GPP Standards Department; Hiroki Takeda, Business Manager, Department of Commerce, KDDI; Lionel Morand, Chairman of 3GPP TSG CT; Antti Toskala, Head of Wireless Communication Standards, Nokia Bell Laboratories; Sari Nielsen, Head of Communication Standards Department, Nokia; JAIN Puneet, Senior Director of the Technical Standards in the Next Generation and Standards (NGS) Group at Intel and Chairman of 3GPP SA; Adrian Scrase, CTO of ETSI, and Chris Pudney, Head of Wireless Communication Architecture and Standards Department, Vodafone.

The development of 5G enters the era of space communication

One of the key focuses of the meeting was the integration and development of 5G with space communication, specifically with LEO, MEO, and GEO satellites. Discussions revolved around the new 5G Non-Terrestrial Network (NTN) technology standards. Before the advent of 6G, 5G NTN is poised to become the new battleground for global technology giants in the coming years, attracting significant attention. At the 2023 World Mobile Congress (MWC), MediaTek unveiled the world's first 3GPP 5G NTN smartphone. MediaTek's groundbreaking achievement primarily drove the choice of Taiwan as the venue for the 3GPP member meeting.

NTN technology originates from the Third Generation Partnership Project (3GPP). In late March 2022, it announced the formal completion of the Phase 3 protocols for 5G New Radio (NR) Release 17 (R17). The development of wireless access technology by 3GPP in R17 can be summarized as continuous evolution and accelerated expansion of 5G.

After the completion of R17, the long-awaited satellite network standard for mobile devices should be completed in 2022, and commercial services are expected to be available within two years. By formally incorporating satellites as part of the 3GPP specifications, supporting the commitment to global access to 5G networks, this development is poised to accelerate the rapid growth of the satellite industry. During the 3GPP R18 workshop in June, stakeholders actively promoting NTN discussed plans to further confirm the use of frequencies above 10 GHz for satellite access based on NR. This initiative aims to serve both fixed and mobile platforms such as airplanes, ships, drones, and stationary equipment installed on buildings.

Wi-Fi mainstream specification development enters the stage of Wi-Fi 7

Wi-Fi Alliance® launched Wi-Fi CERTIFIED 7™ in early 2024, a powerful new feature that enhances Wi-Fi® performance and improves connectivity in various environments. The cutting-edge features of Wi-Fi CERTIFIED 7 enable innovations that rely on high throughput, deterministic latency, and higher

reliability for critical traffic. New use cases – including multi-user AR/VR/XR, immersive 3D training, video gaming, hybrid work, IIoT, and automotive – will be facilitated by the development of the latest generation of Wi-Fi. Wi-Fi CERTIFIED 7 represents the pinnacle of the extensive collaboration and innovation within the Wi-Fi Alliance®, which promotes global product interoperability and a robust and complex device ecosystem.

Wi-Fi 7 will be rapidly adopted in a wide range of ecosystems. More than 233 million devices are expected to enter the market by 2024, and the number will grow to 2.1 billion devices by 2028. Smartphones, PCs, tablets, and access points (APs) are expected to be among the first devices to adopt Wi-Fi 7. Additionally, users of client devices (CPE) and enhanced and virtual reality (AR/VR) devices will continue to be attracted to the early market opportunities [1]. Wi-Fi CERTIFIED 7 pushes the boundaries of today’s wireless connectivity. Wi-Fi CERTIFIED™ helps ensure that advanced features are deployed in a consistent manner to provide a high-quality user experience. Advanced features include:

- 320 MHz channel: Available in countries where the 6 GHz band is available to Wi-Fi, the ultra-wide channel is twice the size of today’s widest channel to facilitate multi-gigabit device speeds and high throughput
- Multilink operation (MLO): Allows equipment to transmit and receive data over multiple links simultaneously to increase throughput, reduce latency, and improve reliability
- 4K QAM: 20% higher transmission rate than 1024 QAM
- 512 Compressed Block Ack: Improve efficiency and reduce overhead
- Multiple RUs corresponding to one STA: Improve the flexibility of spectrum resource scheduling and improve spectrum efficiency
- Triggered Uplink Access: Optimize the Triggered Uplink Access defined by Wi-Fi 6 to accommodate delay-sensitive flows and satisfy QOS requirements
- Emergency Preparedness Communication Service (EPCS): Provide users with a seamless National Security and Emergency Preparedness (NSEP) service experience while maintaining Wi-Fi access network priorities and service quality.

Wi-Fi still holds an irreplaceable position

First, in terms of the cost of use for users, a lot of the 5G online service charges of mobile telecommunication providers in most countries adopt the design of service packages according to different transmission volume limits, and unlimited transmission volume is the highest service package offered to users. For most of users, selection of a reasonable monthly charge along with the use of Wi-Fi has been the widely accepted use model. In addition, business operators, such as T-Mobile, are developing their 5G FWA service. Nevertheless, in terms of the fixed broadband service providers based on local Comcast with the average monthly consumption of several hundred GB bandwidth volume, mobile telecommunication service providers must be able to provide sufficient Wi-Fi volume to reduce the burden of base stations, in order to cope with the increasing number of 5G FWA users.

The second factor is related to the product development cost. Since Wi-Fi uses unauthorized bands, for equipment developers, they are not required to invest a great amount in the chip market entrance fee and patent royalty fee, and the large industrial ecosystem has been established under such relatively low entrance barrier. However, 5G mobile communication development requires relatively higher entrance cost. Except for smartphones and PC devices of higher selling

prices being widely developed by manufacturers, the diversity of the rest of the products is still limited. In the network-connected era, the connection of numerous devices through Wi-Fi and 5G is a more effective and beneficial method.

Lastly, according to the above, it can be understood that the Wi-Fi technology is improving continuously, and a new version is released approximately every 5 years. The transmission rate for the next generation of Wi-Fi 7 is expected to have a significant improvement in the wireless network technology group, and it will be closely tied to the evolution of fixed optical fiber specification. Accordingly, business operators will seize opportunities in the enormous broadband application market. In general, the situation where Wi-Fi being replaced by 5G may still occur in some markets (such as corporate exclusive network); however, as Wi-Fi still has its advantages in various aspects, both technologies are more likely to develop in the co-existence state in the future.

Growing demand for enhanced network, low-latency, and broadband communication among enterprises is driving market development

According to the forecast of GII Global Information, the global Wi-Fi 7 market will grow at a compound annual growth rate of 52% during the forecast period from 2023 to 2030.

In addition, the significant increase in data traffic has accelerated the demand for excellent network connections in multiple vertical industries such as enterprise and industrial in order to obtain instant and fast updates anytime, anywhere. For example, Wi-Fi 7 can connect smart home appliances such as thermostats, lights and security cameras. It can also connect IIoT devices such as robots and sensors. These new initiatives are increasing interest in Wi-Fi 7 and expanding the market. However, one of the biggest commercial constraints is the high cost of Wi-Fi 7 equipment. The complexity of Wi-Fi 7 devices makes deployment more challenging than previous generations of Wi-Fi devices. Installers may end up paying more for the service.

In terms of regional outlook, North America is still the main market to promote Wi-Fi technology. The number of smartphone users in the region is huge and growing, and the demand for high-speed Internet connections in homes and businesses is high. However, the Asia Pacific region is expected to become the largest region in the Wi-Fi 7 market. In just a few decades, Asia has rapidly transformed from a global power in the wireless field to a leader in innovation and application. This rapid development is attributable to several factors. On the one hand, it is the scale of the Asian market. In addition, Asia has a population of more than 4.5 billion, accounting for half of the world's population. This has expanded the size of the potential market for wireless services, helped reduce prices, and made wireless technology more widely available to all consumers.

Network Solutions for Small and Medium Enterprises

The SMB network equipment market for small and medium enterprises has always been an active and competitive field. The scale of this market has been growing steadily, and will continue to maintain this growth momentum in the future. The main driving factors behind this growth include the continuous growth of data traffic, increasing needs for security, diversity of enterprise applications, and the rise of remote working trends.

As data traffic continues to increase, SMB needs faster and more reliable network equipment to deal with this challenge. At the same time, with the frequent occurrence of network attacks and data leakage incidents, SMB's

demand for network security is also increasing. Therefore, network devices with powerful security functions will be popular. In addition, with the rising trend of remote work, the demand for remote access and network connection will also increase. Therefore, SMBs need to update and expand their network equipment to support this new work style.

In terms of technology trends, the SMB network equipment market continues to iteratively update some key technologies. For example, Wi-Fi 6 and Wi-Fi 7 technologies provide higher wireless network speed, better capacity, and lower latency. In addition, centralized network management and cloud management technology make network management more flexible and easier to manage. Additionally, with the popularity of IoT devices, SMBs also need to update their network equipment to support these new devices. This includes better security flexibility, better connectivity, and better management functions.

CyberTAN's SMB solution design philosophy is to meet the needs of SMBs and solve the pain points of SMB network use and management. It has the following features:

- (1) Simple and easy-to-use unified cloud management: Most SMBs may not have a dedicated IT team to manage network devices. Therefore, the cloud-based design of CyberTAN's SMB solution is very intuitive and easy to use, which can be easily configured, managed, and debugged, even by non-technical personnel.
- (2) Cost-Effectiveness: SMBs are usually cost-sensitive. The SMB solution of CyberTAN can provide a good price/performance ratio, integrating R&D with the efficient production of the self-factory, in order to provide SMB products with competitive prices.
- (3) Scalability: As the enterprise grows, the network requirements will also increase. CyberTAN's SMB solution has good extensibility. Through OpenAPI, partner equipment can be flexibly expanded and integrated to meet the new needs of enterprises without large-scale equipment replacement. Cloud management makes it easy to perform large-scale equipment software updates without interrupting network services.
- (4) Security: For SMBs, network security is very important. CyberTAN's SMB solutions provide powerful security functions, including a firewall, intrusion detection system, and virtual private network (VPN), to protect corporate data and systems from threats.
- (5) Performance and reliability: CyberTAN's SMB solutions provide good performance and reliability to meet the daily operational needs of enterprises. This includes fast data transfer speeds, stable connections, as well as good troubleshooting and support services.

Artificial Intelligence (AI) is a very popular technology recently. A large scale of R&D resources are also invested by CyberTAN to introduce AI technology into SMB solutions. By integrating the professional knowledge of network, Wi-Fi, and cloud management accumulated over time, the introduction of AI will greatly enhance the product strength and differentiation of SMB solutions, which are specifically reflected in the following areas:

- (1) Network security enhancements: Use AI to analyze traffic patterns, detect abnormal activities, and block potential threats to improve network security. This helps protect SMBs' networks from malicious attacks and data breaches.
- (2) Network management optimization: AI algorithm optimizes network usage to help SMBs better manage their network equipment and resources. Optimize network performance through automatic monitoring, data collection and calculation, and adjust network bandwidth to ensure more efficient network operation of enterprises.

- (3) Failure prediction and prevention: AI analyzes network device data to predict possible failures. This helps SMBs identify and resolve potential problems in a timely manner, thereby reducing downtime and maintenance costs.
- (4) Smart customer service and support: CyberTAN applies AI technology to customer service and technical support to provide smart solutions. Through natural language processing and machine learning, AI can help SMBs solve user problems faster and more accurately, increasing customer satisfaction.
- (5) Predictive analytics and business insights: CyberTAN utilizes AI algorithms to analyze large volumes of network data, extracting valuable information and providing business insights. This helps SMBs better understand their network operations and find potential room for improvement and optimization.

2. Correlation among upstream, midstream and downstream in the industry:

We are a supplier specialized in the product development, design, and manufacturing of wired and wireless broadband network equipment as well as the development, design and after-sale service of relevant software and firmware. The upstream of all product lines includes materials such as processors, network interface controller chips, broadband exchange/router chipsets, data encryption chips, power supplies and printed circuit boards and the downstream includes network equipment distributors and regional carriers.

3. Development trends of products:

LEO satellite communication

Due to the gradual development of the LEO satellite market, MIC estimated that market scale will reach USD 24.78 billion in 2027. Analysis of Euroconsult: The demand for broadband communications satellite will increase 5 times in the future 10 years and 1,250 satellites will be launched per year. Compared to the 260 satellites launched in the previous 10 years, the rapid increase of number clearly proved the prospering development of the satellite broadband market and industry. This change not only reflected on the demand for satellites but also reflected on the main usage of satellite and the current status of satellite broadband operators regarding the government and purpose.

The 5G mobile communication era begins and how to meet the demand for 5G communication in various terrains and regions around the world while maintaining good 5G communication quality becomes the new issue for vendors in various industrial supply chains strive to conquer. The development of LEO satellite attracts much attention because the satellite signal can travel over mountains and oceans to make up for the deficiency of 5G wave. However, due to the restriction of geographical space, there are about 70% of regions without network coverage in the world. In most of these places, this is due to factors such as precipitous geographic environment, remote location or being located at sea or in the mountains; these areas increase the difficulty and cost for network infrastructure establishment and maintenance. Also, most internet service providers are unwilling to invest in these areas due to the low population, meaning poor potential user number and network traffic.

The satellite communication can be classified from high to low as HEO, MEO and LEO according to the orbit distance. Featured with low latency and increasingly low cost due to the investment of multiple vendors, LEO can assist in strengthening the disadvantage of difficult establishment of 5G AP in harsh environments since its transmission rate is better than 4G communication after

testing.

The orbit distance of GEO satellite is about 36,000km from earth. Therefore, GEO satellite provides wider signal coverage on earth due to the long distance between the orbit and the earth. Thus, only three broadband satellites are required for orbiting to cover the world with broadband signal. The establishment and maintenance cost of the satellite is greatly reduced because its lifetime can reach 15 years. However, the long delay time of data communication is the disadvantage of the satellite.

The orbit distance of MEO satellite is about 8,000km from earth. The required satellite numbers in the system are slightly higher than the GEO system due to its closer orbit distance from earth. Every satellite has shorter service time than the GEO satellite in the covering region. Thus, the control and switching of system is simpler, the satellite and earth station cost is lower and the satellite lifetime is slightly shorter than GEO.

The orbit distance of LEO satellite is about 1,000km from earth. The low orbit distance of the satellite provides shorter transmission delay time and less path loss. However, this requires thousands of satellites to form the network structure to realize true global coverage. Therefore, due to the feature of shortest transmission delay time, LEO satellite broadband technology is considered as the satellite broadband technology with most development potentiality.

However, the LEO system requires more satellites, has higher launching cost with relatively short satellite lifetime and complicated system technology. This is also the problem that present LEO satellite operators striving to conquer.

The market scale of global broadband satellite service was settled to be USD 226.5 million in 2019. According to NSR's analysis of satellite broadband market, it is estimated that the industrial scale will be promoted with a compound annual growth rate of 27.0% from 2021 to 2026 and expected to reach USD 79.07 billion by the end of 2026. Therefore, many emerging broadband satellite service providers are established one after another and the entire industrial chain of broadband satellite service begins to enter the ascending stage.

Latest development of main low-earth-orbit (LEO) satellite business operators

The main International low-earth-orbit satellite (LEO) satellite service operators nowadays include SpaceX's Starlink, Amazon's Kuiper in the U.S., and Oneweb jointly invested by the British government and Bharti Airtel, the largest telecommunication service operator in India, satellite broadband service provider Telesat, and the U.S. satellite business operators of Indium and Globalstar providing the mobile satellite communication service. In addition to the aforementioned main LEO satellite business operators, GSO satellite business operators, such as Viasat, are also optimistic about the LEO satellite market business opportunities. It is expected to develop the LEO satellite for the next generation of satellite, and relevant network deployment will be started in 2026.

Starlink LEO satellite star-system planning progress

SpaceX is a space technology company established by the founder of Tesla, Elon Musk, the wealthiest man in the world according to the ranking of the 2022 Forbes World's Billionaires. The goal of the company is to reduce space transportation cost and to achieve the vision of manned spacecrafts for mars immigration. The company is committed to the development of space technologies, including the manufacturing of satellites and rocket recovery technology, etc.

According to SpaceX's LEO satellite star-system planning, it is divided into four stages, including the stage of massive applications for launch permits before 2020, the intensive launch stage for 2020–2024, the global network trial operation stage for 2024–2027, and the final goal of the full commercial service operation stage expected to commence in 2027. Starlink plans to complete the deployment of more than 5,000 LEO satellites in 2024, and is expected to complete the deployment of the remaining 7,518 satellites in 2027, for a total of 12,000 LEO satellites.

As of March 2024, SpaceX has launched a total of 5,504 Starlink satellites into orbit. Although this statistic includes prototypes and failed satellites, the number of Starlink satellites in operation has reached 5,442 satellites. This makes Starlink the operator of the largest constellation of LEO satellites for broadband internet services, with global coverage and the highest number of satellites in service.

Oneweb LEO satellite star-system deployment progress

Oneweb was established in 2012 and its headquarters are located in London, U.K. and Virginia, U.S.A. Under the impact of the withdrawal of the original investor Softbank at the end of March 2020, Oneweb announced the application for its bankruptcy protection. Subsequently, in July 2020, the British government and the Indian telecommunication group Bharti Global respectively acquired 45% of the shares of Oneweb with GBP 800 million (approximately USD 1 billion) (GBP 400 million of investment from each, approximately USD 500 million), and the remaining 10% of shares were held by the existing creditors, including SoftBank.

In general, Oneweb is one of the main competitors of SpaceX, and its star-system communication performance and deployment speed at the initial stage are next to SpaceX. Oneweb plans to launch 716 units of LEO satellites during the first stage. It originally planned to send 32–36 satellites into orbits in one launch per month in 2020; however, Oneweb announced bankruptcy after the satellite launch in March 2020, such that its satellite launch was suspended. It wasn't until December 2020 that Oneweb resumed its operation deployment. In May 2021, 36 units of Oneweb satellites were launched with Arianespace, and as of March 2022, a total of 428 satellites had been launched completely. In the latest planning, Oneweb has reduced the number of satellite launches for the first stage, and it is expected to deploy all 649 units of satellites to achieve the global coverage in 2022. For the second stage, presently, it plans to divided it into three sessions of launches in order to deploy a total of 6,372 units of satellites.

Oneweb commercial service development

Oneweb's LEO satellite service is mainly targeted at the niche market of corporate and government applications. It expects to provide network coverage for regions above the north latitude of 50 degrees. Presently, it has completed the coverage for the regions of the U.K., northern Europe, Greenland, Iceland and Canada, and it plans to provide commercial service at the end of 2021. After the acquisition of Oneweb by the largest telecommunication group in India, Bharti Global, Oneweb also includes India in its latest global communication service plan, and it expects to provide its service in India in 2022.

The application scenarios provided by Oneweb cover the feedback network, aerospace, marine applications and government use. Among such applications, the field of marine use is the key planning focus for Oneweb, and it includes marine applications aimed to satisfy different demands of commercial vessels, cruises, recreation boats and fishery. It expects to provide marine satellite

communication service of large volume and low latency.

Amazon Kuiper LEO satellite star-system deployment progress

In April 2020, Amazon announced to reach the largest rocket transaction in the commercial aerospace industry, and it had signed with agreements with three companies for a maximum of 83 launches of its Kuiper project IoT satellites.

This technology giant signed agreements with United Launch Alliance (ULA), a joint venture of Boeing and Lockheed Martin for 38 launches. It also cooperated with the European company Arianespace 18 times, and cooperated with Blue Origin invested by the founder of Amazon, Jeff Bezos, 12 times, with an additional option of 15 times of cooperation.

Kuiper’s plan is to establish a network formed by 3,236 satellites at the low-earth orbit for Amazon in order to provide high-speed internet network for all areas around the globe. FCC granted its permission in 2020, and Amazon indicated that “the investment will exceed USD 10 billion” to construct the system.

By 2026, it plans to deploy 1,600 satellites.

At the beginning, Amazon will start its test of two units of Kuiper prototype satellites, and it is planned to launch by the RS1 rocket of ABL Space at the end of this year, following which it will deploy satellites in space orbit. Although Amazon has not explained when the Kuiper launch activity will start, according to the FCC rules, the company is required to deploy half of the satellites of its project in 6 years. In other words, by July 2026, it will have approximately 1,600 satellites entering orbit.

Amazon’s equipment and service senior vice president, Dave Limp, stated that “We still have a lot of works to be done. Nevertheless, we have achieved milestones one after another in all aspects of our satellite system. All of the cooperation agreements have reflected our unbelievable commitment and faith in the Kuiper project.”

4. Competition

The Company has a complete product line, including wired/wireless broadband, wireless client, telecommunication client, digital home, IoT and SMB products. The Company has routing and wireless RF technology, broadband router, xDSL, PON and Cable routers, integrated access device (IAD) and VoIP router. The main competitors are Sercomm Corp., Arcadyan and Wistron NeWebl the main competitors of wireless network card/module are AZUREWAVE and Gemtek; the main competitors of digital home products are Alpha Networks, Arcadyan and Pegatron. Looking to the future, the Company will continue to research and develop new products meeting the fashion and trend of the market in the hope of pulling the distance from the competitors to create better performance.

(III) Overview of Technology and R&D

1. R&D expenses during the most recent year and up to the publication date of this annual report:

| Item/Year | Unit: NTD thousand | |
|--------------|---|---------|
| | Up to March 5, 2025 (Self-signed number) | 2024 |
| R&D expenses | 79,342 | 310,141 |

2. Technology and products developed successfully in the most recent year and up to the publication date of this annual report:

| | |
|----------------|--|
| January 2015 | DTA HD Gen2 Set-top Box was shipped |
| February 2015 | 1750Mbps 3x3 802.11ac Dual-mode Indoor Base Station for Small Businesses was firstly shipped |
| April 2015 | Wi-Fi 802.11ac MU-MIMO 4x4/4x4 Wireless Router was shipped |
| April 2015 | First batch of 2600Mbps 4x4 802.11ac Wave-2 Dual-band Dual-mode High-speed Wireless Router was shipped |
| September 2015 | Ka-band Satellite Broadband Router was shipped |
| March 2016 | DOSIS 3.0 Cable Modem was shipped |
| October 2016 | IoT Wireless Smart Home Sensor Kits was shipped |
| November 2016 | 4K Set-top Box was shipped |
| December 2016 | First batch of Home Mesh Wi-Fi Router Kits was shipped |
| February 2017 | High-end Cable Set-top Box was shipped |
| April 2017 | IoT Enterprise WSN Gateway was shipped |
| July 2017 | Home Antivirus Firewall Dual-band Wireless Router was shipped |
| September 2017 | Second version of High-speed Satellite Broadband Wireless Router was shipped |
| February 2019 | High-speed Satellite Broadband Wireless Extender |
| March 2019 | Mesh Wi-Fi Router for Chinese customers was shipped |
| April 2019 | NB-IoT Tracker for North American customers was shipped |
| May 2019 | DOCSIS 3.1 Wi-Fi 6 Cable Gateway was shipped |
| December 2019 | First testing machine of new generation High-end Smart Set-top Box was shipped |
| May 2020 | Wi-Fi 6 Router for North American customers was shipped |
| June 2020 | Mass production model of new generation High-end Smart Set-top Box was shipped |
| September 2020 | 5G Wi-Fi 6 Gateway was shipped |
| October 2020 | Shipment test of 5G FWA testing machine for North American customers |
| April 2021 | Wi-Fi 6 Dual-band Mesh Full Coverage Router was shipped |
| June 2021 | Sample of LEO Satellite Broadband Trial Operation was delivered |
| October 2021 | Sample of 5G FWA SD-WAN WIFI 6 Router was delivered to European customers for testing |
| January 2022 | WiFi 6 Mesh packages of brand customers were shipped |
| February 2022 | Indoor mass production began for North American customers |
| February 2022 | LEO Satellite Broadband Bridge was shipped |
| July 2022 | Sample of Wi-Fi 7 4x4 Tri-band High Performance Router was delivered |
| August 2022 | Outdoor AP was shipped for North American customers |
| November 2022 | Sample of LEO Satellite Broadband Maritime Broadband Gateway was delivered |
| May 2023 | Launched the AI (ChatGPT 3.5) powered customer service forum |
| July 2023 | Started sample delivery of SMB Controller + Ceiling EAP set |

| | |
|----------------|---|
| August 2023 | Sample delivery of SMB Controller + Wall-mounted EAP set |
| September 2023 | SMB Controller microservice successfully integrated with client's SD-WAN products |
| October 2023 | Entry-level 24-port switch that supports OpenWi-Fi/OLS cloud management |
| October 2023 | AI engine-optimized wireless roaming experience (patent pending) |
| October 2023 | Completed the 5G CPE development completed and started sample delivery |
| December 2023 | Brand customer OpenWRT software version test |
| December 2023 | SMB Controller + EAP + 24 port switch set is under sampling process |
| February 2024 | USB-C PD power supply design is introduced into home router products |
| March 2024 | NMEA2000 CAN bus is introduced to satellite products |
| March 2024 | Trial production and sampling of multiple outdoor models for Wi-Fi 7 |
| April 2024 | Trial production and sampling is completed for 8 port OLS switch machine |
| June 2024 | Patent application is submitted for the design of trademark antenna |
| August 2024 | Patent application is submitted for the anti-dismantling device for net-com switch box line materials |
| September 2024 | Production capacity for GPON optical calibration automated production test program has increased by 50% |
| October 2024 | Promotion has started for GPON products with integrated OpenWiFi technology |
| November 2024 | The software platform of CyberTAN is integrated with telecommunication standard management protocol TR069/TR369 |
| November 2024 | Patent for AI Auto cell size is filed |

(IV) Long-term and short-term business development plans:

1. Long-term business development plan
 - (1) Product development:
 - a. Accelerating the development of new generation wireless broadband products based on strong technology capability. For example, 5G mobile broadband “8K+5G” smart home audiovisual equipment, satellite communications, SDWAN and Wi-Fi 6/6E; integrating various product technologies and combining the deployment of new markets to further create new growth dynamism.
 - b. Continuing to enhance the collaboration with leading international chip companies to maintain the leading position of new product launching and exploring new business opportunities based on the relationship.
 - c. Continuing to strengthen the seamless connection between the market and the customer and grasping the development direction of first-hand product application to plan the product and technology blueprint meeting the entering time of the market at the beginning of new technology development.
 - d. High-end core network switch, backbone network router, and switch OEM.

- e. Management Wi-Fi total solution for SMEs, including network controllers, Wi-Fi APs, L2/L3 switches, and cloud management software, focusing on software and hardware integration, AI optimized user experience and cloud architecture software design, moving toward the development of high value-added products.
 - f. Aiming at the rising information security market, the Company is planning to enhance the security functions of the SMB Ronto product line, including the new product line of SD-WAN Gateway, DPI firewall, access control, and other software functions.
- (2) Marketing strategy:
- a. Expanding the market deployment in America, Europe and Asia to acquire the best strategic position in emerging technologies and markets.
 - b. Providing customers forward-looking and comprehensive product planning project to maintain present customer source and actively expand the weight of operating revenue.
 - c. Expanding the new sales model to approach end customers and establish niche.
 - d. Integrating technology and intelligentization for export strategy and paying attention to consumer experience, understanding local demands and preferences to design and manufacture customized services or products.
 - e. Expand the proportion of the no-brand and OBL business scope of WIFI6/6e/7 base stations for small- and medium-sized enterprises.
 - f. Strengthen the management in the market separated from software and hardware, and cooperate with mainstream cloud service providers to expand sales channels.
 - g. The SMB Ronto product line integrates SD-WAN to form a WAN/LAN integration ecosystem, targeting small and medium-sized office environments to provide affordable, full-featured, highly integrated, easy-to-use and easy-to-manage full-solution products.
- (3) Production strategy:
- a. By the manufacturing and supply chain systems of the groups, we reduce the production cost of the Company and increase the essential competitiveness and actual yield rate.
 - b. Enhancement of inventory management to achieve inventory optimization.
 - c. Understanding the changes in the demand of end customers to create maximum flexibility for the supply chain and provide best strategic efficacy for the customer.
 - d. Accelerating the introduction of IIoT solutions and continuing the expansion of production automation.
 - e. Aiming at the trade war to deploy plants outside China to reduce the impact of external environment on the customer.
- (4) Operation and financial planning strategy:
- a. Promoting internationalized ideas and strengthening the business management capability of the enterprise to actively cultivate internationalized talents and march toward the goal of an internationalized enterprise.
 - b. Continuing the reduction of expense ratio to increase the profitability.
 - c. Properly utilizing the hedging instruments to reduce the exchange rate risk and avoid exchange losses.

2. Short-term business development plan:
 - (1) Product development:
 - a. Following the market trend, the short-term product development plan of the Company will continue to strengthen the technology of fixed-line broadband, Wi-Fi module and router. We also focus on the deployment in new product fields such as 5G mobile and satellite broadband, WIFI6/6e/7 base stations for small- and medium-sized enterprises, low-power IoT, network function virtualization, intelligent video and networks to become an innovative integrated design service provider that provides the customer with overall solutions including the development, design and production services of software and hardware.
 - a. Improving the collaboration with the customer by providing resources complement for each other to introduce the product in the market as soon as possible.
 - (2) Marketing strategy:
 - a. Understanding the supply and demand information of the supplier and customer markets and shortening the marketing decision process to achieve the best decision-making benefit.
 - b. Providing multiple products for existing customers to assist them in expanding new markets and accelerating the expansion of operating scale for each other.
 - c. Assisting the customer in the problems regarding the optimization of product cost structure and technology to increase market competitiveness and establish stable partnership.
 - d. Expanding the sales channels of existing products.
 - (3) Production strategy:
 - a. Implementing the carbon reduction plant in response to the global environmental protection.
 - b. Full improvement of product yield rate and enhancement of personnel education and training.
 - c. Strengthening the plant automation to improve production efficiency and intelligentization.
 - (4) Operation and financial planning strategy:
 - a. Continuing the promotion of six sigma, KPI and TQM systems to improve individual and department management performance and quality system to achieve the objectives of the enterprise.
 - b. To respond to the policy of the FSC and be in line with the international trend, we introduced the IFRS system to prepare the financial report and provide more transparent and reliable financial information for the capital markets at home and abroad.
 - c. Assessing suitable item for merger or acquisition to expand the market and customer shares.

II. Market and sales overview

(I) Market analysis

1. Regions where our main products (services) are sold (provided)

The Company mainly focuses on the foreign OEM/ODM customers and most products are for sale abroad. The distribution of sales region is as follows:

| Sales region \ Year | 2024 | | 2023 | |
|---------------------|-----------|-----------|-----------|-----------|
| | Amount | Ratio (%) | Amount | Ratio (%) |
| America | 2,201,231 | 61.23% | 2,288,710 | 60.14% |
| Asia | 412,570 | 11.48% | 480,958 | 12.64% |
| Europe | 981,400 | 27.29% | 932,378 | 24.50% |
| Others | - | - | 103,347 | 2.72% |
| Total | 3,595,201 | 100.00% | 3,805,393 | 100.00% |

2. Market share

Overall network communication industry

According to the ITRI IEK, the production value of Taiwan's communication industry is expected to reach NTD 1.294 trillion in 2025, up by 1.2% from 2024, due to the end of the inventory adjustment of net-com products, as well as the demand for cloud computing and infrastructure.

Furthermore, the ITRI IEK indicated that after the inventory adjustment of net-com products ends in the second half of 2024, the global demand for the net-com industry is expected to return to normal levels in 2025. Coupled with the continuation of the demand for cloud and communication infrastructure in 2024, it will lead to the continued export of equipment such as high-speed fiber optic access equipment, DOCSIS 3.x cable products, Wi-Fi 6/6E wireless equipment, 5G FWA fixed wireless access equipment, and 5G small cells.

Driving force for upgrade

According to the report from Digitimes and the summaries of suppliers' investor conferences, the two leading IC designers, MediaTek and Realtek, both have a positive view of the net-com chips and believe that the follow-up momentum in 2025 is quite promising. Without mentioning the medium- and long-term demand outlook, Q1 of the current year has already seen the momentum of "pulling in" due to the effects of tariff prevention.

But the real source of steady growth comes from the market's steady upgrading of net-com specifications, and Wi-Fi 7 is of course the most anticipated part. However, as Realtek indicated, many different connectivity standards and specification levels will be followed by a stronger wave of upgrades in 2025.

Market of wireless routers

Global Information Inc. (GII) forecasts that the market scale of wireless routers will be USD 16.62 billion in 2025 and is expected to reach USD 25.81 billion by 2030, with a compound annual growth rate of 9.2% during the forecast period (2025 to 2030). As work from home (WFH) becomes more and more popular, businesses and individual consumers need to purchase various IT products for their employees. Therefore, the demand for IT peripheral devices, including wireless routers, has increased.

Market of LEO satellites

According to the ITRI IEK, the size of the global satellite network market in 2023 was about USD 4.01 billion, and it is expected to move toward the integration of multi-orbit satellite resources and communication resilience, with the dominating user ends shifting from exclusive satellite operators to integrated operators or even carrier manufacturers.

According to Markets&Markets' estimates for the global satellite network market, the market is expected to grow at a compound annual growth rate (CAGR) of approximately 34% from 2023 to 2028. The main growth factors are from the expansion of the business satellite system, the seamless connection of the global network, the growth of the demand for marine and aviation connection, the backup demand for resilient network, and the maturing satellite communication technology.

Among the vertical application markets, the growth of "national defense" is the strongest. The demand for communication resilience primarily comes from the investment and commercial innovation applications of governments. The network communication industry in Taiwan has a solid foundation and a reliable supply chain partner relationship, and is an important partner of satellite system operators. Taiwan's supply chains for LEO satellite broadband and 3GPP IoT-NTN solutions are launching products, combined with drones as communication platforms or for inspection, and the environmental monitoring function of satellite IoT sensors, bringing business opportunities for the international market to seek close cooperation.

3. Future supply & demand and growth in the market

Wi-Fi market

Take the indicator Wi-Fi 7 chips, for example. Although the development of products that have completed Wi-Fi 7 has been completed by CyberTAN since 2023, according to market estimates, the revenue from Wi-Fi 7 in 2024 will only account for 2% to 5% of the total revenue of network communication manufacturers in Taiwan. Even though the market share of the overall Wi-Fi 7 wireless communication standard is estimated to be not particularly high in 2025, it is considered that the market will be able to surpass the 10% barrier, which is a very good result.

According to further analysis by Digitimes, all specifications of Wi-Fi chips have the opportunity for upward growth in 2025, and there will be no significant replacement, which has limited the speed of growth of Wi-Fi 7. Although Wi-Fi 7's growth speed is not as good as that of Wi-Fi 6/6E in the past years, the industry generally emphasizes that the introduction of Wi-Fi 7 is much better than that of many other older specification standards.

Wi-Fi drives the overall upgrade

MediaTek clearly indicated that to meet the diverse needs of customers, all product technologies must be upgraded. Therefore the comprehensive growth of specifications and demand for net-com chips will inevitably occur, and in 2025 there is a good chance to witness a "comprehensive upgrade and pulling in." As Realtek pointed out recently, Wi-Fi and Ethernet chips have obvious demand for specification upgrades in most applications.

In terms of the Ethernet chips, there are two aspects of specification upgrade and application expansion. 2.5G and 5G specifications are quickly replacing the

traditional, old models of technology. The most advanced 10G will also start to be put into mass production from the end of 2025 to the beginning of 2026.

The upgrade of these two types of network technologies, namely Wi-Fi and Ethernet, will also enhance the switch chip technology. According to Digitimes, the full recovery of net-com chips has finally occurred in 2024. In 2025, telecommunication operators worldwide will have a clear understanding of the driving forces behind specification upgrades and equipment replacement. This will create greater growth momentum for network communication companies.

The effect of geopolitics

Since Trump was re-elected in 2024, he has announced to continue the clean network policy. In addition to strengthening the local information security policy and reducing taxes, it is expected that digital transformation and communication infrastructure will be promoted further, including support for the deployment of Wi-Fi 7, 5G and FTTX technologies.

Taiwan is a “clean network” partner of the U.S. and is expected to become an important beneficiary of the expansion of the U.S. broadband network market. This is why Taiwanese net-com equipment manufacturers will further improve their competitiveness in the global market, and achieve growth in terms of both revenue and profit in the mass production of Wi-Fi 7 related products.

However, geopolitical instability is also a major risk for business operations. KPMG’s 2024 “Taiwan Sustainability Risk Survey” report ranked geopolitical risk as 1st among the sustainability risks, indicating a significant increase in the aspects and levels of impact of the instability of political risks.

With the continuation of the U.S.–China trade war, the conflicts between the world’s major powers, national security, and protectionism, the network communication industry, as a critical part of information and national security, will be directly subjected to scrutiny. Economic Daily News quoted an interview with U.S. industry expert O’Donnell, who said that if Trump imposes tariffs on Taiwan’s chips, it will only have a “huge negative impact” on the overall technology industry. This is also one of the important aspects that CyberTAN must carefully observe and conservatively respond to this year.

Wi-Fi Analytics Market

In 2025, CyberTAN will continue to focus on and invest in the Wi-Fi analysis market. According to the forecast of GII (Global Information), the size of the Wi-Fi analysis market is expected to reach USD 6.12 billion by 2025, and USD 15.4 billion by 2030. The compound annual growth rate is expected to reach 20.26% during the forecast period (2025–2030).

Wi-Fi Analytics Market analytics refers to the process of analyzing and collecting customer data from Wi-Fi APs (such as smartphones and laptops) to access detailed information about customer traffic, retention time, and likelihood of churn. The unique signal broadcast by the device is used to identify the associated device ID to track whether a person logs into the Wi-Fi or not. Enterprise mass data software uses the data collected through the associated equipment to clean, process and apply high-level algorithm. Wi-Fi analytics aim to improve operations, trigger marketing, and track campaign results. Therefore, the global demand for Wi-Fi analytics is increasing as it enables organizations to use the information provided over the wireless network to make better decisions.

Wi-Fi Analytics Market Trends:

GII further analyzed the trend of the Wi-Fi analysis market as follows:

- 1) The area of market analysis will show significant growth. The use of Wi-Fi analysis in market analysis is growing significantly as more companies focus on understanding their customers and turning that data into practical insights. With Wi-Fi analysis, you can determine which devices and applications consume the most bandwidth and decide how to allocate bandwidth to students and projects while ensuring appropriate service levels elsewhere.
- 2) North America is expected to become the largest market. The strong financial condition of the region enables businesses to invest in advanced solutions and technologies such as IoT and big data analysis. Due to the existence of several major Wi-Fi analysis suppliers, including Cisco Systems Inc. (U.S.), Zebra Technologies (U.S.), Fortinet (U.S.) and Ruckus Wireless (U.S.), the region has won a huge market share.
- 3) The Wi-Fi analysis market is highly dispersed. Overall, the competition among existing competitors is extremely fierce. Therefore, GII expects the market participants to adopt strategies such as alliances, innovation, and acquisition to strengthen their product supply and gain sustainable competitive edges.

4. Competitive niche

(1) Professional OEM

The Company is a professional OEM but also provides standard products to expand the customer base and reduce the risk of marketing. We are also devoted to providing solutions for customers via the resources of the Company by setting the final goal as to meet the demand of the customer. This also relatively increases the reliability, dependence and stickiness between the Company and the customer.

(2) Provision of complete product line

By the integration of wireless and router technology, the Company provides complete product line, including wired broadband (PON, Cable, xDSL, Gateway), wireless broadband products (5G, LTE, Satellite Gateway, Satellite Communication Switch Module), Wi-Fi AP, Small Cell, remote Wi-Fi bridge, WAN series products and basic to high-end routers, VoIP products, wireless modules, SiP and home digital audiovisual products; in addition, in aspect of digital home products, we provide set-top boxes and satellite routers and actively develop products related to IoT (M2M module, IoT module, sensor, gateway and tracker) to meet the needs of the customer via diversified and complete product lines.

(3) Advantage of manufacturing and supply chain

By the collaboration with groups and seeking the assistance of their manufacturing and supply chain systems, we effectively reduce the production cost of the Company and increase the competitiveness and actual yield rate of the Company.

(4) Outstanding R&D team

The R&D team of the Company not only specialized in their fields but also have years of experience in the industry. They are dedicated to the development of new communication technology and build strong integration and development capabilities of software, firmware and hardware to establish the core competitiveness of the Company and the new thinking of product by adopting software as the core. By the outstanding technical R&D

capability, the Company integrates network communication technologies related to wired and wireless broadband (Fixed/Mobile Broadband), routing, RF, IoT and digital home. Therefore, we can quickly transform the understanding of the industry with appropriate product functions to the most advanced solutions in the market and provide the customer with products meeting the demand of the market.

(5) Strict quality control to provide the best quality product

The Company has received the certificates of ISO9001, ISO14001, TL9000 and OHSAS18001 and truly complies with the strict requirements in fields of design, manufacturing, knowledge and technical assurance to provide the advanced and superior products meeting the environmental laws and regulations. We were awarded the Green Partner certificate by Sony in Japan and our quality and R&D technology was recognized by international manufacturers. These may assist the Company in acquiring more cooperation opportunities with international manufacturers.

(6) Excellent after-sale service

The Company's return of products for repair is reduced to the PPM level to provide high quality after-sale service, including logistics department and engineering service department. In addition, we have other professional personnel to improve our product performance so that the customer can feel at ease without any worry.

5. Positive, negative factors for development outlook and responsive strategies:

Positive factors:

(1) Investment of Foxconn Technology Group

Since November, 2005, Foxconn Technology Group had invested in the Company and currently became the largest shareholder of the Company. Besides controlling the wired, wireless and core routers, software and hardware technology as well as the talents, the Company will continue to integrate the manufacturing and production, R&D and marketing resources of Foxconn Technology Group to expand the market share and customer base. Therefore, the Company is expected to develop increasingly in the future.

(2) Global economic recovery and industrial trend

The EU, affected by the Russo-Ukrainian War, oil prices, and green inflation, has seen the emergence of pressures from stagnant inflation, thus showing a weak recovery phenomenon in 2024. In general, the GDP forecasts of the three of the four major economies in the world (the United States, China, India, and the European Union) are expected to be worse than that in 2023; coupled with the fact that ASEAN countries are closer to China, they are relatively less affected by it. China's economy is trending toward a soft landing, and Southeast Asian countries also show no outstanding performance. Various indicators suggest that the economy may recover in 2024, but it won't be a robust recovery.

In 2024, there will be high inflation, high interest rates, and expansion of economic sanctions between the U.S. and China, such as chip and rare earth metal bans. There will also be rising geopolitical risks, including the prolonged Russo-Ukrainian War, conflict in Gaza Strip, the Red Sea crisis, and the ongoing military conflict between Israel and Iran. Global economic performance is expected to be weaker compared to 2023. The IMF maintains a relatively optimistic view, holding at 3.1%. The IMF forecasts global economic growth to be 3.1% in 2024, remaining flat compared to 2023. The IMF's "World Economic Outlook" (WEO) report released in January predicts global economic growth of 3.1% in 2024 and 3.2% in 2025, with the 2024 forecast being 0.2 percentage points higher than the October 2023

WEO forecast. This adjustment is primarily due to the IMF raising economic growth expectations for countries such as the U.S., China, and India. However, the global economic growth in 2024–2025 will be lower than the average level of 3.8% in 2000–2019. This is due to central banks implementing high-interest-rate policies to combat persistent inflation, countries reducing fiscal expenditures to address mounting debt burdens, and geopolitical constraints dampening momentum in the manufacturing sector.

Looking into the future of global industrial development trend and forecast in 2024:

It is estimated that the annual growth rate of the global communication industry will further increase to 7.2% in 2024, with an output value of USD 2.49 trillion. The global user end broadband communication industry will still focus on the upgrade of XG SPON 10G optical communication broadband, and the coverage of 5G Fixed Wireless Access (FWA) broadband access services continues to expand. 2024 will be a year of significant growth for 5G broadband equipment and Fiber-to-the-Home (FTTH) equipment in the European and American markets. The expected improvement in household bandwidth will also drive demand for upgraded broadband user equipment such as Wi-Fi 6 to Wi-Fi 7 and high-end products. In particular, the 5G industry will continue to grow significantly for the following reasons:

- I. From 2021 to 2022, the capital expenditure of the global telecommunications industry increased by 4.2% in 2022 to USD 319.1 billion, and the growth will moderate in 2023. It is expected to continue to grow in 2024.
- II. 5G will become the mainstream specification for mobile phone networking by 2025. Nearly 200 telecom operators worldwide have launched 5G network services by 2023: 5G is expected to dominate both mobile connectivity and FWA broadband access specifications with a market share exceeding 50% in 2025, and possibly reaching two thirds of the market by 2027.
- III. At MWC 2024, advanced technologies in the fields of 5G, 6G, vRAN, and Open RAN continued to be showcased, with a focus on cloud-native approaches facilitated by systems based on vRAN and Open RAN. Therefore, more and more leading companies in the communication industry will provide solutions that support today's 5G open and virtual networks.
- IV. 2024 will continue to be a year of flourishing development for the mobile communication industry, especially in Europe where many unfinished businesses from 2023 will be taken up. Additionally, there will be successive launches of Open Radio Access Network (RAN), Generative Artificial Intelligence (GenAI), and standalone 5G core technologies.

Based on the analysis of global trends by the major research and development companies referred to above, the combination of “6G,” “satellite communication,” “Internet of Things,” “network function virtualization,” “AI” and other technologies; The management team will continue to formulate a corporate strategy for continuous growth based on the strategic framework of building software and hardware integration core capabilities.

Negative factors and responsive strategies:

- (1) Prolonged Russo-Ukrainian War and huge impact on inflation

The Russo-Ukrainian War has been ongoing for over two years, triggering chain reactions that have led to issues such as soaring energy prices, rising

raw material costs, and inflation. Consequently, the global economy has fallen into a state of stagnation and downturn. Since the Federal Reserve announced a rate hike in March 2022, it has raised rates 11 times continuously. In February, the U.S. Consumer Price Index (CPI) annual growth rate increased from 3.1% in January to 3.2%, the highest since December 2023. The core CPI annual growth rate decreased from 3.9% in January to 3.8%, the lowest since May 2021. According to the U.S. Department of Labor's Bureau of Labor Statistics (BLS), the housing index and gasoline index together contributed more than 60% of the increase in CPI in February. Overall, the U.S. CPI announced in March 2024 will show that not much progress has been made in the war against inflation. However, the experts are still optimistic. Since the two years of the Russo-Ukrainian War, countries have actively revitalized their economies, raising hopes that they can bid farewell to the economic downturn this year.

Responsive strategy:

The communication industry is currently at a critical stage of the evolution of new technologies. The convergence of technologies such as 6G, satellite communication, IoT, and AI, along with ongoing updates to cloud data center capacity and data analytics technology, is reshaping the landscape. Whether it's broadband service providers, enterprise users, or end users, all will be participating in the latest trends of the industry in this technological evolution in 2024. Therefore, actively investing in technologies such as "6G satellite broadband communication," "emerging opportunities in the IoT," and "the integration of AI with high-speed network equipment" will remain the only viable solutions for stimulating continuous capital expenditure growth for broadband service providers and enterprise users under the significant inflationary pressures globally, and creating feasible solutions for end-user willingness to upgrade their used equipment continuously.

- (2) Increase in production costs of manpower and oil price and decrease in gross profits of products

The global material and labor costs continue to increase with the shortage of components such as main chips and semiconductors, greatly compressing the operating revenue and profitability of OEM/ODM. In addition, as the technology of broadband access equipment and products for the client becomes more mature, the technical barrier of competitors is also reduced and homogeneous products in the market continue to increase, resulting in the impact on the growth of profitability due to the compression of product price and gross profit.

Responsive strategy:

By actively collaborating with the supply chain and production platform via the Group, we seek information exchange on common procurement platforms to reduce critical component shortages and improve production efficiency, thereby lowering manufacturing costs. We invest in research and development of products with higher technical integration and complexity to get ahead of market competition through high-value-added products.

(II) Important purpose and manufacturing processes of main products

1. Important purpose of main products:

| Products category | Purpose |
|--|--|
| Broadband communication product | The wired and wireless network equipment with path selection function used as the intermediary to connect LAN and WAN. |
| WAN product | Products are classified as (1) M.2 PCIe network card and Wi-Fi module is the application of internet connection mainly used in smart mobile devices such as notebook. (2) Wi-Fi AP and router are applied to internet access of users and wireless coverage. Various connection terminal equipment in the subnet can exchange data conveniently via the wireless router. (3) Mesh AP is applied to internet access of users and wireless coverage that provides video experience without any disconnection. |
| Set-top box products | The main products include IP, Cable, OTT and Hybrid set-top boxes mainly used for the application of digital home audio multimedia. |
| IoT products | The main products include WSN IoT gateway, IoT/M2M/NB-IOT module, sensor and smart router to provide interoperability between various communication protocols and standards and realize the applications related to IoT. |

2. Manufacturing process:

| Step | Manufacturing process | Process description |
|-------------|------------------------------|---|
| 1 | R&D and design | <ol style="list-style-type: none"> 1. Determination of the plan based on the demands of the market and the customer 2. Production of PCBA based on the circuit diagram designed by the R&D personnel 3. Mold design based on the machinery diagram required by the customer 4. Introduction of mass production after completing the design verification |
| 2 | Kitting | Material preparation via All parts/SAP/SFC systems based on the material list of product order |
| 3 | SMT | <ol style="list-style-type: none"> 1. The electronic components which can be manufactured by SMD equipment are automatically mounted to the PCB surface via mounting equipment and technology. 2. The PCBA with completed mounting forms effective and reliable electrical connection by reflow process. |
| 4 | DIP | <ol style="list-style-type: none"> 1. The electronic components requiring artificial/automatic plug-in are inserted in PCBA. 2. The PCBA with completed plug-in forms effective and reliable electrical connection by wave process. |
| 5 | Preliminary testing | <ol style="list-style-type: none"> 1. Initially determining the yield rate in the front-end process to screen qualified products for the yield rate in the back end. 2. Basic function testing and guarantee to find out PCBA products with cold welding, empty solder or short circuit (e.g. whether it can start up normally and whether the version is correct). |

| | | |
|-----------|-------------------------|---|
| 6 | RF commissioning | Conducting calibration and testing of frequency and output power for wireless RF products to ensure the RF signal, frequency and output power complying with the requirements of the regulations to meet the needs of the customer. |
| 7 | Assembly | Assembling the PCBA and the antenna and machinery based on the SOP of machinery design to complete the finished product. |
| 8 | Buru-in | Accelerating the aging test of the electronic product components within a certain duty cycle (usually 48–168 hours) with power on and in extreme environments (load and high temperature) to test potential failure of the product. |
| 9 | Final testing | After the PCBA undergone burn-in and integration with the case, conduct the final function and information testing and the customized overall testing of the product. |
| 10 | Packing | Adding required packing attachments based on the functions and characteristics of the product. |
| 11 | Shipment | Sale of finished products |

(I) **Supply of main materials**

| Name of main materials | Primary source | Status of supply | Price tend |
|---|------------------------------|-------------------------|--|
| Integrated circuit, memory | From import and the domestic | Ordered procurement | Determined by the market supply and demand |
| PCB | From import and the domestic | Ordered procurement | Determined by the market supply and demand |
| Transistor, diode | From import and the domestic | Ordered procurement | Determined by the market supply and demand |
| Various capacitors, resistances | From import and the domestic | Ordered procurement | Determined by the market supply and demand |
| Transformer, inductance, connector | From import and the domestic | Ordered procurement | Determined by the market supply and demand |

The Company directly negotiates with the agent or the original equipment manufacturer to purchase the critical components for the products of the Company. All materials have undergone the process of part approval and qualified supplier evaluation to ensure stable quality. Each material has more than two suppliers because the separated procurement from various suppliers can prevent the lack of materials and maintain the flexibility of bargain. To the present day, the Company continues to maintain long-term cooperation and excellent relationship with all suppliers for stable supply. The Company adequately manages resources and implements rigorous control on the quality and delivery date of suppliers, in order to ensure smooth and proper supply of key raw materials.

(III) Customers accounted for more than 10% of total purchase/sales amount in the most recent two years

1.Name of suppliers accounted for more than 10% of total purchase/sales amount in the most recent two years and the purchase/sales amount and ratio thereof:

Unit: NTD thousand

| Item | 2023 | | | | 2024 | | | |
|-------|---------------------|-----------|------------------------------------|------------------------------|---------------------|-----------|---|------------------------------|
| | Name | Amount | Annual net purchase percentage (%) | Relationship with the issuer | Name | Amount | Annual net purchase percentage up to the last quarter of the current year (%) | Relationship with the issuer |
| 1 | A | 678,512 | 22.27 | None | A | 363,618 | 12.62 | None |
| 2 | | | | | B | 298,993 | 10.38 | None |
| 3 | Others | 2,368,748 | 77.73 | | Others | 2,218,118 | 77.00 | |
| Total | Net purchase amount | 3,047,260 | 100.00 | | Net purchase amount | 2,880,729 | 100.00 | |

Analysis of changes in major purchase counterparty: In 2024, the Company's purchase was not concentrated on a single supplier. The Company diversified to other suppliers to avoid over-concentration.

2.Name of customers accounted for more than 10% of total sales in the most recent two years and the sales and ratio thereof:

Unit: NTD thousand

| Item | 2023 | | | | Item | 2024 | | | |
|-------|-----------|-----------|---------------------------------|--------|-----------|-----------|--------|---------------------------------|------|
| | Name | Amount | Annual net sales percentage (%) | Item | | Name | Amount | Annual net sales percentage (%) | Item |
| 1 | Cloud | 880,149 | 23.13 | Note 1 | D | 1,510,438 | 42.01 | None | |
| 2 | C | 838,037 | 22.02 | None | Cloud | 981,400 | 27.30 | None | |
| 3 | D | 766,165 | 20.13 | None | A | 468,402 | 13.03 | None | |
| 4 | A | 471,611 | 12.39 | None | E | 180,971 | 5.03 | None | |
| 5 | E | 381,629 | 10.03 | None | C | 62,662 | 1.74 | None | |
| 6 | Others | 467,802 | 12.30 | | Others | 391,328 | 10.89 | | |
| Total | Net sales | 3,805,393 | 100.00 | | Net sales | 3,595,201 | 100.00 | | |

Note 1: The customer is the affiliate of Foxconn.

Analysis of changes in major sales counterparty: In 2024, the sales to customer D accounted for approximately 40% of the Company's total sales due to an increase in that customer's demand, while the amount of sales to some customers decreased due to a decline in their demand.

III. The number of employees, their average service seniority, average age, and education level distribution ratio in the most recent two years up to the publication date of this annual report

| Year | | 2025.03.05 | 2024 | 2023 |
|------------------------------|--------------------|-------------|------------|-------------|
| Number of employees | Indirect personnel | 232 | 223 | 208 |
| | Direct personnel | 0 | 0 | 0 |
| | Total | 232 | 223 | 208 |
| Average age | | 42.7 | 42.5 | 41.9 |
| Average years of service | | 6.3 | 6.8 | 6.7 |
| Education level distribution | Doctorate | 1(0.43%) | 1(0.45%) | 1(0.48%) |
| | Master | 96(41.38%) | 92(41.26%) | 81(38.94%) |
| | University/college | 131(56.47%) | 126(56.5%) | 122(58.65%) |
| | High school | 4(1.72%) | 4(1.79%) | 4(1.92%) |
| | Below high school | None | None | None |

IV. Information on environmental expenditure

- (I) Losses incurred due to environmental pollution in the most recent two years: None.
- (II) Countermeasures: N/A.

V. Labor relation

(I) The Company's current important employee benefits and the agreement made between employers and employees

1. Implementation of employee insurance:

In addition to taking out labor insurance and health insurance for our employees, the Company has also formulated employee group insurance plans, including life insurance, accident insurance and hospitalization.

2. Improvement of employees' health and safety:

A. Employee medical check-ups: Our permanent employees can enjoy a free medical check-up every year. Since we focus on employee health management, for any employees who receive abnormal results from medical check-ups, we actively assist them to go through further inspection and treatment to ensure their physical and mental health. The Company also provides new information or reminders about health on our internal website on an irregular basis to encourage the employees to eat healthily, exercise regularly and maintain normal routine.

B. Massagists with visual impairment: We hire massagists with visual impairment to provide massage service for our employees for the purpose of not only providing work opportunities for visually impaired people but also reducing the employees' work pressure to improve their physical health.

C. Implementation of various health improvement programs: The Company irregularly organizes an employee weight loss competition to enable the employees to encourage each other to lose weight in a healthy competitive environment. In addition, we promote quitting smoking and passive smoking prevention activities on the Company website on an irregular basis to urge the employees to give up smoking as soon as possible. A gym equipped with new and practical workout facilities is also in place for the employees to work out and exercise easily in the Company in addition to working. Moreover, we also post various nutrition information on the Company website to help the employees use food as medicine and form a healthy diet.

D. Several "Automated External Defibrillators/AEDs" placed in the Company: According to medical research, it is proven that if electric shocks are delivered to a patient having sudden cardiac arrest due to irregular heartbeat within 1 minute, the success rate of resuscitation can reach more than 90%. Therefore, we have placed several "Automated External Defibrillators/AEDs" in the Company to create a safe and health working environment and prevent risks.

E. Promotion of traffic safety: The Company pays a lot of attention on employees' safety; therefore, we hold industrial safety, factory safety and traffic safety promotional activities on an irregular basis.

F. Promotion of fire control and disaster prevention: In order to raise employees' awareness of fire control and disaster prevention, we irregularly promote relevant information on the Company website and teach the employees proper means of escape in case of earthquakes or fires.

3. Incentive trip

The Company's employee welfare committee organizes a domestic and overseas incentive trip every year and provides travel subsidies for the employees to encourage them to go outdoors in their free time, which is beneficial to the body and mind!

4. Social activity

The Company's employee welfare committee offers subsidies for social activities to encourage the employees to participate in various club activities.

We have organized a yoga club, dancing club, bike club, gardening club, etc., to allow our employees to have fun in these courses in their free time.

5. Annual leave system

The Company grants annual leave in accordance with the Labor Standards Act, and the payment of untaken leave is also provided.

6. Retirement system

The Company was approved by (89) Yuan-Lao-Zi Letter No.027487 issued by the Science Park Bureau, MOST on December 1, 2000 to establish the Employee Pension Provision Supervisory Committee in order to contribute 2% of employees' monthly salaries as the labor pension fund to the special pension bank account for future payment of employee pensions; the pension contribution has been made in accordance with related laws and systems.

The implementation of the Labor Pension Act commenced on July 1, 2005 and the defined contribution system was adopted. After such implementation, employees may choose to be subject to pension-related regulations in the Labor Standards Act, or to be subject to the pension system of the Labor Pension Act and retain their service seniority before application of the Labor Pension Act. For employees subject to the Labor Pension Act, the Company may not contribute less than 6% of the employees' monthly salaries as their pension funds every month.

(II) Losses incurred due to labor disputes in the most recent three years: None.

VI.Cyber Security Management:

(I)State clearly the cybersecurity risk management structure, cybersecurity policy, specific management plan, and resources invested in the management of cybersecurity:

◎ Cyber Security Risk Management Structure

The Information Department is responsible for leading and planning the tackling of evolving external network and virus attacks. Each business-related unit shall cooperate in its implementation to ensure the effectiveness of information security management operations.

◎ Information security policy

We ensure the security of data, systems, equipment and network security in an effort to maintain the normal operations of the network information system, ensure the security of network information transmission transactions, and protect the confidentiality and integrity of computer processing data. We carry out the above operations in accordance with the "Information and Account Management Rules," "Information Equipment and Security Management Rules," and "Personal Data Protection Management Rules."

◎ Concrete management plan

1. Information and account management: To ensure the integrity, confidentiality and availability of information accounts.
2. Information service management: Information system, domain and email account application and management requirements.
3. Information equipment security control: Personnel of the Information Department conduct daily inspection of the server room and check system log records to ensure servers and network equipment are operating normally.
4. Security control of computer facilities: Access control system for computer facilities, registration for entry and exit and uninterruptible power supply systems.
5. Legal software copyright control: Installment and control of legal software authorization.
6. Computer virus prevention: Deploy anti-virus software to avoid computers from being attacked or infected by viruses.

7. Backup operations: Carry out daily and weekly backups and implement backup operations and records.
 8. Disaster recovery: Draw up disaster recovery and reconstruction plans, conduct exercises, and review the results of implementation.
- ◎ Resources invested for cyber security management
1. The Company's information security team consists of 2 people.
 2. Regularly participate in the Group's information security meetings to share the latest information security risks and information security vulnerability correction methods.
 3. Anti-virus endpoint protection - to intercept endpoint threats.
 4. Comprehensive spam filtering - to block spam and threat emails.
 5. Implementation of information security education and training and social engineering email exercises - to enhance the awareness of employees regarding information security threats.
 6. Join the TWCERT Security Alliance to obtain priority security warnings so that you can implement protective measures early to reduce the chance of intrusion.

(II) Any loss incurred due to material cyber security events, possible impacts and countermeasures during the most recent year and as of the publication date of this annual report: None.

VII. Important Contract:

| Nature of the contract | litigant | Contract start and end date | Main content | Restrictions |
|---------------------------|---------------------------------------|---|---|---|
| Trademark licensing | Ministry of Economic Affairs | October 18, 2024 – revocation by the licensor | Licensing CyberTAN to use the “Taiwan Excellence Logo” on its award-winning products and related promotional activities. | Only for award-winning products, no sublicense, no alteration of the logo, and no damage to the logo's image. |
| Technological cooperation | Company S | March 7, 2024 – date of intended contract termination by either party | Both parties are strategic partners in the joint development, integration and marketing of software and hardware solutions. | Confidentiality, no disclosure to competitors, no acting on behalf of the other party, and confidentiality to be maintained after termination. |
| Technology licensing | American Megatrends International LLC | May 1, 2024 – date of intended contract termination by either party | Licensing the use of BIOS/firmware/software in the development, production and sales of products. | No sublicense, no reverse engineering, only for use in specific products, confidentiality, and post-termination destruction of all licensed technological data. |

Five. Review and Analysis of Financial Position and Financial Performance and Risk Matters

I. Financial position

Unit: NT\$ thousand

| Item | Year | 2024 | 2023 | Difference | |
|-------------------------------|------|-----------|-----------|------------|-----------|
| | | | | Amount | % |
| Current assets | | 3,447,658 | 4,326,224 | (878,566) | (20.31) |
| Property, plant and equipment | | 1,699,963 | 900,758 | 799,205 | 88.73 |
| Intangible assets | | 7,915 | 24,957 | (17,042) | (68.29) |
| Other assets | | 1,424,373 | 1,822,154 | (397,781) | (21.83) |
| Total assets | | 6,579,909 | 7,074,093 | (494,184) | (6.99) |
| Current liabilities | | 1,525,547 | 1,852,634 | (327,087) | (17.66) |
| Non-current liabilities | | 415,497 | 451,530 | (36,033) | (7.98) |
| Total liabilities | | 1,941,044 | 2,304,164 | (363,120) | (15.76) |
| Share capital | | 3,303,254 | 3,302,554 | 700 | -0.02 |
| Capital reserves | | 598,676 | 622,678 | (24,002) | (3.85) |
| Retained earnings | | 1,007,433 | 1,015,735 | (8,302) | (0.82) |
| Other equity | | (64,804) | (169,612) | 104,808 | 61.79 |
| treasury stocks | | (205,694) | (1,426) | (204,268) | 14,324.54 |
| Non-controlling equity | | - | - | - | - |
| Total equity | | 4,638,865 | 4,769,929 | (131,064) | (2.75) |

Analysis of main reason, impact and future correlative plans regarding changes from one period to the next reaches above 20% and the amount of variance reaches NTD 10,000,000. The description is as follows:

1. Decrease in current assets and increase in property, plant and equipment: Mainly due to the construction of a factory by the subsidiary in Vietnam, resulting in a decrease in cash equivalents and an increase in property, plant and equipment.
2. Decrease in intangible assets: Mainly due to a decrease in goodwill.
3. Decrease in other assets: Mainly due to the sale of MTI's shares and recognition of the investment loss of MTI, resulting in a decrease in investments accounted for under the equity method.
4. Increase in other equity: Mainly due to the effect of exchange rates, resulting in a decrease in exchange differences in the financial statement translation of foreign operations.
5. Increase in treasury shares: Mainly due to the purchase of treasury shares in the current period.

II. Financial performance

Unit: NT\$ thousand

| Item | Year | 2024 | 2023 | Difference | |
|--|------|-----------|-----------|------------|----------|
| | | | | Amount | % |
| Operating revenue | | 3,595,201 | 3,805,393 | (210,192) | (5.52) |
| Operating cost | | 3,288,051 | 3,795,451 | (507,400) | (13.37) |
| Operating gross profit | | 307,150 | 9,942 | 297,208 | 2,989.42 |
| Operating expense | | 535,036 | 476,499 | 58,537 | 12.28 |
| Operating losses | | (227,886) | (466,557) | 238,671 | 51.16 |
| Non-operating revenue and expenses | | 246,605 | 101,266 | 145,339 | 143.52 |
| Net profit (loss) before tax | | 18,719 | (365,291) | 384,010 | 105.12 |
| Income tax benefits (expenses) | | (16,002) | 48,461 | (64,463) | (133.02) |
| Net profit (loss) for the current period | | 2,717 | (316,830) | 319,547 | 100.86 |
| Other comprehensive income (net amount) | | 83,419 | (1,886) | 85,305 | 4,523.06 |
| Total comprehensive income for the year | | 86,136 | (318,716) | 404,852 | 127.03 |
| Net profit attributable to the | | 2,717 | (316,830) | 319,547 | 100.86 |

| | | | | |
|--|--------|-----------|---------|--------|
| owner of the parent company | | | | |
| Total comprehensive income attributable to the owner of the parent company | 86,136 | (318,716) | 404,852 | 127.03 |
| Analysis and description regarding changes in increase/decrease reaching 20% and the amount of variance reaching NTD 10,000,000: | | | | |
| 1. Increase in gross operating profit and operating profit: Mainly due to the overall effect of the product portfolio, improvement in manufacturing efficiency and reduction in material rate. | | | | |
| 2. Increase in non-operating revenues and expenses: Mainly due to an increase in the sale of MTI's shares in the current period. | | | | |
| 3. Increase in pre-tax net profit, net profit attributable to the parent company and net profit of the current period: Mainly due to the above. | | | | |
| 4. Increase in income tax expense: Mainly due to the profit and reversal of income tax assets in the current period. | | | | |
| 5. Increase in other comprehensive income (net amount) of the current period, total comprehensive income of the current period, and total comprehensive income attributable to owners of the parent company: Mainly due to the effect of exchange rates, resulting in a decrease in exchange differences in the financial statement translation of foreign operations. | | | | |

III. Cash flow

(I) Cash flows for the year

Unit: NT\$ thousand

| Cash balance at beginning of period | Annual net cash flow from operating activities | Annual net cash flows from investing and financing activities | Foreign exchange rate effect | Cash surplus (deficit) | Corrective measures against cash deficit | |
|-------------------------------------|--|---|------------------------------|------------------------|--|----------------|
| | | | | | Investment plan | Financing Plan |
| 1,502,583 | (26,824) | (296,864) | 26,020 | 1,204,915 | None | |

(II) Analysis of changes in cash flow of the current year

Unit: NT\$ thousand

| Item \ Year | 2023 | 2022 | Difference | |
|------------------------------|-----------|-----------|------------|---|
| | | | Amount | Description |
| Operating activities | (26,824) | 763,717 | (790,541) | Mainly due to a significant increase in the accounts receivable of the current period from the previous period. |
| Investing activities | 456,585 | (688,434) | 1,145,019 | Mainly due to a significant increase in the disposal of financial assets measured at amortized cost from the previous period. |
| Financing activities | (753,449) | 53,706 | (807,155) | Mainly due to a decrease in short-term loans. |
| Foreign exchange rate effect | 26,020 | 17,745 | 8,275 | Mainly due to the effect of exchange rate changes. |
| Net cash flows | (297,668) | 146,734 | (444,402) | |

(III) Analysis of the liquidity of cash for the coming year

Unit: NT\$ thousand

| Cash balance at beginning of period | Annual net cash flow from operating activities | Annual net cash flows from investing and financing activities | Cash surplus (deficit) | Corrective measures against cash deficit | |
|-------------------------------------|--|---|------------------------|--|----------------|
| | | | | Investment plan | Financing Plan |
| 1,204,915 | 5,700 | (354,800) | 855,815 | None | |

IV. Impacts of material capital expenditure in the most recent year on the financial and business status:

On a consolidated basis, the Company and its subsidiaries purchased approximately NT\$795,237thousands in real estate, plants and equipment in 2024, accounting for approximately 22.12% of net sales, mainly for the Company to build a new plant in Vietnam as a future production base.

V. The main reasons for the gains or losses of investments in the most recent year, the improvement plan and the investment plans for the next year

- (I) Investment policy: The company mainly makes strategic investments in business entities related to the extension of the company's business in order to improve the efficiency of manufacturing and production and expand the scope of sales.
- (II) Main reasons for the gains or losses and improvement plans: The losses of the subsidiaries in this period are mainly caused by the losses of the manufacturer HON YAO FU TECHNOLOGY COMPANY LIMITED. They will win orders from old customers and develop new customers so that revenue can grow steadily.
- (III) Investment plans for the coming year: Expansion of the Vietnam production base .

VI. Analysis and assessment of risk matters

- (I) Impacts of interest rate and exchange rate changes and inflation in the most recent year on the income of the Company, and future countermeasures:
 - 1. Impacts of interest rate changes: Due to the low ratio (less than 1%) of interest income and expenses to the Company's turnover, even though our interest income has decreased as a result of decreasing interest rates in recent years, it barely affected the Company's income. In addition to investment of required funds into the expansion of our business and retaining sufficient working funds, the Company will invest residual NT Dollar funds mainly into conservative investments, such as fixed deposits and bond funds.
 - 2. Exchange rate changes: In response to the impacts from changes in exchange rates, the Company determined an optimal hedge ratio according to the current exchange rate trend and selected simple hedging instruments mainly for hedging purposes, such as forward foreign exchange contracts or option transactions to reduce losses incurred due to the exchange rates and minimize the impacts on the profit or loss.
 - 3. Inflation: Since the Company has made proper adjustments in customers' quoted price based on market conditions, allowing us to grasp the fluctuations of the market price, the inflation barely affected the Company.
- (II) Policies regarding high-risk, high-leverage investments, loaning of funds to others, endorsement/guarantees as well as derivatives trading, main reasons for gains or losses, and future countermeasures:
 - 1. High-risk investments: None.
 - 2. High-leverage investments: None.
 - 3. Loans to others: The Company has established the Procedures for Loaning of Funds to Others, based on which it engages in the above transactions, with the

objectives of improving the Company's operating performance and reducing financial risks.

4. Endorsement/guarantees: Guarantees for customs duties only.
5. Trading of financial derivatives: The Company and the affiliates engaged in trading of financial derivatives only for hedging exchange rate risks in foreign currency liabilities.

(III) Future R&D plans and further expenditures expected for R&D:

1. The Company expects to research and develop the following plans in recent years:
 - (1) DOCSIS 3.1 Cable Modem
 - (2) 802.11/Ax Wireless Network Card Series
 - (3) Remote Wireless Communication Bridge
 - (4) Cloud Service
 - (5) APPs
 - (6) WIFI Mesh Router
 - (7) SDWAN vCPE
 - (8) IoT Module and IoT Applications
 - (9) 5G FWA Router
 - (10) Smart AI STB
2. Expected investment for R&D: The Company expected to further invest an estimated 10% of the turnover in our R&D.

(IV) Financial impacts and responsive measures in the event of changes in local and foreign important policies and regulations:

The domestic and overseas important policies and changes in laws in the most recent year did not cause any significant impact on the Company's finance and business. The Company has kept on tracking the government policies and laws of locations in which our business sites are located and paying attention to the direction of the government policies or legislation. Each division has dedicated personnel to perform such works and report to the officer any impact of new policies or new regulations on the Company's operation. In addition, the Company also aligned the operational orientation and goals with the public policies established by the government to ensure smooth operation for the Company.

(V) Impacts of technology changes on the Company's finance and business, and countermeasures thereof: Please refer to the descriptions in I、II and VI of Five. Overview of Operation.

(VI) Impacts from changes in corporate image on the Company's crisis management, and countermeasures thereof: The Company has appointed dedicated personnel to formulate relevant plans and countermeasures, and therefore, we could minimize uncertain business risks.

(VII) Expected benefits and potential risks of any merger or acquisition: None.

(VIII) Expected benefits and potential risks of any plant expansion: None.

(IX) Risks of concentrated sales or purchases:

1. Purchase: More than 10% of the suppliers from which the Company purchased products were designated by our customers, and such suppliers are internationally known brands with stable supply. Therefore, there were no significant risks to the Company's purchases.
2. Sale: CyberTAN will take consideration based on global customer development. Even though our shipment to North America has not been available so far, we have continually shipped our products to Europe, Asia and China. Therefore, our shipment is expected to grow increasingly in the future.

(X) Impacts and risks to the Company with regard to any major transfer or change of equities by directors, supervisors, or major shareholders holding more than 10% of the Company's shares: None.

(XI) Impacts and risks to the Company with regard to any change in management rights:
None for the Company.

(XII) In case of any litigious and non-litigious matters, material litigious, non-litigious or administrative disputes that involve the Company and/or any director, supervisor, the President, de facto responsible person, major shareholder holding a stake of more than 10% of the Company or subordinate company thereof, and that were finalized or remained pending, shall be listed; if these disputes may eventually cause a substantial impact on shareholders' equity or the price of securities, the nature of the disputes, the amount involved, the date on which the litigation first started, the main parties involved and the progress as of the publication of this annual report shall be disclosed: None for the Company.

(XIII) Other important risks: None.

VII. Other important matters: None.

Six. Special Items

I. Information on affiliates:

Please go to the MOPS (<https://mops.twse.com.tw>) and click on "Single Company" under "Electronic Document Download" and then "Three Forms and Documents of Related Enterprises" to search.

II. Private placement of securities in the most recent year up to the publication date of this annual report: None.

III. Other necessary supplementary information : None.

Seven. Events Materially Affecting Shareholders' Equity or the Price of Securities

Any events materially affecting shareholders' equity or the price of securities as defined in Sub-Paragraph 2, Paragraph 3, Article 36 of the Act in the most recent year up to the publication date of this annual report: None.