



光環科技股份有限公司

TrueLight Corporation

Stock Code:3234

TrueLight Corporation

2024

Annual Report

Notice to readers

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

Taiwan Stock Exchange Market Observation Post System :

<https://mops.twse.com.tw/mops/web/index>

TrueLight 's Annual Report is available at: <https://www.truelight.com.tw/index.aspx>

Printed on March 31,2025

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

6. Company Website: <https://www.truelight.com.tw>

TrueLight Corporation

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Letter to Shareholders

Dear Shareholders,

2024 was a year of change for TrueLight. In order to meet the needs of its future growth strategy and operational direction, TrueLight affiliated to TMC through a private placement and successfully completed the transfer of its operating rights. The new management team is continuing to build on TrueLight's established core values while introducing new management thinking to lead the company into the next phase of growth.

In FY2024, TrueLight's operations were significantly reduced from the previous year due to the economic downturn in Mainland China, a major market for optical communications related products, and the relative decrease in orders as a result of the inner rat race of China's economic strategy. In addition, customers had postponed orders due to changes in product design for consumer mobile phone applications. Fortunately, TrueLight's shipments shall be expected to grow significantly in 2025 as a result of the rapid growth trend in customer demand for AI applications at the end of the 4th quarter. At this juncture, TrueLight continues to implement its business strategy, carry out organizational optimization, and accelerate product R&D to ensure that TrueLight is well-prepared for the growth in demand for AI applications in 2025, in order to cope with the fast-changing global industry environment.

1.FY2024 Consolidated Operating Results:

TrueLight's operations in 2024 were not as expected due to the inner rat race in China which resulted in a decrease in shipments of optical communication products. The Operating revenue was NTD570 million a decrease of 9% from 2023. However, with the strict control of expenses and costs, the loss was significantly reduced compared to FY2023. Net loss for the period was NT\$250 million, basic loss per share was NT\$2.21, and net value per share was NT\$8.59.

(1) Business Plan Implementation Results

Unit: NT\$ thousand

Project	Year	Y2024	Y2023
Operating revenue		573,752	630,266
Net gross profit from operations		23,718	23,996
Net(loss) of operating		(255,493)	(328,649)
Net(loss) for the period		(254,875)	(425,611)
Total comprehensive income for the year		(249,816)	(431,897)
Basic loss per share		(2.21)	(4.68)

(2) **Estimated implementation status:** The Company does not announce financial forecasts, so they are not applicable.

(3) Analysis of Financial Income and Expenditure and Profitability

Project	Year	Y2024	Y2023
Financial Income and Expenditure (NT\$ thousand)	Net cash inflow (outflow) from operating activities	(56,374)	(131,122)
	Net cash outflow from investing activities	(64,191)	(6,282)

	net cash inflow (outflow) from fundraising	218,752	101,543
Profitability (%)	Return on assets	(19.36)	(27.84)
	Return on equity	(31.58)	(57.63)
	Ratio of income before tax to paid-in capital	(22.86)	(43.61)
	Net profit rate (%)	(44.42)	(67.53)

(4) Research and Development Status in the 2024

In 2024, TrueLight successfully completed the development and mass production of 28Gbaud VCSEL products for the short-range high-speed optical communication market. Additionally, the 50Gbaud VCSEL has begun shipping samples to customers for validation and is being applied in 400G/800G optical transceiver modules. Furthermore, TrueLight successfully developed a 980nm 10Gbps VCSEL with an ultra-wide operating temperature range (-40°C to 125°C), meeting automotive standards and laying the foundation for future expansion into the automotive data transmission market.

In addition to continuously developing high-speed VCSEL components for the optical communication market, TrueLight is also actively expanding into the consumer market and enhancing the optoelectronic properties of 850nm–940nm VCSELs (narrow beam divergence and conversion efficiency) to meet the demands of various applications, including infrared illumination for security surveillance, 3D sensing, in-vehicle gesture recognition, and eye tracking. Notably, a major achievement in 2024 was the successful development of SWIR 1130nm VCSEL, which has been integrated into the next generation of optical sensing products. This breakthrough not only demonstrates TrueLight’s commitment to innovation but also opens up new possibilities for mid-to-long-term technological advancements in the optical sensing industry. In addition to infrared applications, TrueLight is also actively developing visible red-light VCSELs for applications in machine vision, health monitoring, and medical care.

The development of the 112G PAM4 PD has been completed, achieving an important milestone in high-speed data transmission. After customer verification, this product has successfully been applied in 800G systems, demonstrating its excellent performance and market competitiveness. Additionally, the 56G PAM4 DFB LD has successfully completed mass production, with continuous optimization of power consumption and reliability to enhance the stability of 28Gbps data transmission, ensuring the feasibility of commercialization. This product offers exceptional cost-effectiveness and provides a solution for high-density data transmission, meeting the market demand for achieving high data density within limited bandwidth. TrueLight has successfully implemented the "Automated Testing and Quality Inspection System" to improve production efficiency and quality stability. Through process optimization design, the consistency of the characteristics of DFB LD/PD products has been significantly enhanced, effectively reducing production costs and increasing market competitiveness. In terms of market expansion, TrueLight has formed strategic partnerships with data center and 5G/6G equipment suppliers, introducing next-generation high-speed optoelectronic components. Additionally, leveraging decades of technical and manufacturing experience in the optical communication field, TRUELIGHT has actively advanced its ODM/OEM business, offering customers more competitive products. By introducing new products, TrueLight is expanding its vision in new markets to meet the ever-changing demands of the market.

In the field of high-speed optical transceiver modules, TrueLight has successfully developed a silicon photonics and fiber array coupling platform, providing customers with

the ability to integrate silicon photonics chips and fiber arrays (FA) on a chip-on-board (COB) platform. and has successfully completed product development. The main advantage of this platform is that, unlike the dual six-axis architecture commonly used in the industry, TrueLight only requires a single six-axis to achieve the precision of $\pm 1\mu\text{m}$. This technological breakthrough simplifies the coupling process, effectively reduces the manufacturing costs of the FA coupling equipment, and improves cost control efficiency, providing customers with more competitive solutions.

In addition, TrueLight has successfully developed a PCIe 5.0 high-speed pluggable optical transceiver module. This module uses TrueLight 's proprietary VCSEL and PD dies and has been successfully applied to a single-channel 32Gbps MiniSAS HD COB module. The module operates without CDR, using only analog CTLE and de-emphasis for signal compensation. Through PCB signal integrity (SI) and thermal design optimization, this high-performance MiniSAS HD PCIe 5.0 COB module is realized. This product not only effectively reduces module power consumption but also backward compatible with PCIe 4.0 to 1.0, fully showcasing the exceptional features of TrueLight 's VCSEL technology. This module also addresses the copper wiring limitations faced by data center storage systems due to increased transmission rates, providing an innovative solution for future copper-to-optical fiber transmission applications, further expanding the potential of the high-speed data transmission market.

In the future, TrueLight will continue to focus on innovative research and development, advancing next-generation optical communication and optical sensing technologies, moving towards broader application scenarios, and bringing more forward-looking solutions to the market.

2. FY2025 Business Plan Overview

(1) Business Principles:

Our company adheres to the corporate culture of "Integrity, Pragmatism, Excellence, Sharing" and utilizes our existing advantages:

- A.To provide customers with high quality products with mature technology and complete mass production line of optical communication active components.
- B.To Provide customers with solutions through vertical integration.
- C.Combining the strengths of our subsidiary YL's existing second-generation and third-generation epitaxy technology, opening up new opportunities for TrueLight's future development.

(2) Expected sales and its basis:

The Company's sales products and markets are diversified. Based on market estimates and information provided by customers. Broadband Network are estimated to account for 7% of total revenue, 4G/5G Base Station Interconnection applications account for 20% of total revenue, and Cloud Data Center applications accounts for 37% of the total revenue, Sensing application applications accounts for 36% of the total revenue.

(3) Important production and marketing policies:

- A. Entering silicon photonics and other application fields with wafer foundry services:
Combining TrueLight's manufacturing advantages, including wafer manufacturing, chip production and TO-can packaging, it provides OEM services for High power CW DFB laser and other products, and enters applications in fields such as silicon Photonics and AI.

B. Continuous and timely adjustment of sales strategy:

To avoid the price-cutting competition in the market in mainland China, the company will actively increase the sales of these products in outdoor industrial specifications or industrial control applications and other high-end products, which can be used to increase profits.

C. Continuously optimize existing products to increase market competitiveness:

We will continue to improve and upgrade our manufacturing processes to minimize the occurrence of production errors and provide high quality and stable products to maintain customer loyalty. In terms of new products, we will actively invest in the development of high-price and high-value-added products and continue to research and develop and design new and more stable products to satisfy customers' needs, so that we can maintain our competitive edge with the help of greatly improved product functions and stability. We will continue to develop and design more stable new products to meet customers' needs.

3. The Future Development Strategy of the Company

TrueLight faces a diversity of challenges and opportunities in its future development strategy.

The Company will move towards:

(1) Technological Innovation and Differentiated Products

- Increased R&D Investment: We will further enhance our research and development efforts to strengthen high-speed optical interconnect technology, focusing on the development and manufacturing of optical components required for 800G/1.6T optical transceiver modules to meet the growing demands of AI, HPC (High-Performance Computing), and cloud data centers.
- Development of High-Performance Optical Components: We will develop optical components capable of operating under extreme temperature conditions (-40 to 125°C) to meet the stringent requirements for data transmission in harsh environments (e.g., automotive applications).
- Leveraging Opto-Mechanical Integration: With our expertise in opto-mechanical integration, we will collaborate with customers to develop silicon photonics-based products, enhancing module performance for applications in optical communications and optical sensing fields.

(2) Industry Chain Integration and Supply Chain Deployment

- Diversified Supply Chain Strategy: We will establish a multi-tiered supply chain strategy to ensure the stable supply of critical components for applications such as data centers、5G/6G base stations and consumer optical sensing products, effectively minimizing risks.
- Vertical Integration of Manufacturing and Testing: By vertically integrating upstream and downstream manufacturing and testing processes, we aim to improve product yield and reliability while also shortening development cycles.
- Advancing Smart Manufacturing and Automation: We will promote smart manufacturing and automated production systems to optimize operational efficiency, enhance production capabilities, and reduce costs.

(3) Market Expansion and Application Development

- Aggressive Overseas Market Expansion: We will actively expand into international markets, forming strategic partnerships with global industry leaders to increase our global market share.
- Deepening Data Center Market Presence: We will focus on providing optical components for silicon photonics modules, including optical component foundry services, to meet the high-speed transmission demands of cloud computing, high-performance computing (HPC),

and AI training.

- Expanding into 5G/6G Infrastructure: We will develop optical sources and receivers for wireless front-haul, supporting the growing demand for high-bandwidth, low-latency networks in 5G/6G infrastructure.
- Exploring Automotive Optical Communication and LiDAR Applications: In collaboration with system and module manufacturers, we will develop automotive silicon photonics-based LiDAR (Light Detection and Ranging) sensing and data transmission technologies to enhance the precision of autonomous driving systems.

(4) Enhancing Sustainability and ESG Competitiveness

- Investment in Energy-saving and Carbon Reduction Technologies: We will invest in energy-saving and carbon-reducing technologies, developing green manufacturing practices to lower the carbon footprint of our products, enhance our corporate image, and contribute to global efforts in energy conservation and environmental protection.
- Collaborative Development of Silicon Photonics: We will work closely with customers to develop silicon photonics technologies (including high-efficiency optical components) that reduce energy consumption in data centers and 5G/6G equipment, helping to achieve environmental sustainability goals.
- Strengthening Corporate Governance and Transparency: We will enhance corporate governance and transparency to attract support from international investment institutions, ensuring long-term growth and stability.

4. Impact of external competitive environment, regulatory environment and general business environment

The uncertainty in the global economic and trade environment, including economic fluctuations, adjustments in trade policies, and geopolitical risks, may affect supply chain stability and international market expansion. In particular, changes in trade barriers and tariff policies will directly impact product exports and cost structures. According to GII market research, the global fiber optic transmission network equipment market is expected to grow by USD 5.54 billion between 2024 and 2028, with a compound annual growth rate of 3.91%. This indicates continued market expansion but also implies increased competition as more companies enter the sector.

To address these challenges, TrueLight will continue to invest in research and development, drive technological innovation, and enhance product competitiveness. At the same time, the company will actively expand into diversified markets, optimize supply chain management, and strengthen its investment and practices in ESG (Environmental, Social, and Governance) to maintain a leading position in the evolving external competitive landscape.

In terms of changes in laws and regulations, we will continue to pay attention to the implementation of information on amendments to various laws and regulations, such as amendments to company laws, labor standards laws, industrial safety and environmental protection, and corporate governance, so as to meet the requirements of laws and regulations.

TrueLight is committed to fulfilling its corporate social responsibility by abiding by all government regulations, and continues to uphold the beliefs of “HONESTY”, “PRAGMATISM”, “EXCELLENCE”, and “SHARING OF RESULTS”, with the goal of creating the greatest benefits for our shareholders and employees and abides by government regulations and fulfills corporate social responsibilities. Thank you!

Lidon Chen, Chairman

2. Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors

As of 2025/3/31

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Position(s) held concurrently in the company and /or in any other company	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	TMC Represe ntative: Lidon Chen	Male 61~70	2024/5/30	3	2024/5/30	13,500,000	12.11	13,500,000	12.11	0	0	0	0	Master's degree from Department of Atmospheric Sciences at National Central University General Manager of Xintec Inc. General Manager of DelSolar Co., Ltd	Director and CEO and President of TMC Chairman of YLTLINK Technology Corporation Chairman of Xsense Technology Corporation, INC. Director of Digital- Can Tech. Co., Ltd. Director of Aptos Technology Inc. Director of Weida Hi-Tech Co., Ltd. Director of Pilot Energy Co., Ltd. Director of Youe Chung Capital Corporation. Director of Moment semiconductor, inc.	None	None	None	None
		0					0	0	0	0	0	0	0	None			None	None	None	
Director	R.O.C.	TMC Represe ntative: MY Chu	Female 51~60	2024/5/30	3	2024/5/30	13,500,000	12.11	13,500,000	12.11	0	0	0	0	Ph.D., Physics, National Tsing Hua University Consultant, X'Formula Sr, Director, and Operation Vice President of Xintec Inc. Director, VisEra Manager, TSMC	President of TrueLight Corporation. Director and President of YLTLINK Technology Corporation.	None	None	None	None
		0					0	40,000	0.04	0	0	0	0	None			None	None	None	

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Position(s) held concurrently in the company and /or in any other company	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	TMC Representative: Eve Yang	Female 61~70	2024/5/30	3	2024/5/30	13,500,000	12.11	13,500,000	12.11	0	0	0	0	MBA, University of North Alabama, USA Vice President of Finance, FOCI Fiber Optic Communications, Inc. Chief Financial Officer of DelSolar Co., Ltd	Senior Vice President and Group Chief Financial Officer of TMC. Chairperson of Youe Chung Capital Corporation. Director of Digital Can Tech. Co., Ltd. Director of Xsense Technology Corporation, INC.	None	None	None	None
							0	0	0	0	0	0	0	0			None	None	None	None
Director	R.O.C.	TMC Representative: Long- Sheng Yeou	Male 61~70	2024/5/30	3	2024/5/30	13,500,000	12.11	13,500,000	12.11	0	0	0	0	Master of Materials Engineering, University of Houston National Taiwan University MBA Vice President, Phison Electronics Corp. Vice President, Xintec Inc. Manager, TSMC	Director and President of Innova Vision Inc. Director of Xsense Technology Corporation, INC. Director of iPro Vision Inc.	None	None	None	None
							0	0	0	0	0	0	0	0			None	None	None	None
Independent Director	R.O.C.	Miao- Chiu Hsu	Female 61~70	2024/5/30	3	2024/5/30	0	0	0	0	0	0	0	0	MBA, Saint John's University Independent director of Nankang Rubber Tire Corp., Ltd. President/Senior VP and CFO of Nan Shan Life Insurance Co., Ltd. Senior VP of CTBC Bank Co., Ltd. Partner of PwC, Taiwan Vice President of Accounting Department of Taipei branch of Credit Lyonnais Grade 3 specialist at Trust Division of Central Trust of China	Director of CTBC Bank Co., Ltd. Independence Director of Evergreen Aviation Technologies Corporation	None	None	None	None

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Position(s) held concurrently in the company and /or in any other company	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Thomas Chang	Male 71~80	2024/5/30	3	2024/5/30	0	0	0	0	0	0	0	0	National Tsing Hua University EMBA; Master of Electrical Engineering from the University of Cincinnati	Director of Progate Group Corporation Director of Taiwan Imagingtek Corporation Independent Director of ProMOS Technologies INC. President of SIC INNO Inc. Independent Director of Paragon Technologies Co., Ltd. Consultant of Largan Precision Co., Ltd. Consultant of Dacian Precision co., LTD.	None	None	None	None
Independent Director	R.O.C.	Chih- Chieh Lin	Female 51~60	2024/5/30	3	2024/5/30	0	0	0	0	0	0	0	0	Duke University School of Law S.J.D., Chairperson, Financial Ombudsman Institution; Taiwan (R.O.C.) Judicial Reform Advisor, appointed by the President of Taiwan Member, Central Integrity Committee of Executive Yuan, Taiwan (R.O.C.) Member, Human Right Committee of Ministry of Justice, Taiwan (R.O.C.); Lawyer	Distinguished Professor of National Yang Ming Chiao Tung University Independent Director of Heron Neutron Medical Corp.	None	None	None	None

Note:1. Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto : None.

2. The Directors were completely re-elected on 2024/5/30. The above listed persons are the new appointment Directors and Independent directors of the 10th term. The 9th term: Chairman Sheng-Hsien Liu 、 Director Han-Xing Liu 、 Independent Director : Juine Kai Tsang 、 Jiun-Hao Lai 、 Tsen-Shau Yang 、 Yi-Sen Chie were term expired on 2024/5/30.

2.1.1.1 Major shareholders of corporate shareholders

2025/3/30

Name of corporate shareholder	Major shareholders of the corporate shareholder	%
Taiwan Mask Corporation	Youe Chung Capital Corporation	13.78%
	Chao-Yi Wu	4.08%
	Taiwan Mask Corporation	2.91%
	Huei-Chen Wu- Lai	1.98%
	Lidon Chen	1.46%
	Ontario Capital Co., Ltd.	1.30%
	Ming-Chih Chou	1.13%
	HannsTouch Holdings Company	0.93%
	Standard Chartered International Commercial Banking Main Branch Department in custody for a series of Vanguard Star Funds	0.85%
	Standard Chartered International Commercial Banking Main Branch Department in custody for Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	0.82%

2.1.1.1.1 Main shareholders of majority corporate shareholders

Name of Legal Person	Majority corporate shareholders	%
Youe Chung Capital Corporation (The shareholdings are as of March.30, 2025)	Taiwan Mask Corporation	100%
Taiwan Mask Corporation (The shareholdings are as of March.30, 2025)	Youe Chung Capital Corporation	13.78%
	Chao-Yi Wu	4.08%
	Taiwan Mask Corporation	2.91%
	Huei-Chen Wu- Lai	1.98%
	Lidon Chen	1.46%
	Ontario Capital Co., Ltd.	1.30%
	Ming-Chih Chou	1.13%
	HannsTouch Holdings Company	0.93%
	Standard Chartered International Commercial Banking Main Branch Department in custody for a series of Vanguard Star Funds	0.85%
	Standard Chartered International Commercial Banking Main Branch Department in custody for Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	0.82%
Ontario Capital Co., Ltd. (The shareholdings are as of March.20, 2024)	Chao-Yi Wu	90%
	Hui-Chen Lai Wu	10%
HannsTouch Holdings Company (The shareholdings are as of April.7, 2025)	HannStar Display Corporation	26.76%
	Hua Li Investment Corporation	7.41%
	Tengda Investment Corporation	2.24%
	Yu-Chi Chiao	1.34%
	WeiHsin Ma	1.04%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.91%
	Vanguard Emerging Markets Emerging Markets Stock Index Fund Account in	0.70%

	the trusteeship of Chase Bank	
	Gaolin Huang	0.56%
	Ching-Nan Weng	0.49%
	JPMorgan Chase Bank Advanced Trust Stock Index II Investment Account in Custody	0.46%

2.1.2 Professional qualifications and independence analysis of directors and supervisors :

Name	Qualification	Professional qualifications and experience	Independence analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Director TMC Representative: Lidon Chen		1.Directors' professional qualifications and experience, please refer to 2.1.1 2. All the directors of the company are currently not involved in any of the provisions of Article 30 of Company Act.	N.A.	0
Director TMC Representative: MY Chu				0
Director TMC Representative: Eve Yang				0
Director TMC Representative: Long-Sheng Yeou				0
Independent Director Miao-Chiu Hsu			All the independent directors meet the following requirements:	1
Independent Director Thomas Chang			1. Compliance with the provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission as well as the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	2
Independent Director Chih-Chieh Lin			2.No amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.	1

2.1.3 The diversity policy and status of independence of the board of directors:

1. The diversity policy :

(1). The Company shall follow the Corporate Governance Best Practice Principles Article 19, the board of directors should generally shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- A · Operational judgment.
- B · Accounting and financial analysis.
- C · Operational management.
- D · Crisis management
- E · Industry knowledge
- F · International market outlook
- G · Leadership
- H · Decision-making

2.The professional background of the directors covers physics, electrical machinery, financial accounting, law, etc. The members of the board of directors have industrial experience and diverse

knowledge backgrounds, and can give professional advice from different aspects.

The implementation situation is as follows:

Title	Chairman	Director and President	Director		Independent Director		
Name	TMC Representative: Lidon Chen	TMC Representative: MY Chu	TMC Representative: Eve Yang	TMC Representative: Long-Sheng Yeou	Miao- Chiu Hsu	Thomas Chang	Chih- Chieh Lin
Gender	Male	Female	Female	Male	Female	Male	Female
Nationality	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C
Age	61-70	51-60	61-70	61-70	61-70	71-80	51-60
Employee of the company		✓					
Diversified Core Projects							
Operational judgment	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Accounting and financial analysis	Good	Good	Excellent	Good	Excellent	Good	Good
Operational management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Crisis management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Industry knowledge	Excellent	Excellent	Good	Excellent	Good	Excellent	Good
International market outlook	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Leadership	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Decision-making	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent

2. Board of Directors Goals and Achievements :

Goal	Achievement
Directors who concurrently serve as company managerial officers should not exceed one-third of the directors' seats.	1 Director has the status of the managerial officer, accounting for 14% of the total. Achieved.
There shall be at least three independent directors and not less than one-third of the directors' seats.	3 Independent Directors, accounting for 42.85% of the total. Achieved.
The relationship of spouse or relative within the second degree of kinship may not exist among more than half of a company's directors.	No any relationships, which listed in the left column, between the Directors and Independent Directors. Achieved.
One-third of the directors of any gender.	The current board of directors has 4 female members and 3 male members. Achieved.

3. The status of independence: There are 7 incumbent directors in the 10th term, including 3 independent directors, accounting for 42.85% of all directors respectively. The directors and independent directors are not violation of Article 26-3, Paragraph 3 and Paragraph 4 of the Securities Exchange Act.

2.1.2 Management Team

As of 2025/3/31 Unit: share

Title	Nationality	Name	Gender	Date Elected	Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in The Name of Others		Prime Education and Experience	Current Position in The Company	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remark (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	ROC	MY Chu	Female	2024/5/30	40,000	0.04	0	0	0	0	Ph.D., Physics, National Tsing Hua University Sr. Director, and Operation Vice President of Xintec Inc. Director, VisEra Manager, TSMC	President and Director of YLTLINK Technology Corporation.	None	None	None	None
VP	ROC	Cheng-Zu Wu	Male	2013/3/27	202,244	0.18	0	0	0	0	National Cheng Kung University-Master degree of Electrical Engineering Industrial Technology Research Institute EOSL-Section Manager OCP ASIA, INC. (GIGACOMM CORP.) -Product Integration Manager	Director of Zhuhai FTZ. ProRay Optoelectronic Technology Co., Ltd. Director of TrueLight (BVI)Limited Director of ProRay Limited	None	None	None	None
VP	ROC	Ping- Lin Chen	Female	2024/7/4	97,594	0.09	48,033	0.04	0	0	Newport International University-MBA Microelectronics Technology Inc. -Assistant Manager of Finance Dept. Zhuhai FTZ. ProRay Optoelectronics Technology Co., Ltd.-Supervisor	Supervisor of YLTLINK Technology Corporation	None	None	None	None
VP	ROC	Chih-Cheng Chen	Male	2017/5/12	78,504	0.07	0	0	0	0	National Taiwan University-Ph.D. EE, Copax Photonics, Corp. -Senior Engineer -Assistant Project Manager Arima Lasers Corp.-Senior Engineer TrueLight Corp. -Project Manager /Manager /Senior Manager -Director /Senior Director	None	None	None	None	None

Note: 1.If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto:None.

2. President MY Chu new appointment on 2024/5/30 and the president Han-Xing Liu was retirement on the same day.

3.The organisational and corresponding duties of Chun-Miao Ou, Jun-Han Wu, Ching- Fang Chang, Heng-Yi Wu,Tsan-Hung Wu, Chia- Ming Huang were adjusted on 2024/9/18 to meet operational needs and to optimise the management and grade structure.

2.2 Remuneration of Directors, Independent Directors, Supervisors, President, and Vice Presidents in Y2024

2.2.1 Remuneration of Directors and Independent Directors (Individual disclosure of name and method of remuneration)

Unit: NT\$ thousand

Title (Note 1)	Name	Remuneration of Directors								Total Remuneration (A+B+C+D) and the Ratio to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees						Total Compensation (A+B+C+D+E+F+G) and the Ratio to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company				
		Base Compensation (A)		Severance Pay and Pensions (B)		Bonus to Directors(C)		Business Execution(D)				Salary Bonuses and Allowances (E)		Severance Pay and Pensions (F)		Profit Sharing Employee Bonus (G)								
		The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	Cash	Stock		Cash	Stock	The Company	All Companies in the consolidated financial statements
Chairman (The 10th term)	TMC Representative: Lidon Chen	0	0	0	0	0	0	20	20	20 (0.01%)	20 (0.01%)	0	0	0	0	0	0	0	0	20 (0.01%)	20 (0.01%)	0		
Director (The 10th term)	TMC Representative: MY Chu	0	0	0	0	0	0	20	20	20 (0.01%)	20 (0.01%)	5,037	5,037	63	63	0	0	0	0	5,120 (2.14%)	5,120 (2.14%)	0		
Director (The 10th term)	TMC Representative: Eve Yang	0	0	0	0	0	0	20	20	20 (0.01%)	20 (0.01%)	0	0	0	0	0	0	0	0	20 (0.01%)	20 (0.01%)	0		
Director (The 10th term)	TMC. Representative: Long-Sheng Yeou	0	0	0	0	0	0	15	15	15 (0.01%)	15 (0.01%)	0	0	0	0	0	0	0	0	15 (0.01%)	15 (0.01%)	0		
Independent Director (The 10th term)	Miao-Chiu Hsu	560	560	0	0	0	0	20	20	580 (0.24%)	580 (0.24%)	0	0	0	0	0	0	0	0	580 (0.24%)	580 (0.24%)	0		
	Thomas Chang	560	560	0	0	0	0	15	15	575 (0.24%)	575 (0.24%)	0	0	0	0	0	0	0	0	575 (0.24%)	575 (0.24%)	0		
	Chih-Chieh Lin	560	560	0	0	0	0	20	20	580 (0.24%)	580 (0.24%)	0	0	0	0	0	0	0	0	580 (0.24%)	580 (0.24%)	0		
Chairman (The 9th term)	Sheng-Hsien Liu (Note2)	900	900	0	0	0	0	0	0	900 (0.38%)	900 (0.38%)	0	0	0	0	0	0	0	0	900 (0.38%)	900 (0.38%)	0		
Director (The 9th term)	Han-Xing Liu	0	0	0	0	0	0	0	0	0 (0%)	0 (0%)	2,067	2,767	6,985	6,985	0	0	0	0	9,052 (3.78%)	9,752 (4.08%)	0		
Independent Director (The 9th term)	Juine-Kai Tsang	0	0	0	0	0	0	0	0	0 (0%)	0 (0%)	0	0	0	0	0	0	0	0	0 (0%)	0 (0%)	0		
	Jiun-Hao Lai	150	150	0	0	0	0	0	0	150 (0.06%)	150 (0.06%)	0	0	0	0	0	0	0	0	150 (0.06%)	150 (0.06%)	0		
	Tsen-Shau Yang	150	150	0	0	0	0	0	0	150 (0.06%)	150 (0.06%)	0	0	0	0	0	0	0	0	150 (0.06%)	150 (0.06%)	0		
	Yi-Sen Chien	150	150	0	0	0	0	0	0	150 (0.06%)	150 (0.06%)	0	0	0	0	0	0	0	0	150 (0.06%)	150 (0.06%)	0		

1. Please describe the policy, system, standard, and structure of remuneration to Director and independent directors, and the correlation between duties, risk, and time input with the amount of remuneration :

- (1) The compensation to directors is based on the overall operating performance of the company, and the degree of the directors' participation in the company's operations and contribution. The amount of the compensation is based on the industry standard, reviewed by Compensation Committee, and approved by Board of Directors.
- (2) Bonus to Directors: According to Articles of Incorporation, no more than 4% of profit will be appropriated as the director's remuneration. Directors draw up distribution the proposal and submit it to the shareholders' meeting for resolution. The amount of distribution remuneration will be determined based on comprehensive consideration of directors' responsibilities to Board of Directors, degree of participation and contribution.

2. Except as disclosed in the preceding table, the remuneration received by the directors of the Company in recent years for the services provided to all companies in the financial statements (e.g., as consultants to non-employees, etc.): None

Note:1. The directors were completely re-elected on 2024/5/30, with the 10th term of commencing on that date and the 9th term ceasing on the same date.

2. The Founder's reward of NT\$7 million was awarded as a token of appreciation to the retirement of CEO Sheng-Hsien Liu for his contribution and leadership to the Company.

2.2.2 Remuneration for President and VP (Individual Disclosure of Names and Remuneration Items)

Unit: NT\$ thousands / thousands Share

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note)
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	MY Chu (Note1)	1,725	1,725	63	63	3,312	3,312	0	0	0	0	5,100 (2.13%)	5,100 (2.13%)	0
President	Han-Hsing Liu (Note1)	2,067	2,767	6,985	6,985	0	0	0	0	0	0	9,052 (3.78%)	9,752 (4.08%)	0
VP	Cheng-Zu Wu	2,539	2,639	108	108	418	418	0	0	0	0	3,065 (1.28%)	3,165 (1.32%)	0
VP	Chih-Cheng Chen	1,978	1,978	108	108	396	396	0	0	0	0	2,482 (1.04%)	2,482 (1.04%)	0
VP	Ping-Lin Chen	1,175	1,175	54	54	224	224	0	0	0	0	1,453 (0.61%)	1,453 (0.61%)	0

Note: 1.President MY Chu was appointed on 2024/5/30 and the President Han Xing, Liu retired on the same day .

2.2.3 Managerial officers with the top five highest remuneration amounts in a TWSE/TPEX-listed company (disclose their names and remuneration method)

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Han-Xing Liu (Note1)	2,067	2,767	6,985	6,985	0	0	0	0	0	0	9,052 (3.78%)	9,752 (4.08%)	0
Ex-CEO	Sheng-Hsien Liu(Note2)	0	0	0	0	7,000	7,000	0	0	0	0	7,000 (2.93%)	7,000 (2.93%)	0
President	MY Chu (Note1)	1,725	1,725	63	63	3,312	3,312	0	0	0	0	5,100 (2.13%)	5,100 (2.13%)	0
VP	Cheng-Zu Wu	2,539	2,639	108	108	418	418	0	0	0	0	3,065 (1.28%)	3,165 (1.32%)	0
VP	Chih-Cheng Chen	1,978	1,978	108	108	396	396	0	0	0	0	2,482 (1.04%)	2,482 (1.04%)	0

Note :1. President MY Chu was appointed on 2024/5/30 and the president Han Xing, Liu retired on the same day .

2. The Founder's reward of NT\$7 million was awarded as a token of appreciation to the retirement of CEO Sheng-Hsien Liu for his contribution and leadership to the Company on May 30, 2024.

2.2.4 Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers:
None

2.2.5 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

2.2.5.1 Analysis of the ratio of the total amount of remuneration paid to the company's Directors, President and VPs by the company and all companies with consolidated statements in the last two years to the net (profit) after tax of the individual financial report: The net loss after tax in 2024 is NT\$239,250 thousands and the net loss after tax in 2023 is NT\$390,437 thousands.

Item Title	The Company				All companies with Consolidated Statements			
	Y2024		Y2023		Y2024		Y2023	
	Total Amount	Proportion of net (loss) profit after tax	Total Amount	Proportion of net (loss) profit after tax	Total Amount	Proportion of net (loss) profit after tax	Total Amount	Proportion of net (loss) profit after tax
Director	3,160	(1.32%)	1,260	(0.32%)	3,160	(1.32%)	1,260	(0.32%)
President & VPs	21,152	(8.84%)	35,087	(8.99%)	21,952	(9.18%)	36,327	(9.30%)

2.2.5.2 The company's remuneration policy, criteria and composition, the procedure for determining remuneration, and its correlation with business performance and future risks:

A. Policy, criteria and composition of remuneration payment:

Director remuneration: Director remuneration is paid in accordance with Article 20 of the company's Articles of Incorporation, determined by the company in accordance with their level of participation in the company's operations and the value of their contribution and taking into account the standards of six companies in the peer industry, reviewed by the Remuneration Committee, and then submitted to the Board of Directors for a resolution.

The payment of director remuneration is in accordance with Article 24 of the company's Articles of Incorporation. If the company makes a profit in the year, no more than 4% of the profit shall be set aside as the director remuneration, which shall be reviewed by the Remuneration Committee and submitted to the Board of Directors for a resolution, and then reported to the shareholders meeting.

Manager remuneration: The payment of salaries, bonuses, separation pays and pensions and special allowances is handled based on the content of their duties and work responsibilities, taking into account the salary criteria in the peer industry and considering the company's future development, profit situation and the company's performance appraisal guidelines, reviewed by the Remuneration Committee, and then submitted to the Board of Directors for a resolution.

The payment of employee remuneration is in accordance with Article 24 of the company's Articles of Incorporation, reviewed by the Remuneration Committee, submitted to the Board of Directors for a resolution, and then reported to the shareholders meeting.

B. Procedures for determining remuneration: In accordance with the company's Remuneration Committee Organizational Rules, the Remuneration Committee

shall review the policy, system, criterion and structure of the annual and long-term performance goals as well as salary and remuneration for directors and managers, and then submit them to the Board of Directors for review.

The 2024 director performance evaluation has been completed on 2025/3/7. The director remuneration structure is in line with the company's current operating conditions as well as the correlation between performance and remuneration. If the current remuneration needs to be adjusted due to changes in the business environment in the future, the management may draw up a plan and submit it to the Remuneration Committee for a project review.

Manager performance evaluation: It is conducted in accordance with the company's Performance Appraisal Guidelines. Performance evaluation is based on annual goals, major accomplishments, annual performance summary and set improvement goals of next year. The 2024 performance appraisal operation has been completed. The manager remuneration structure and performance system are both in line with the company's current operating conditions and the correlation between performance and remuneration.

- C. The correlation between remuneration and business performance as well as future risks: The remuneration paid to the company's directors, president and vice presidents may be properly adjusted in response to changes in the overall economy and industrial prosperity and in consideration of the company's future development, profitability and operating risks as well as risk factors in the future. In addition, the directors, president, and vice presidents shall not be led to engage in acts in pursuit of remuneration beyond the company's risk appetite, so as to avoid inappropriate situations such as the company's incurring losses after paying remuneration.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

8 meetings of the Board of Directors (A) have been held in 2024, and the attendance status is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman of the 10th term	TMC Representative: Lidon Chen	4	0	100	The directors were completely re-elected on 2024/5/30-New appointment
Director of the 10th term	TMC Representative: MY Chu	4	0	100	
	TMC Representative: Eve Yang	4	0	100	
	TMC Representative: Long-Sheng Yeou	3	1	75	
Independent Director of the 10th term	Miao-Chiu Hsu	4	0	100	
	Thomas Chang	3	1	75	
	Chih-Chieh Lin	4	0	100	
Chairman of the 9th term	Sheng-Hsien Liu	3	1	75	The directors were completely re-elected on 2024/5/30–Term expired
Director of the 9th term	Han-Xing Liu	4	0	100	
Independent Director of the 9th term	Juine-Kai Tsang	4	0	100	
	Jiun-Hao Lai	4	0	100	
	Tsen-Shau Yang	4	0	100	
	Yi-Sen Chien	4	0	100	

Other mentionable items:

1.If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act.: The Company has established an audit committee and the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. For a description of the matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the operation of the 2.3.2 Audit Committee of this annual report.

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors:None.

2.If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date	Proposal Content	The Directors' Names, Contents of Motion, Causes for Avoidance and Voting Should Be Specified
2024/3/6 The 16th Session of the 9th Term	1.The assessment of the significant accounts receivable and the receivables that are overdue for more than 3 months.	The Chairman Sheng-Hsien Liu is Chairman of YLTLINK Technology Corp. and Han-Xing Liu is also the CEO of YLTLINK in this case explained in order that they would not participate in the voting due to their own interests in the resolutions of the meeting. After the Acting Chairman Tsen-Shau Yang consulted with the other 4 Directors present, the resolution was passed without objection.
2024/4/18 The 17th Session of the 9th Term	1.The pension application of the Company's President	The Chairman Sheng-Hsien Liu entrusted Director Han-Xing Liu to attend the meeting.The Director Han-Xing Liu is also the President of the Company in this case explained that he would not participate in the voting due to his own interests in the resolutions of the meeting. After the Acting Chairman Yi-Sen Chien consulted with the other 4 Directors present, the resolution was passed without objection.
	2.The reward of the Company's Founder.	The Chairman Sheng-Hsien Liu entrusted Director Han-Xing Liu to attend the meeting, The Director Han-Xing Liu is also the President of the Company in this case explained that he would not participate in the voting due to his own interests in

		the resolutions of the meeting. After the Acting Chairman Yi-Sen Chien consulted with the other 4 Directors present, the resolution was passed without objection.
2024/5/30 The 1 st Session of the 10th Term	1.Appointment of Ms. MY Chu as President	The Director MY Chu is also the President of the Company in this case explained that he would not participate in the voting due to his own interests in the resolutions of the meeting. After the Chairman consulted with the other 6 Directors present, the resolution was passed without objection.
2024/6/12 The 2nd Session of the 10th Term	1.The proposal to formulate the salary and remuneration regulations for the Company's directors and managers	The Director MY Chu is also the President of the Company in this case has explained that he would not participate in the voting due to his own interests in the resolutions of the meeting. After the Chairman consulted with the other 6 Directors present, the resolution was passed without objection.
	2.The reassignment of the director representative and manager of the subsidiary, and agreed to concurrently serve as the manager and agreed to the competition	In this case, the designee personnel of the Chairman Lidon Chen and the Director MY Chu explained that they would not participate in the voting due to their own interests in the resolutions of the meeting. After the Acting Chairman Eve Yang consulted with the other 5 Directors present, the resolution was passed without objection.
	3.Lending Funds to subsidiary YLTLINK Technology Corporation	Due to the conflict of interest of this case in the legal entities represented by the chairman, Lidon Chen, and My Chu, the two directors had already stated that they would not participate in the discussion of the resolution due to their own interest, and then Eva Yang, the acting chairman of the board of directors, consulted with the other five directors present and passed the resolution without any objections.
	4.The proposal of the Company plans to provide endorsement guarantee to subsidiary YLTLINK Technology Corporation	
2024/11/15 The 4th Session of the 10th Term	1.The proposal of the Company plans to release the prohibition on directors from participation in competitive business.	The Independent Directors Long-Sheng Yeou in this case explained in order that they would not participate in the voting due to their own interests in the resolutions of the meeting. After the Chairman consulted with the other 6 Directors present, the resolution was passed without objection.

3. TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations" :

According to the company's the Board of Directors Performance Evaluation Guidelines, which stipulates that the internal performance evaluation of the Board of Directors shall be carried out at least once a year, and an evaluation conducted by an external professional independent organization or a team of external experts and scholars shall be carried out once every three years as necessary. The evaluation scope may include the performance evaluation of the overall Board of Directors, individual director members and functional committees. The evaluation methods include internal self-evaluation by the Board of Directors, self-evaluation by directors, peer evaluation, external professional institutions or experts commissioned, or by other appropriate means for conducting the performance evaluation.

The 2024 performance evaluation of the overall Board of Directors, individual directors, and functional committees (Audit Committee and Remuneration Committee) adopted self-evaluation questionnaires, and the evaluation results have been discussed and approved by the Remuneration Committee on March 7, 2025, and reported to the Board of Directors on March 7, 2025. For the evaluation scope. Report to the Board of Directors on March 7, 2025.

Please refer to the table below for the assessment scope:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items	Evaluation result
Once a year	2024/5/30~2024/12/31 (The evaluation period is less than one year because directors were completely re-elected on 2024/5/30.)	1. The entire Board of Directors 2. Individual	1. Internal self-assessment of the board of directors 2. Internal self-	1. Board of directors' performance: The degree of participation in the company's operation(10Qs) The enhancement of decision quality(11Qs) The composition and the structure of board of directors(6Qs) The elections and continuing education of directors(5Qs) The internal controls(6Qs) A total of 38 evaluation indicators 2. Individual board members	1. The evaluation result is "excellent". The board's performance evaluation is in line with expectations, and the operation is in good condition. 2. The evaluation

		board members	assessment of the board members	performance: The understanding of the company's objects and tasks(3Qs) The awareness of director's duties(4Qs) The degree of participation in the company's operation(6Qs) The development and communication of internal relationship(3Qs) The profession of directors and continuing education(4Qs) The internal controls(3Qs) A total of 23 evaluation indicators	result is "excellent". The directors' performance evaluation is in line with expectations, and the operation is in good condition.
		3. Audit Committee	3. Internal self-evaluation of the audit committee	3. Audit Committee' performance: The degree of participation in the company's operation(4Qs) The awareness of the duties(5Qs) The enhancement of decision quality(4Qs) Composition and member appointment of the committee(3Qs) The internal controls(3Qs) A total of 19 evaluation indicators	3. The evaluation result of the audit committee is "excellent". The audit committees' performance evaluation is in line with expectations, and the operation is in good condition.
		4. Re-muneration Committee	4. Internal self-evaluation of the remuneration committee	4. Remuneration Committee' performance: The degree of participation in the company's operation(4Qs) The awareness of the duties(5Qs) The enhancement of decision quality(4Qs) Composition and member appointment of the committee(3Qs) The internal controls(1Qs) A total of 17 evaluation indicators	4. The evaluation result of the remuneration committee is "excellent". The remuneration committee s' performance evaluation is in line with expectations, and the operation is in good condition.
4. Measures taken to strengthen the functionality of the board: Please refer to 2.1.3 the diversity policy and status of independence of the board of directors.					

2.3.2 Audit Committee :

8 meetings of the Audit Committee (A) have been held in 2024, and the attendance status is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director of the 5th term	Miao-Chiu Hsu (Convener)	4	0	100	The directors were completely re-elected on 2024/5/30-New appointment
	Thomas Chang	3	1	75	
	Chih-Chieh Lin	4	0	100	
Independent Director of the 4th term	Tsen-Shau Yang (Convener)	4	0	100	The directors were completely re-elected on 2024/5/30-Term expired
	Jiun-Hao Lai	4	0	100	
	Yi-Sen Chien	4	0	100	
	Juine-Kai Tsang	4	0	100	

Other mentionable items: :

A.If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

a. Matters referred to in Article 14-5 of the Securities and Exchange Act.:

Date (Term)	Motion Contents	Resolution of the	Company's Handling of
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		Audit Committee	the Audit Committee's Opinion
2024/3/6 The 15th Session of the 4th Term	<ol style="list-style-type: none"> 1.The assessment of the significant accounts receivable and other receivables that are overdue for more than 3 months. 2.The changes in important personnel (Accounting officer, Financial officer) of the Company. 3.The Company's 2023 financial report and business report. 4.The independence of certified accountants for financial reports of the company and the appointment and remuneration of certified accountants in 2024. 5.The Company's 2023 annual assessment of the effectiveness of the internal control system and the approval of the statement of the internal control system. 6.The Company's 1st private placement of common shares in 2023 issuance of new shares. 7.The Company's 2nd private placement of common shares in 2023 issuance of new shares. 8.The Company's 3rd private placement of common shares in 2023 issuance of new shares. 9.The Company's 4th private placement of common shares in 2023 issuance of new shares. 10.The Company's 5th private placement of common shares in 2023 issuance of new shares. 	Passed without objection	Resolution submitting to the BOD: Passed without objection
2024/4/18 The 16th Session of the 4th Term	<ol style="list-style-type: none"> 1.Retirement of the President who is also a director. 	Passed without objection	Resolution submitting to the BOD: Passed without objection
2024/5/3 The 17th Session of the 4th Term	<ol style="list-style-type: none"> 1.The assessment of the significant accounts receivable and other receivables that are overdue for more than 3 months. 	Passed without objection	Resolution submitting to the BOD: Passed without objection
2024/5/30 The 1st Session of the 5th Term	<ol style="list-style-type: none"> 1.Appointment of President who is also a director 	Passed without objection	Resolution submitting to the BOD: Passed without objection
2024/6/12 The 2nd Session of the 5th Term	<ol style="list-style-type: none"> 1.Lending Funds to subsidiary YLTLINK Technology Corporation 2.The proposal of the Company plans to provide endorsement guarantee to subsidiary YLTLINK Technology Corporation 3.The reassignment of the director representative and manager of the subsidiary, and agreed to concurrently serve as the manager and agreed to the competition 	Passed without objection	Resolution submitting to the BOD: Passed without objection
2024/11/5 The 4th Session of the 5th Term	<ol style="list-style-type: none"> 1.The amendments to the Company's Internal Control System, Internal Audit Operation Implementation Rules, Audit Committee Organization Charter, Sustainable Information Management Operating Procedures, and Code of Practice for Sustainable Development. 2.The Company's 2025 audit plan 3.The proposal of the Company plans to release the prohibition on directors from participation in competitive business. 	Passed without objection	Resolution submitting to the BOD: Passed without objection

b. Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

B.If there are independent directors' avoidance of motions in conflict of interest, the director's names, contents of

motion, causes for avoidance and voting should be specified :

Date	Proposal Content	The Independent Directors' names, contents of motion, causes for avoidance and voting should be specified
2024/11/5 The 4th Session of the 5th Term	1.The proposal of the Company plans to release the prohibition on directors from participation in competitive business.	Thomas Chang, the Independent Director, as an independent director of Paragon Technologies Co., Ltd., did not participate in the discussion and vote on the resolutions of the meeting in consideration of his own interest, and the resolution was unanimously approved by the Chairperson after consulting with the other members of the Independent Board of Directors in attendance without any objection.

C.Communications between the independent directors, the Company's chief internal auditor and CPAs :

- a. The Chief Internal Auditor attends meetings on a quarterly basis, and communicates the result of the audit report and the situation of internal control with the Independent Directors not only face-to-face but also thru email or phone if necessary. The Chief Internal Auditor will deliver the audit report and follow-up report to the Independent Directors for review before the end of the next month.

Date	Reporting Summary	Result
2024/01/23 Pre-meeting of Audit Committee Meeting	Description of the progress of self-assessment of the internal control system	All presented Independent Directors had no objection.
2024/03/06 Pre-meeting of Audit Committee Meeting / Board Meeting	Execution reporting : -Investment cycle—Other activities - Finance cycle—Other activities - Supervision and management of subsidiaries - Annual self-assessment of the internal control systems effectiveness and Internal Control System Statements discussing	All presented Independent Directors had no objection and submitted to the board of directors for discussion.
2024/04/18 Pre-meeting of Audit Committee Meeting / Board Meeting	Execution reporting : - Labor and wage cycle	All presented Independent Directors had no objection and submitted to the board of directors for discussion.
2024/05/03 Pre-meeting of Audit Committee Meeting	Execution reporting: - Sale and receipt cycle findings.	All presented Independent Directors had no objection.
2024/08/02 Board Meeting	Execution reporting : - Y2024 Audit Plan Progress Report - Sustainability Report/Greenhouse Gas Inventory Planning Discussion	All presented members had no objection.
2024/11/05 Audit Committee Meeting / Board Meeting	Execution reporting : - 2024 Q3 audit status and audit findings report - Discussion on the revision of the internal control system and the implementation rules of the internal audit operation - The arrangement of Y2025 annual audit plan discussing	All presented Independent Directors had no objection and submitted to the board of directors for discussion.

- b. The accountant had attended least 4 meetings of the audit committee each year, and fully communicated with the independent directors on the company's overall operation, internal control inspection situation, audit scope and findings of the audit process in written or face-to-face communication. The Company's audit committee and accountants had good communication.

Date	Summary of Report/Discussion Communication Items	Recommendations and Implementation Results
2024/3/6	2023 annual financial report instructions.	The accountant participated in the Audit Committee meeting, and communicated, reported and discussed with the governance unit and the independent directors on the audit and review matters before the Audit Committee meeting officially started. During the meeting, the accountant made a full explanation on the questions raised by the independent directors, which were reported to the Board of Directors after the approval of the Audit Committee.
2024/5/3	Q1, 2024 financial statement instructions.	
2024/8/2	Q2, 2024 financial statement instructions.	The accountants were present at the Audit Committee meeting to report and discuss with the Independent Directors on the communication with the governance unit on the matters during the audit period, and to fully explain to the Independent Directors' questions during the meeting, and to report to the Board of Directors after the Audit Committee's approval.
2024/11/5	Q3, 2024 financial statement instructions.	

Audit Committee's functions and powers as well as annual focus of work:

1. The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its supervision of the company's implementation of the fair presentation of its financial statements, the selection (removal) as well as independence and performance of certified public accountants, the effective implementation of the company's internal control, the company's compliance with laws and regulations, and the management and control of the company's existing or potential risks.
2. The Audit Committee held 8 meetings in 2024. The main points of deliberation matters are as follows:
 - (1) Formulation of or amendment to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act
 - (2) Assessment of the effectiveness of the internal control system
 - (3) Formulation of or amendment to the handling procedures for significant financial and business activities such as acquisition or disposal of assets, engaging in derivatives trading, lending funds to others, and providing endorsements or guarantees to others in accordance with Article 36-1 of the Securities and Exchange Act
 - (4) Matters involving directors' own interests
 - (5) Significant asset or derivatives trading
 - (6) Significant loans, endorsements or guarantees provided
 - (7) Offering, issuing or privately placing securities of equity nature
 - (8) Appointment, dismissal or remuneration of certified public accountants
 - (9) The annual financial report signed or sealed by the chairman, manager and accounting supervisor and the second quarter financial report that must be audited and attested by an accountant
 - (10) Other major events stipulated by the company or the competent authority
3. Review of financial reports

The Board of Directors prepared the company's 2024 business report, financial statements, and the proposal for loss provision. Among them, the financial statements have been completed with the audit by the appointed PwC Taiwan, and an audit report was issued. The aforementioned statements and documents have been completed with the audit by the Audit Committee applying mutatis mutandis the rules for supervisors, which found no discrepancy therein.
4. Assessment of the effectiveness of the internal control system

In accordance with the provisions of the Regulations Governing Establishment of Internal Control Systems by Public Companies, the audit unit shall evaluate the effectiveness of the overall internal control system based on the self-evaluation report, the deficiencies found, the improvement status of abnormal events and information from other sources, and propose 2024 Statement of the Internal Control System based on the evaluation results.

2.3.3 If the company has a remuneration committee or nomination committee in place, the composition and operation of such committee shall be disclosed:

2.3.3.1. Information on Remuneration Committee Members

Date:2025/3/31

Capacity	Qualifications	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
	Name			
Independent Director	Thomas Chang (Convener)	Please refer to 2.1.2 Professional qualifications and independence analysis of directors and supervisors of the annual report.		0
	Miao-Chiu Hsu			1
	Chih-Chieh Lin			1

2.3.3.2 Operation of the Remuneration Committee

A. There are 3 members in the 6th Salary and Remuneration Committee of the company.

B. The term of office of the sixth committee member: 2024/5/30/~2027/5/29

4 meetings (A) in 2024. The qualifications and attendance of the members were as follows:

Title Name	Title Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A)	Remarks
Independent Director of the 6th term	Thomas Chang (Convener)	1	1	50	The directors were completely re-elected on 2024/5/30-New appointment
	Miao-Chiu Hsu	2	0	100	
	Chih-Chieh Lin	2	0	100	
Independent Director of the 5th term	Tsen-Shau Yang (Convener)	2	0	100	The directors were completely re-elected on 2024/5/30-Term expired
	Jiun-Hao Lai	2	0	100	
	Yi-Sen Chien	2	0	100	
	Juine-Kai Tsang	2	0	100	

Other information required to be disclosed:

1.If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons). : None.

2.With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion. : None.

3.Operation of the Remuneration Committee:

Date	Proposal Content and Subsequent Handling	Resolution	The company's handling of the opinions of the Remuneration Committee
2024/3/6 The 8th Session of the 5th Term	1. Review the annual and long-term performance goals as well as the salary and remuneration policies, systems, criteria and structure for the company's directors	Approved by all members present	Submitted to the Board of Directors and approved by all directors' present

	<ol style="list-style-type: none"> 2. Review the annual and long-term performance goals as well as the salary and remuneration policies, systems, criteria and structure for the company's managers 3. Proposal of the remuneration for newly accounting officer and financial officer of the company 		
2024/4/18 The 9th Session of the 5th Term	<ol style="list-style-type: none"> 1. Proposal of the remuneration for Manager and Corporate Governance Officer of the company 2. Proposal of the pension upon retirement for President of the company 3. The reward of the Company's Founder. 		All the proposals were passed with the consent of all directors' present, except for Proposal 2 and Proposal 3 where some of the directors voluntarily recused themselves from discussion and voting due to their own interests therein. Please refer to the information on the operation of the Board of Directors for the content of recusal.
2024/06/12 The 1st Session of the 6th Term	<ol style="list-style-type: none"> 1. Proposal of the remuneration for directors and managers of the company 2. Remuneration items and amount for newly manager of the company 		All the proposals were passed with the consent of all directors' present, except for Proposal 2 where some of the directors voluntarily recused themselves from discussion and voting due to their own interests therein. Please refer to the information on the operation of the Board of Directors for the content of recusal.
2024/08/02 The 2nd Session of the 6th Term	<ol style="list-style-type: none"> 1. Remuneration items and amount for newly manager of the company 		Submitted to the Board of Directors and approved by all directors' present

4. Responsibilities of the Remuneration Committee

The committee faithfully performs the following functions and powers with the due care of a good administrator, and submits its recommendations to the Board of Directors for discussion.

- (1) Formulate and regularly review the policy, system, criterion and structure of the performance goals and remuneration for directors and managers.
- (2) Regularly evaluate and determine the remuneration of directors and managers.

2.3.3.3 Nomination committee : None.

2.3.4 Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The company has formulated the Corporate Governance Best Practice Principles and disclosed them on the company's website and Market Observation Post System.	No major difference
2. Shareholding Structure and Shareholders' Rights				
(1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(1) A spokesperson and acting spokesperson have been appointed, and an e-mail address is located on the company's website, to handle questions raised by shareholders.	No major difference
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		(2) The company regularly updates the register of shareholders and the register of major shareholders based on the data maintained by the stock affairs agency unit, grasps major shareholders and their ultimate controllers, and regularly reports changes in equity of insiders.	No major difference
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		(3) The Subsidiary Management Operational Guidelines and the internal control system have been formulated.	No major difference
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(4) The Procedures for Preventing Insider Trading, the Procedures for Handling Material Inside Information, and the Ethical Corporate Management Best Practice Principles have been formulated to prevent company insiders from accidentally violating insider trading rules due to unawareness of laws and regulations or deliberately violating insider trading rules. The implementation status as follows: A. Directors and managers: The financial unit provided the laws and regulations as well as instructions advocacy manual and briefing files related to insider trading and insider equity for directors and managers to refer to. In addition, the Company's Board of Directors approved the amendment of the "Management Procedures for Preventing Insider Trading" on November 8,	No major difference

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			<p>2023, adding stock trading control measures for company insiders from the date they learn about the company's financial reports or related performance contents, including (but not Limited) Directors are not allowed to trade their stocks during the closed period of 30 days before the announcement of the annual financial report and the 15 days before the announcement of the quarterly financial report. The implementation status in 2024 was as follows: The Company's Corporate Governance Officer had reminded all directors and managers to comply with the 'Procedures for the Prevention of Insider Trading Management' by email prior to the trading closure period for the expected announcement of the annual and quarterly financial reports to avoid inadvertent violation of the regulations.</p> <p>B. Employees: Please refer to 2.3.7 Ethical Corporate Management of the annual report.</p>	
<p>3. Composition and responsibilities of the board of directors</p> <p>(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</p> <p>(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?</p> <p>(3) Has the Company established rules and methodology for evaluating the performance of its</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p>	<p>(1) Please refer to 2.1.3 the diversity policy and status of independence of the board of directors of the annual report.</p> <p>(2) In accordance with Article 26 of the company's Corporate Governance Best Practice Principles, the Board of Directors may establish nomination, risk management, and other functional committees, in consideration of the size of the Board of Directors and the number of independent directors, in order to improve the supervisory function and strengthen management functions, and may also establish the environmental protection or other committees based on the concept of corporate social responsibility and sustainable management, which are also clearly stipulated in the Articles of Incorporation.</p> <p>(3) Please refer to 2.3.1 Board of Directors of the annual report.</p>	<p>No major difference</p> <p>In the future, the company will evaluate whether to establish other functional committees in accordance with laws and regulations or depending upon operational needs.</p> <p>No major difference</p>

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons																
	Yes	No	Summary description																	
<p>Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p> <p>(4) Does the Company regularly evaluate its external auditors' independence?</p>	✓		<p>(4) The Audit Committee of the company evaluates the independence and competency of certified public accountants every year. The certified public accountants issue a statement of independence and conduct the evaluation by reference to the audit quality indicators (AQIs) - 5 major aspects, 13 indicators and the evaluation content as shown in the table below. After the evaluation, there was no situation where the accountants' independence was compromised and thus their participation in the audit and attestation for the company was inappropriate, and therefore the independence of the certified public accountants was not in doubt. The independence of certified public accountants for the company's financial reports as well as the appointment and remuneration of certified public accountants in 2025 have been discussed and approved by the Audit Committee and the Board of Directors on 2025/3/7. The evaluation content is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">Item</th> <th style="width: 65%;">Evaluation content</th> <th style="width: 15%;">Conformed</th> <th style="width: 15%;">Not conformed</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Not in circumstances affecting independence due to direct or significantly indirect financial interests with the company</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td style="text-align: center;">2</td> <td>Having not served as a director, supervisor, manager of the company or in a position that has a significant impact on the attestation work currently or in the past two years</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td style="text-align: center;">3</td> <td>Not in a relationship of a spouse, direct blood relative, a direct relative</td> <td style="text-align: center;">✓</td> <td></td> </tr> </tbody> </table>	Item	Evaluation content	Conformed	Not conformed	1	Not in circumstances affecting independence due to direct or significantly indirect financial interests with the company	✓		2	Having not served as a director, supervisor, manager of the company or in a position that has a significant impact on the attestation work currently or in the past two years	✓		3	Not in a relationship of a spouse, direct blood relative, a direct relative	✓		No major difference
Item	Evaluation content	Conformed	Not conformed																	
1	Not in circumstances affecting independence due to direct or significantly indirect financial interests with the company	✓																		
2	Having not served as a director, supervisor, manager of the company or in a position that has a significant impact on the attestation work currently or in the past two years	✓																		
3	Not in a relationship of a spouse, direct blood relative, a direct relative	✓																		

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			by marriage, or a collateral blood relative within the second degree with the responsible person or manager of the company	
			4 No in a close relationship with the company and its related parties, directors, supervisors, managers, which is likely to compromise their objectivity or affect their independence	✓
			5 The certified public accountants have not provided audit services for the company for seven consecutive years	✓
			6 Whether the certified public accountants have complied with the Certified Public Accountant Norm of Professional Ethics Bulletin No. 10 regarding independence, and whether the audit quality indicators (AQIs) information and the Independence Statement issued by the certified public accountants have been obtained	✓
			7 Not in circumstances otherwise that may affect their independence	✓
			8 The quality and timeliness of auditing and taxation services have met the needs	✓
			9 Having taken the initiative to keep the company updated on taxation, securities management laws and regulations as well as newly revised IFRS accounting standards	✓
			10 Provided the company with financial and tax consulting services from time to time	✓

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		The company's Board of Directors appointed the Corporate Governance Officer serve with the purpose to assist the directors in faithfully performing their duties with the due care of a good administrator so as to achieve the benefits of strengthening the efficiency and implementation skills of the Board of Directors. The following affairs are jointly handled by the chief corporate governance officer and the finance division: 1. Assist the Board of Directors, Audit Committee, Remuneration Committee and shareholders meetings in handling related matters in accordance with the law 2. Assist directors in their assuming office and continuing education 3. Provide information required by directors to perform their duties 4. Assist the Board of Directors in implementing corporate governance and regulatory compliance 5. Other matters stipulated in the company's Articles of Incorporation or contracts, etc. 6. Prepare the minutes of the Board of Directors and shareholders meetings, handle amendments of company registration and other related matters.	No major difference
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholder's section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		The company has the spokespersons and acting spokesperson as well as stock affairs personnel in place, has communication channels such as investor relations and the stakeholder mailbox on the company website, and provides sound responses to issues and inquiries. Please refer to Communication between the company and stakeholders of the annual report.	No major difference
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The company commissioned the Stock Affairs Agency Department of Yuanta Securities Co., Ltd. to handle the affairs of the shareholders meeting.	No major difference
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference	✓ ✓		(1) The website of the company is: http://www.truelight.com.tw , which discloses the company profile, business information, as well as financial and corporate governance related information. (2) The company assigned a dedicated person to be in charge of the collection and disclosure of company information, as well as regular or irregular disclosure of information relating to the company on the Market Observation Post System. The company's website can also be linked to the Market Observation Post System in the hope of	No major difference No major difference

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
etc.)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		✓	promptly and appropriately disclosing information that is likely to affect the decision-making of shareholders and stakeholders. The company is invited to participate in institutional investor conferences from time to time, so that investors can understand the company's operating conditions. (3) The company has not yet announced and filed its annual financial report within two months after the end of the fiscal year. In addition, the financial reports for the first, second, and third quarters and the operating conditions of each month were all announced and filed prior to the prescribed deadlines.	As the preparation period for the annual financial report coincided with the Lunar New Year holiday, we will evaluate the required manpower and work schedule, etc. to decide whether to make filings in advance.
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		<ol style="list-style-type: none"> 1. Employee welfare measures and implementation status. Please refer to 4.5 Labor relations of the annual report. 2. As to suppliers, based on the relationship of coexistence and co-prosperity, the company gives suppliers the profits they deserve so as to create a win-win situation. The company also attaches great importance to the rights of stakeholders. When stakeholders intend to view and copy company registration information, they may do so in accordance with the laws and regulations. 3. All directors of the company have a professional background and have completed continuing education courses in accordance with laws and regulations. 4. The directors of the company recused themselves from any proposals involving their interests. Please refer to the annual report on the Operational Status of the Board of Directors and Audit Committee. 5. The dedicated personnel are in charge of the company's risk management policies and risk measurement standards, and the internal control system has been formulated in accordance with the law and audited by the internal audit. The implementation is in good condition. In addition, the company also takes out insurance such as property insurance and product transportation insurance to avoid 	No major difference

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			risks. 6. The company maintains smooth communication channels with customers, and the implementation is in good condition. 7. The company has taken out liability insurance for the directors and managers, please refer to MOPS→ Corporate Governance→ Directors and Supervisors Related Information/Directors and Supervisors Liability https://mopsov.twse.com.tw/mops/web/t135sb03	

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.

9.1 The company has improved the situation as follows:

Index No.	Improved situation:
2.6	Does the Company's board of directors contain at least one Director of different genders?
3.2	Does the company release important information in English at the same time?

9.2 Items and measures that have not yet been improved and need to be strengthened:

Index No.	Item	Strengthening Items and Measures
4.1	Does the Company set up a dedicated (part-time) unit to promote sustainable development and base on the principle of materiality, conduct risk assessments on environmental, social or corporate governance issues related to the Company's operations, formulate relevant risk management policies or strategies, supervise the promotion of sustainable development by the Board of Directors, and disclose it on the Company's website and Annual Report?	Will be announced according to the index content
4.3	Does the Company regularly disclose its specific promotion plans and implementation results of corporate sustainable development (ESG) on its website, Annual Report or Sustainability Report?	
4.7	Does the company's sustainability report disclose relevant ESG information in accordance with SASB standards?	

Communication between the company and stakeholders: The communication for 2023 has been reported to the board of directors on May 3, 2024. The status of communication with stakeholders during 2024 will be reported to BOD in Q2 of 2025.

Stakeholder	Important Issues of Concern	Communication Channels and Responses	Communication with Stakeholders in 2024
Investor Relations	Financial condition and profit performance Industry outlook and competitiveness R&D and innovation Sustainable operations Risk management	Contact Person : Vice President, Cheng-Zu Wu TEL : +886-35780080 Answer investor questions by phone and email Irregularly release significant information on the Market Observation Post System or release company news on the company's website Irregularly hold institutional investor conferences	1. There is an e-mail box and a contact number in place on the company's website to handle related questions raised by shareholders. 2. 39 announcements of significant information and regularly or irregularly disclosed information required by laws and regulations on the Market Observation Post System. 3. The Investor Conference has been held on 2024/12/9.
Customer Relations	Customer relationship maintenance Product quality and competitiveness R&D and innovation Risk management Product liability Green product Environmental policy	Contact Person : Director, CT Yang TEL : +886-35780080 Customer satisfaction survey Irregular customer meetings Customer audit Respond to issues of customers' concerns via email Intellectual property management and non-disclosure agreement Foreign exhibitions	1. Customer satisfaction survey: Taking the top 20 customers in the company's performance ranking as samples, the response rate was 100%. After calculating the scores of each aspect with the responding weighted ratio, the total average was 92.41. 2. Customer audit: With 6 copies of document assessments and 2 actual audits, the assessment results were all passed.
Supplier Relations	Product quality and Competitiveness R&D and innovation Product liability Supplier environmental assessment Procurement practices	Contact Person : Manager, Christine Yeh TEL : +886-35780080 Supplier meeting Annual evaluation and assessment of suppliers and contractors Evaluation, guidance and assessment of supplier quality capabilities The products provided must pass the third-party accredited inspection Supplier environmental safety and health performance assessment Respond to issues of suppliers' concerns via email Intellectual property management and non-disclosure agreement	1. With 48 copies of supplier assessment sheets, the assessment results were all Grade A. 2. Supplier audit: With 1 copies of document assessments and 2 actual audits, the assessment results were all passed.
Employee Relations	Labor and employment relations, salary and benefits Occupational safety and health Employee welfare human rights protection Talent training	Contact Person : Vice President, Ping-Lin Chen TEL : +886-35780080 Company announcement Irregularly hold employee forums Regularly hold labor-management meetings Dedicated nursing staff to provide health consultation and emergency medical treatment Employee health check Physician's visit at the factory every month to provide health services Set up suggestion boxes on each floor Sexual harassment prevention advocacy and complaint handling channel	1. Labor-management meetings were held 4 times. 2. The Occupational Safety, Health and Fire Prevention Management Committee held 4 meetings. 3. Internally announced 12 pieces or more information on employee welfare, training, and medical information to employees so as to improve medical health. 4. Physicians provide 12 sessions of health services, and 1 session of intraocular pressure test for employees.

Succession planning and operation for members of the Board of Directors and important management

(1) Director selection and succession planning and operation

The company has established a comprehensive director selection system, carefully considering the composition and diversity criteria of the Board of Directors. The selection process of all directors is fair, open and just, in line with the provisions of the company's Articles of Incorporation, Director Election Guidelines and Corporate Governance Principles. The company selects directors who possess the knowledge, technology and literacy necessary to perform their duties based on their professional background in the industry, fields of work and practical experience.

The succession planning of the board members of the company, in addition to conforming with the requirements stipulated by laws and regulations, shall be based on the company's developmental direction as well as medium and long-term strategic goals, considering the professional knowledge, skills, experience, gender and other diversified backgrounds and independence criteria required for the board members, based on which we seek suitable candidates. In addition to possessing diversified professional knowledge and skills (such as law, accounting, industry, finance, marketing, or technology) and industry experience, director succession candidates shall possess overall capabilities including operational judgment skills, accounting and financial analysis skills, business management skills (including the operation and management of subsidiaries), crisis handling skills, industry knowledge, international market outlook, leadership, decision-making skills, as well as the ability to be in line with the company's business axis, medium and long-term steady growth and development strategy, and the ability to continuously improve corporate governance, risk management knowledge and skills so as to give full play to the decision-making and supervisory functions of the Board of Directors.

The company conducts performance appraisals for directors every year, and also has performance target appraisals for senior management personnel, both of which can be used as a reference for the selection of director successors in the future.

The disclosure of the background information, educational background, concurrent positions in other companies, and information on the operation of the Board of Directors and functional committees of the Board of Directors of the company has been released on the company's annual report. Also, in response to international emphasis on concerns and trends in issues such as corporate governance and corporate social responsibility development in recent years, directors are encouraged to participate in continuing education and report continuing education certificates to the company. The company discloses records of directors' participation in continuing education as well as information contained in the company's annual report on the Market Observation Post System.

(2) Succession selection of important management levels

The selection and cultivation of important management successors are critical to the sustainable operation of an enterprise. The successor plan is to undertake the corporate management and to keep pace with the times providing the manpower required for the sustainable operation of the enterprise. When working on the succession plan for important management levels, TrueLight's successors shall not only possess excellent work abilities, but also have values consistent with those of the company, with their personality traits of honesty and integrity. At present, in terms of the company's talent cultivation and training, the average age of the Company's managerial personnel as at 31 March 2025 is 54 years, with three female and three male managers, which is at the mature and stable stage in life. Successors (candidates) must have excellent executive power and ability to take action, and their values and concepts as well as personality attributes need to align with the company's expectations,

including integrity, innovation, and winning customer satisfaction.

The company's vice president-level employees are important management levels, and there are currently 3 of them in total. Each of them has completed the job description and job planning, appointed and trained the substitute for the duties. The company uses the existing performance appraisal system to evaluate and review the company's future potential successor candidates to facilitate future development and progress. In addition to retaining talents, the company also recruits outstanding talents externally, making use of internal and external talents collected to increase the breadth and depth of the company's succession candidates.

2.3.5 Promotion of Sustainable Development-Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons :

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No	Summary description							
1.Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		The Company has set up a sustainability team, with the President as the highest decision maker, and a part-time unit called the ‘Sustainability Office’ to promote related matters. There are four teams, namely, the “Environmental Protection Team”, the “Social Responsibility Team”, the “Corporate Governance Team”, and the “Supply Chain Management Team”, which are responsible for the development and implementation of projects to promote sustainable development, and the progress of the implementation will be reported to the Board of Directors annually.	The progress of implementation will be followed in the future.						
2.Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>The risk assessment boundary is mainly based on the company. In addition, in order to strengthen the control and supervision of the operating risks of subsidiaries, the Subsidiary Management Operational Guidelines were formulated to establish the overall operating risk management mechanism of the company and its subsidiaries.</p> <table border="1"> <thead> <tr> <th>Topic</th> <th>Evaluation item</th> <th>Risk management policies and measures</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental impact and management</td> <td>The company has formulated the Environmental Management Manual, the Risk and Opportunity Management Procedures, and the Environmental Aspect Identification and Management</td> </tr> </tbody> </table>	Topic	Evaluation item	Risk management policies and measures	Environment	Environmental impact and management	The company has formulated the Environmental Management Manual, the Risk and Opportunity Management Procedures, and the Environmental Aspect Identification and Management	No major difference
Topic	Evaluation item	Risk management policies and measures								
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Item	Implementation status			Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No			
				<p>Procedures to implement environmental risk assessments related to the company's operations, and to formulate corresponding control strategies for dealing with risks and opportunities so as to grasp the environmental impact and safety and health risks related to company activities and services, to provide safe, healthy and environmentally friendly working conditions, and to reduce occupational accidents and environmental impacts.</p>	
			Social	<p>Occupational safety product safety and supply chain management</p> <ol style="list-style-type: none"> 1. Establish and implement the "Occupational Safety and Health Management System" in accordance with the law. 2. Green products: TrueLight has been dedicated to developing optical products in compliance with the requirements of the regulatory standard EU directive 2011/65/EU and 1907/2006/EC. 3. Quality and HSF Management: <ol style="list-style-type: none"> A. Production Quality Monitor by SPC. B. Incoming Material HSF Monitor by XRF. C. Third party laboratory accreditation annually. D. Green partner and supply chain. 4. Conflict Minerals Policy : TrueLight Technology Co., Ltd is taking and will take due diligence within our supply chain to assure "DRC Conflict-Free" for the Minerals of gold (Au), tantalum (Ta), tungsten (W), cobalt(Co) and tin (Sn) are not derived from or sourced from mines in conflict areas of the Democratic Republic of Congo (DRC), or illegally taxed on trade routes, either of which are controlled by non-governmental military groups, or unlawful military factions. TrueLight Technology Co., Ltd hereby formulated this Conflict Minerals Policy and makes following commitments: <ol style="list-style-type: none"> A. Not use the conflict minerals originated from the Democratic Republic of the Congo (DRC) and its adjoining countries. B. Request our suppliers to follow Minerals Conflict-Free 	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No	Summary description							
			<p>requirements.</p> <p>C.Continuing our industry leadership and our efforts to source conflict-free minerals from the DRC where possible and agree to compliance with Responsible Business Alliance (RBA) Code of Conduct.</p>							
			<table border="1"> <tr> <td>Corporate governance</td> <td>Regulatory compliance</td> <td> <p>1. Implement the internal control system, continue to deepen the corporate governance policy, review the company's internal norms in accordance with the amendments to laws and regulations, ensure that employees abide by laws and regulations, and reduce the risk of violations.</p> <p>2. Apply for a patent to protect the rights and interests of the products developed by the company.</p> </td> </tr> <tr> <td></td> <td>Strengthen the functions of directors</td> <td> <p>1. Plan annual continuing education courses for directors, and provide directors with the necessary information for business execution and regulatory compliance.</p> <p>2. Take out director liability insurance for directors to protect them from lawsuits or claims.</p> </td> </tr> </table>	Corporate governance	Regulatory compliance	<p>1. Implement the internal control system, continue to deepen the corporate governance policy, review the company's internal norms in accordance with the amendments to laws and regulations, ensure that employees abide by laws and regulations, and reduce the risk of violations.</p> <p>2. Apply for a patent to protect the rights and interests of the products developed by the company.</p>		Strengthen the functions of directors	<p>1. Plan annual continuing education courses for directors, and provide directors with the necessary information for business execution and regulatory compliance.</p> <p>2. Take out director liability insurance for directors to protect them from lawsuits or claims.</p>	
Corporate governance	Regulatory compliance	<p>1. Implement the internal control system, continue to deepen the corporate governance policy, review the company's internal norms in accordance with the amendments to laws and regulations, ensure that employees abide by laws and regulations, and reduce the risk of violations.</p> <p>2. Apply for a patent to protect the rights and interests of the products developed by the company.</p>								
	Strengthen the functions of directors	<p>1. Plan annual continuing education courses for directors, and provide directors with the necessary information for business execution and regulatory compliance.</p> <p>2. Take out director liability insurance for directors to protect them from lawsuits or claims.</p>								
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	✓		The company is a professional supplier of optical communication parts and components, and has established an ISO14001 environmental management system and obtained certification. (Certification date 2005/7/14, validity period 2024/7/9~2027/7/8)	No major difference						
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		The company has prescribed a written environmental policy to implement affairs in accordance with the spirit of environmental protection, and to educate employees and inform suppliers thereof so that they understand the company's philosophy of supporting green environmental protection and responding to the sustainable operations of the global environment. The company also takes practical actions to reduce paper consumption, adopts an electronic online paperless sign-off system, encourages employees to print on both sides, reduces the use of paper cups, sorts garbage, as well as recycles and reuse of resources.	No major difference						
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future	✓		The company has assessed the risks and opportunities in the ISO14001 environmental management system, and continues to pay attention to issues in order to take follow-up response measures.	No major difference						

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																																														
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and adopted relevant measures to address them?																																																		
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		<p>1. Greenhouse gas emissions: (Unit: metric tons of CO2e)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Company Name</th> <th>Scope 1</th> <th>Scope 2</th> <th>Sum</th> <th>GHG emissions intensity (ton-CO2e/NTD million)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">2024</td> <td>TrueLight</td> <td>501</td> <td>6,828</td> <td>7,329</td> <td rowspan="3">20.96</td> </tr> <tr> <td>Subsidiary – YLTLink</td> <td>-</td> <td>592</td> <td>592</td> </tr> <tr> <td>Subsidiary – ProRay</td> <td>-</td> <td>4,113</td> <td>4,113</td> </tr> <tr> <td rowspan="3">2023</td> <td>TrueLight</td> <td>487</td> <td>5,703</td> <td>6,190</td> <td rowspan="3">17.40</td> </tr> <tr> <td>Subsidiary – YLTLink</td> <td>-</td> <td>1,431</td> <td>1,431</td> </tr> <tr> <td>Subsidiary – ProRay</td> <td>-</td> <td>3,342</td> <td>3,342</td> </tr> </tbody> </table> <p>The Company and the subsidiary, YLTLink emitted a total of 7,921 tons of CO2e from GHG Scope 1 and Scope 2 in 2024, mainly from Scope 2 electricity emissions, which accounted for 93.6% of the total, followed by Scope 1 process use of 501 tons of CO2e, which accounted for 6.4% of the total plant emissions.</p> <p>The subsidiary's main source of carbon emissions was Scope 2 electricity emissions.</p> <p>We continue to promote energy-saving and carbon reduction measures, analyze the electricity consumption of each load and draw up energy-saving plans. Depending on the load of the plant and the weather conditions, we will adjust the air-conditioning and chilled water mainframe systems to achieve a 1% energy saving target.</p> <p>The energy saving target was not achieved in 2024 due to the increase in production equipment. We will continue to strive to reduce energy consumption by 1% per annum and to reduce greenhouse gas emissions by 0.5 to 2% per annum.</p> <p>2. Water resources:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Company Name</th> <th>Total water consumption (metric tons)</th> <th>Manufacturing process recovery rate</th> <th>Factory-wise recovery rate</th> <th>Density ton/NTD million</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Year	Company Name	Scope 1	Scope 2	Sum	GHG emissions intensity (ton-CO2e/NTD million)	2024	TrueLight	501	6,828	7,329	20.96	Subsidiary – YLTLink	-	592	592	Subsidiary – ProRay	-	4,113	4,113	2023	TrueLight	487	5,703	6,190	17.40	Subsidiary – YLTLink	-	1,431	1,431	Subsidiary – ProRay	-	3,342	3,342	Year	Company Name	Total water consumption (metric tons)	Manufacturing process recovery rate	Factory-wise recovery rate	Density ton/NTD million							No major difference
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Item	Implementation status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description			
			Year	Resource recovery rate	Target Achieved	
			2024	47.32%	V	
			2023	55.64%	V	
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		The company has formulated the Work Rules for employees in accordance with the Labor Standards Act and related laws regulations, respects the principles and spirit of international initiatives such as the United Nations Universal Declaration of Human Rights, advocates and clearly discloses the elimination of any human rights violations, and has formulated the Employee Code of Conduct, pays attention to gender equality, right to work, bans the use of child labor and strictly prohibits any illegal discrimination, etc. so as to protect the legitimate rights and interests of employees and implement fair and non-discriminatory treatment employment policies, and conducts online tests on the human rights policy for all employees.			No major difference
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		The company has formulated the work rules, which cover the company's salary assessment principles, bonus distribution rules, leave rules, pension payments, occupational accident compensation, performance appraisal, as well as reward and punishment rules. The Employee Welfare Committee was also established in accordance with the regulations to handle employee welfare measures. The company's remuneration policy is based on the principle of salary assessment. The Articles of Incorporation also stipulate that if the company makes annual profits, 4%–10% thereof shall be appropriated as employee remuneration. The company's remuneration policy is based on the employee's educational background and work experience, professional knowledge, contribution to the company, to be linked to the company's operating performance and personal performance. In addition, for other benefits of the company and the pension system, please refer to 4.5 Labor relations of the annual report.			No major difference
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		The company's workplaces are all equipped with safety and health devices that meet the standards, and the company properly implements safety and health laws and regulations; and regularly conducts training on professional knowledge, safety and health education, disaster prevention and protection of employee health. We also carry out regular health checks for active employees in accordance with the Labor Health Protection Regulations. We publish medical information every month to improve medical health and other related knowledge for employees. Information on employee occupational accidents in 2024: Number of employee occupational accidents: 0 Number of occupational accidents and ratio to total number of employees: 0%			No major difference

Item	Implementation status		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
			Improvement measures related to occupational accidents: No occupational accidents during the period so no improvements are required. Fire information for 2024: Number of fire incidents: 0. The number of fire fatalities and injuries and the ratio of the number of fatalities and injuries to the total number of employees: 0% Improvement measures in response to fire: No fire occurred during the period, so no improvements are required.	
(4) Has the Company established effective career development training programs for employees?	✓		Please refer to 4.5 Labor relations of the annual report.	No major difference
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		The company shall collect and understand laws and regulations as well as international standards for products and services provided in order to comply therewith, and summarize the matters to be paid attention to and make announcements, so as to encourage the company's personnel to ensure information transparency and security of products and services in the course of research and develop, procurement, manufacture, provision or sale of the products and services. The company has formulated the Customer Complaint Handling Procedure to solve problems such as product abnormalities, and also conducts a customer satisfaction survey every year. Please refer to Communication between the company and stakeholders of the annual report. And by obtaining the opinions of customers, we expect to achieve a win-win situation between the company and customers.	No major difference
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		In the Supplier Control Procedures, the company lists environmental protection, occupational safety and intellectual property as evaluation items. The company's dealings with suppliers also follow the company's Purchase Order, Purchase and Lease Contract Safety, Health and Environmental Protection Requirements Guidelines, no hazardous substance requirements, no infringement of other people's trade secrets, trademark rights, patent rights, copyrights and other intellectual property rights, and other norms. The company has established a long-term close cooperative relationship with its suppliers. On the basis of mutual trust and mutual benefit, the rights and interests of both parties are protected. The company also supports green environmental protection, fulfills corporate social responsibilities and responds to the global environmentally sustainable operations concept in the supply chain so as to jointly pursue win-win growth. For the 2024 evaluation results, Please refer to Communication between the company and stakeholders of the annual report.	No major difference

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		✓	The company has not yet prepared a sustainability report.	The Company will prepare a sustainability report in accordance with the schedule prescribed by laws and regulations.

6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations:
The Board of Directors of the Company has approved the "Sustainable Development Best Practice Principles" and "Procedures for Management of Sustainability Information" on 2024/11/5. The actual operation is still under planning, and the future operation will be carried out in accordance with the relevant regulations.

7. Other important information to facilitate better understanding of the company's promotion of sustainable development:
(1)The company respects and embraces multiculturalism, and provides equal job opportunities to job seekers and employees. Employee recruitment, salary, promotion and remuneration are based on their job category, educational background and work experience, professional knowledge and technology, professional seniority and experience as well as personal performance, regardless of their race, religion, nationality, gender, or age.

Proportions of female employees in 2024

Index	%
Female accounted for total employees (%)	52.16
Female accounted for all supervisors (%)	25.00
Female accounted for senior executives (%)	50.00

Nationality and Race Statistics in 2024

Item	% of all employees	% in management
local employees	100%	100%
foreign employees	0%	0%
Indigenous peoples	1.07%	1.07%

Age and Gender Statistics in 2024

age	Non-management		Management level		Executive		Total
	Female	Male	Female	Male	Female	Male	
30 Years & under	0.72%	0.36%	0.00%	0.00%	0.00%	0.00%	1.08%
30~50 Years	42.45%	29.14%	1.44%	6.47%	0.00%	0.36%	79.86%
50Years & over	8.99%	3.24%	1.80%	3.24%	1.07%	0.72%	19.06%
total	52.16%	32.74%	3.24%	9.71%	1.07%	1.08%	100.00%

Other diversity indicators in 2024

Item	% of all employees
Disabilities	0.72

- (2) In order to protect the natural environment for coexistence and common prosperity, the company fulfills its corporate social responsibilities, has formulated environmental policies as well as safety and health management, implements them through the introduction of management systems, and continuously improves environmental management performance, so as to achieve the goal of sustainable corporate operations.
- (3) The company actively stays on top of service technology manufacturing processes and packaging materials that meet customer needs, such as: lead-free, halogen-free, or in compliance with EU ROHs directives on environmental protection as well as environmental protection regulations and decrees for the prohibition from or restriction on hazardous substances.
- (4) The company strictly implements the contents of the industrial waste disposal plan, has commissioned professional and legitimate suppliers to clean up waste, and recycles resource waste in accordance with regulations.
- (5) Encourage the use of environmentally friendly packaging materials, reduce waste, and strengthen resource recycling and reuse.
- (6) Through education and training, we advocate the basic awareness of responsibility for employees to recognize environmental protection, resource recycling and energy conservation.
- (7) Comply with government laws and regulations on environmental protection, and fully assist government agencies in promoting environmental protection affairs.
- (8) Actively participate in a variety of activities organized by the Science Park Bureau and maintain a harmonious relationship with neighboring manufacturers.
- (9) System certificate:
 - a. Quality management system: ISO 9001: 2015 (certification date 2001/9/19, validity period 2024/7/9–2027/7/8)
 - b. Environmental management system: ISO 14001: 2015 (certification date 2005/7/14, validity period 2024/7/9–2027/7/8)
 - c. Hazardous substance management system IECQ QC080000: 2017 (certification date 2013/8/28, validity period 2022/8/28–2025/8/27)

2.3.6 Climate-Related Information of TWSE/TPEX Listed Company:

2.3.6.1 Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	According to the "Sustainable Development Roadmap" plan issued by the Financial Supervisory Commission, the Company belongs to

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>the category of companies with paid-in capital of less than NT\$5 billion. It should complete the inventory in 2026 and the verification in 2028. Subsequently, it will follow the instructions of the competent authority. Refer to the guidelines and relevant regulations to perform greenhouse gas inventory and assurance operations.</p> <p>The Company reports to the Board of Directors on a quarterly basis the detailed promotion schedule of each greenhouse gas inventory project, the formulation of complete inventory procedures, and the implementation progress of plans such as the Board of Directors' supervision and control phased goals. Subsequently, the relevant complete information will be provided to the Board of Directors in accordance with legal requirements. After completion, it will be disclosed on the MOPS.</p> <p>Facing the challenge of climate change, the Company has begun to implement internal resource conservation and carbon emission reduction plans. Please refer to 2.3.5 Promotion of Sustainable Development of the annual report for relevant measures and results.</p> <p>The Company will continue to pay attention to possible changes in market risks in the medium to long term, especially the trends in carbon pricing and carbon taxation, which may lead to rising costs, thereby affecting the research and development, production and sales of the Company's products. Comprehensive financial planning will be carried out, including considering the possibility of product and industry transformation, to reduce the impact of climate change and transformation risks on the Company, and to timely adjust the business model to cope with the new market environment.</p>
3. Describe the financial impact of extreme weather events and transformative actions.	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years. Please refer to 2.3.5 Promotion of Sustainable Development of the annual report.
1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
 According to the "Sustainable Development Roadmap" plan issued by the Financial Supervisory Commission, the Company belongs to the category of companies with paid-in capital of less than NT\$5 billion. It should complete the inventory in 2026 and the verification in 2028. Subsequently, it will follow the instructions of the competent authority. Refer to the guidelines and relevant regulations to perform greenhouse gas inventory and assurance operations.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
 According to the "Sustainable Development Roadmap" plan issued by the Financial Supervisory Commission, the Company belongs to the category of companies with paid-in capital of less than NT\$5 billion. It should complete the inventory in 2026 and the verification in 2028. Subsequently, it will follow the instructions of the competent authority. Refer to the guidelines and relevant regulations to perform greenhouse gas inventory and assurance operations.

2.3.7 Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(1) The company has formulated the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct to regulate the company's business execution, under which we shall act honestly and justly, and abide by government laws and regulations. The Board of Directors and management also promise to actively implement the business philosophy of ethical corporate management.	No major difference
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		(2) The company operates in accordance with the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, and has signed the Supplier Integrity Pledge with manufacturers/suppliers, which stipulates that if the manufacturer/suppliers are suspected of unethical conduct, the Company may withhold payment of all accounts payable. If it is verified that the unethical conduct of the manufacturer/supplier is true, TrueLight may immediately	No major difference

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓		terminate the procurement contract. (3) The company has formulated the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, which specifically prescribes the matters to be paid attention to when performing business, and have been announced on the company website.	No major difference
2. Ethical Management Practice				
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		(1) The same as the description in Item 1 (2) above.	No major difference
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		(2) The company's dedicated unit for promoting ethical corporate management is the President's Office, which acts as a consultation contact point on ethical corporate management. The company's implementation status of ethical corporate management was reported to the Board of Directors on March 7, 2025. No offering or acceptance of any form of improper benefits was found, nor was there any report of unethical conduct or misconduct by internal or external personnel. Implementation status of the ethical corporate management policy in 2024: Publicity of legal compliance: Senior management has communicated the importance of integrity to all colleagues, and the human resources department has also completed publicity and education on integrity management for all colleagues, including continuing to promote relevant issues to colleagues through the company's internal web page, internal emails, etc. and making them available for review at any time to strengthen colleagues' awareness of business ethics and compliance with laws.	No major difference
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		(3) Handled in accordance with Article 11 of the company's Procedures for Ethical Management and Guidelines for Conduct.	No major difference
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical	✓		(4) The company has established a complete accounting system and internal control system. The internal audit conducts in accordance with the internal audit plan and internal audit implementation rules. If any major abnormalities are found, the internal audit will immediately report it to the chairman as well	No major difference

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>conduct or hire outside accountants to perform the audits? (5) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>	✓		<p>as the Board of Directors.</p> <p>(5) The company adheres to the principles and obligations of ethical corporate management, and follows the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>In 2024, the internal and external education and training related to ethical corporate management issues (including courses related to regulatory compliance with ethical corporate management, corporate governance, accounting system, and internal control):</p> <p>A. Legal Compliance: Conduct annual inspections on all colleagues on the "Code of Integrity Management", "Integrity Management Operating Procedures and Behavior Guidelines", "Insider Trading Prevention Management Operating Procedures", "Understanding of Intellectual Property Rights and Confidentiality"</p> <p>B. 13 directors, managers and internal audit supervisors in total, with a total of 176 hours of training.</p> <p>C. Annual test: A total of 267 online tests were conducted on all colleagues to ensure compliance with the integrity management code and moral concepts, and to let employees understand the importance of integrity management and anti-corruption to corporate operations and human rights protection.</p>	No major difference
<p>3. Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?</p>	✓		<p>(1) In accordance with the Company's Procedures for Ethical Management and Guidelines for Conduct, the company encourages internal and external personnel to report unethical conduct or misconduct, and has established a dedicated unit to handle reported cases so as to fully protect/keep confidential whistleblowers' identities. Bonuses will be given where appropriate in accordance with the severity of the violation. Internal staff who make false reporting or malicious accusations shall be subject to disciplinary action. If the violation is severe, the violators involved shall be removed from office or dismissed in accordance with the company's personnel rules. The company has established an independent reporting e-mail: GMO@truelight.com.tw</p>	No major difference

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(2)Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		Reporting dedicated hotline 03-5780080#2801 Reporting delivery address: No. 21, Prosperity Road 1, Hsinchu Science Park, 300091 Hsinchu, R.O.C. The above reporting information is for internal/external use of the company. (2) Same as the description (1)	No major difference
(3)Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	✓		(3) The company's personnel handling the reported case shall make a written statement to keep the identity of the reporter and the reported content confidential, and the company undertakes to protect the reporter from being improperly dealt with due to the reporting.	No major difference
4.Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The company has fully disclosed related information on the company website and Market Observation Post System for investors' reference.	No major difference
5.If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: No major difference				
6.Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles). The company upholds the integrity of business dealings with suppliers, and also promotes the company's determination to operate with integrity to suppliers.				

2.3.8 Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed. :

2.3.8.1 Continuing education/training of directors in 2024



Date	Title	Name	Duration	Host by	Training Title
2024/11/6	Chairman	Lidon Chen	3	SFI	Corporate Integrity and Diversity and Inclusion in the Workplace
2024/10/4			3		2024 Insider Trading Prevention Promotion Conference
2024/1/23			3	TID	Learning from Benchmarks- How to Learn from the Experience of International Leaders for Rapid Growth
2024/11/6	Director President	MY Chu	3	SFI	Corporate Integrity and Diversity and Inclusion in the Workplace
2024/10/7			3	CNAIC	2024 Taishin Net Zero Summit Towards a Low Carbon Future
2024/9/23			3	TABF	Corporate Governance Forum
2024/9/11			3	TPEX	Publicity and Briefing Session on Insider Equity of Listed/Invested Companies
2024/11/12	Director	Eva Yang	3	TIRI	Corporate sustainability strategy and investor relations
2024/11/6			3	SFI	Corporate Integrity and Diversity and Inclusion in the Workplace
2024/10/18			3	TIRI	Brand communication and stakeholder management
2024/10/7			3	CNAIC	2024 Taishin Net Zero Summit Towards a Low Carbon Future
2024/9/11			3	TPEX	Publicity and Briefing Session on Insider Equity of Listed/Invested Companies
2024/2/23			3	COA	Corporate Governance and Securities Regulations-1. Discussing insider trading prevention from the perspective of internal control 2. Legal regulations and application doubts related to dividend policy
2024/12/18	Director	Long-sheng Yeou	6	ARDF	Common Deficiencies in Financial Report Review and Practical Analysis of Important Internal Control Regulations
2024/10/7			3	CNAIC	2024 Taishin Net Zero Summit Towards a Low Carbon Future
2024/9/23			3	TABF	Corporate Governance Forum
2024/11/1	Independent Director	Miao-chiu Hsu	3	SFI	Money Laundering Prevention and Anti-fraud Protection
2024/11/1			3	SFI	Creating a New Future for AI- Generative AI Application Case Sharing
2024/7/19			3	TCGA	New Trends in Labor-management Relations from An ESG Perspective- How Taiwanese Companies Should Respond
2024/6/7			3	TCGA	Latest legal regulations, trends, impacts of ESG and How to Respond
2024/11/6	Independent Director	Thomas Chang	3	SFI	Corporate Integrity and Diversity and Inclusion in the Workplace
2024/10/7			3	CNAIC	2024 Taishin Net Zero Summit Towards a Low Carbon Future
2024/9/11			3	TPEX	Publicity and Briefing Session on Insider Equity of Listed/Invested Companies
2024/12/21	Independent Director	Chih-chieh Lin	3	ARDF	Effective Internal Controls for Sustainable Reporting
2024/11/13			3	IAFI	Concepts and applications of ESG investment practices
2024/10/7			3	CNAIC	2024 Taishin Net Zero Summit Towards a Low Carbon Future
2024/9/23			3	TABF	Corporate Governance Forum

2.3.8.2 Training status of managers and internal auditors in 2024:

Date	Title	Name	Duration	Host by	Training Title
2024/11/6	Accounting Officer	Heng-Yi Wu	3	SFI	Corporate Integrity and Diversity and Inclusion in the Workplace
2024/3/18~3/27			30	ARDF	Initial Training for Accounting Officer
2024/11/13	Corporate governance officer Financial Officer	Ching-Fang Chang	3	ASIP	How Businesses Can Respond to The Wave of Sustainable Net Zero
2024/11/6			3	SFI	Corporate Integrity and Diversity and Inclusion in the Workplace
2024/10/7			3	CNAIC	2024 Taishin Net Zero Summit Towards a Low Carbon Future
2024/8/28			6	ARDF	Analysis of Laws and Regulations Related to The Preparation of The Latest Annual Report, Sustainable Information and Financial Statements, and Internal Control Management Practices
2024/8/15			6	ARDF	Strengthening of The Internal Control Line of Defense Function and Board of Directors Operating Mechanism and Analysis of Fraud Cases
2024/12/12	Chief Internal Auditor	Sonia Liao	3	IIA	Common Deficiencies and Practices in Information Internal Control Audits of Listed Companies
2024/11/29			6	IIA	A Look at The Labor and Wage Cycle and Labor Incident Act from The Perspective of Corporate Governance
2024/11/13			3	ASIP	How Enterprises Should Respond to The Wave of Sustainable Net Zero - Policy Guidance ~ Practical Implementation Seminar
2024/11/5			3	SFI	Practical Publicity Course on Preparation of Sustainability Reports for Listed Companies
2024/8/24			6	IIA	Information Auditing Practical Workshop
2024/8/7			3	IIA	Corporate Integrity Management and Greenwashing Risk Management
2024/8/7			3	IIA	The Latest Industry Issues (AI, ESG, information Security, etc.) and The Response of Internal Auditors
2024/7/23			3	ARDF	2024 Sustainable Information Management Internal Control System Promotion Conference
2024/5/21			3	IIA	Sustainable Information Development and Emerging Risks
2024/3/20			3	IIA	New trends in auditing – Combining AI and data analysis to gain insight into an enterprise’s internal/external risks
2024/3/11			3	IIA	The latest development trends and responses to ESG
2024/3/11			3	IIA	Instructions on Compliance with International Greenhouse Gas Standards and Regulatory Requirements
2024/1/11			2	ASIP-IP & Legal Affairs Committee	Introduction to innovative legal services integrating online/offline

2.3.9 The section on the state of implementation of the company's internal control system shall furnish the following :

2.3.9.1 Statement on Internal Control. :

<p style="text-align: center;">TrueLight Corporation Internal Control System Statement</p> <p style="text-align: right;">Date: Mar. 07, 2025</p> <p>TL states the following with regard to its internal control system during fiscal year 2024, based on the findings of a self-evaluation:</p> <ol style="list-style-type: none">1. TL is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. TL has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability of financial reporting, and compliance with applicable laws and regulations.2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of TL contains self-monitoring mechanisms, however, and TL takes corrective actions as soon as a deficiency is identified.3. TL judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control:<ol style="list-style-type: none">I. control environmentII. risk assessmentIII. control activitiesIV. information and communicationsV. monitoring.Each element further contains several items. Please refer to the Regulations for details.4. TL has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.5. Based on the findings of the evaluation mentioned in the preceding paragraph, TL believes that as of Dec. 31th, 2024 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of financial reporting, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.6. This Statement will become a major part of the content of TL's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.7. This Statement has been passed by the Board of Directors Meeting of TL held on Mar. 07, 2025, where 0 of the 7 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement. <p style="text-align: center;">TrueLight Corporation</p> <p style="text-align: center;">Lidon Chen, Chairman </p> <p style="text-align: center;">MY Chu, President </p>
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2.3.9.2 Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report. : **None.**

2.3.10 Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.:

2.3.10.1 Shareholder Meeting Major Resolution and Execution:

Date	Proposal	Resolution
2024/5/30	1. Adoption of the 2023 Business Report and Financial Statements	Passed as proposed via Board of Directors vote
	2. Adoption of the Proposal for 2023 Deficit Compensation	Passed as proposed via Board of Directors vote not to distribute dividends.
	3. To amend partial provisions of the “Operation Procedures of Funds Lending”	Passed as proposed via Board of Directors vote and announced on the company website and Market Observation Post System
	4. The Company commissioned securities underwriter to issue an opinion on the necessity and reasonableness of the private placement.	Passed as proposed via Board of Directors vote
	5. To general re-elect directors	Nominated for election by the Board of Directors and approved by Hsinchu Science Park Bureau, National Science and Technology Council on 2024/6/7.
	6. To release the Directors from non-competition restrictions	Passed as proposed via Board of Directors vote and announced on the Market Observation Post System

2.3.10.2 Board Meeting Major Resolutions:

Date	Important Resolutions
2024/01/23	1. Approved the recognition of asset impairment in accordance with IAS36
2024/3/6	1. Approved the assessment of the significant accounts receivable and other receivables that are overdue for more than 3 months.
	2. Approved the changes in important personnel of the Company.
	3. Approved the Company's 2023 financial report and business report.
	4. Approved the loss of the Company's appropriation of the FY2023 and the loss reaching half of the paid-in capital.
	5. Approved the review of annual and long-term performance goals as well as the salary and remuneration policies, systems, criteria and structure for the company's directors.
	6. Approved the independence of certified accountants for financial reports of the company and the appointment and remuneration of certified accountants in 2024.
	7. Approved the Company's 2023 annual assessment of the effectiveness of the internal control system and the approval of the statement of the internal control system
	8. Approved the proposal for approving the credit limit of the company's financial institutions.
	9. Approved the Company's 2024 operating plan.
	10. Approved the amendments to “Procedures for Board of Directors Meetings of the Company” and “Procedures for Ethical Management and Guidelines for Conduct”.
	11. Approved the Company's 1st private placement of common shares in 2023 issuance of new shares.
	12. Approved the Company's 2nd private placement of common shares in 2023 issuance of new shares.
	13. Approved the Company's 3rd private placement of common shares in 2023 issuance of new shares.
	14. Approved the Company's 4th private placement of common shares in 2023 issuance of new shares.
	15. Approved the Company's 5th private placement of common shares in 2023 issuance of new shares.
	16. Approved the re-election plan of the Company's all directors.
	17. Approved the proposal of releasing the Directors from non-competition restrictions.
	18. Approved the convening matters related to the 2024 regular shareholders meeting
2024/4/18	1. Approved the amendment of the loss of the Company's appropriation of the FY2023 and the

Date	Important Resolutions
	loss reaching half of the paid-in capital. 2. Approved the review of director and independent director candidate lists. 3. Approved the releasing of non-competition restriction for new directors of the Company. 4. Approved the Company to commission a securities underwriter to issue an opinion on the necessity and reasonableness of the private placement. 5. Approved the additional matters for convening the regular shareholders meeting in 2024. 6. Approved the changes in the salary and remuneration of the Company's managers and in Corporate Governance Officer. 7. Approved the pension application of the Company's President. 8. Approved the remuneration of the Company's Founder.
2024/5/3	1. Approved the financial report for the 1st quarter of 2024. 2. Approved the proposal of the Company plans to evaluate the significant accounts receivable and other receivables that are overdue (more than three months). 3. Approved the review on the credit line extended by the Company's financial institutions.
2024/5/30	1. Approved the election of chairman of the Company 2. Approved the appointment of Ms. MY Chu as President 3. Approved the appointment of members of the Company's 6th salary and remuneration committee
2024/6/12	1. Approved the proposal to formulate the salary and remuneration regulations for the Company's directors and managers 2. Approved the reassignment of the director representative and manager of the subsidiary, and agreed to concurrently serve as the manager and agreed to the competition 3. Approved Lending Funds to subsidiary YLTLINK Technology Corporation 4. Approved the proposal of the Company plans to provide endorsement guarantee to subsidiary YLTLINK Technology Corporation
2024/8/2	1. Approved the compensation package items and amounts for the Company's new managers. 2. Approved the financial report for the 2nd quarter of 2024.
2024/11/5	1. Approved the financial report for the 3rd quarter of 2024. 2. Approved the amendments to the Company's Internal Control System, Internal Audit Operation Implementation Rules, Audit Committee Organization Charter, Sustainable Information Management Operating Procedures, and Code of Practice for Sustainable Development. 3. Approved the Company's 2025 audit plan. 4. Approved the company's 2025 business plan. 5. Approved the proposal of the Company plans to release the prohibition on directors from participation in competitive business.
2025/3/7	1. Approved the subsidy of the Company's employee stock ownership trust plan. 2. Approved the amend partial provisions of the "Articles of Incorporation". 3. Approved the proposal of the Company's 2024 annual financial report and business report. 4. Approved the company's 2024 loss provision. 5. Approved the independence of certified accountants for financial reports of the company and the appointment and remuneration of certified accountants in 2025. 6. Approved the Company's 2024 annual assessment of the effectiveness of the internal control system and the approval of the statement of the internal control system. 7. Approved the proposal for approving the credit limit of the company's financial institutions. 8. Approved the proposal of the Company plans to release the prohibition on Directors from participation in competitive business. 9. Approved the convening matters related to the 2025 regular shareholders meeting.

2.3.11 Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof : **None.**

2.4 Information on CPA (External Auditor) Professional Fees

Unit: NT\$ thousand

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees (Note)	Total	Remarks
PricewaterhouseCoopers, Taiwan	Cheng, Ya-Huei Chiang, Tsai-Yen	2024/1/1-2024/12/31	2,440	1,360	3,800	-

Note: NT\$980 thousand for tax attestation, NT\$250 thousand for legal consultation, and NT\$130 thousand for others.

2.4.1 When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed. : **None.**

2.4.2 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed : **None.**

2.5 Information on replacement of certified public accountant: If the company has replaced its certified public accountant within the last 2 fiscal years or any subsequent interim period, it shall disclose the following information : **None.**

2.6 Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed. The term "affiliated enterprise of a certified public accountant's accounting firm" means one in which the certified public accountants at the accounting firm of the attesting certified public accountant hold more than 50 percent of the shares, or of which such accountants hold more than half of the directorships, or a company or institution listed as an affiliated enterprise in the external publications or printed materials of the accounting firm of the certified public accountant. : **None.**

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

2.7.1 Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders :Please refer to the Market Observation Post System 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.
https://mops.twse.com.tw/mops/#/web/query6_1

2.7.2 Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the company as well as the company's directors, supervisors, managerial officers, and ten-percent shareholders, and the number of shares transferred or pledged : **None.**

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

Relationships Among the Top 10 Shareholders

March 29, 2025

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	% (Note1)	Shares	% (Note1)	Shares	% (Note1)	Name of entity or individual	Relationship	
Taiwan Mask Corp. Representative: Sean Chen	13,500,000 0	12.11 0	0 Note2	0 Note2	0 Note2	0 Note2	None None	None None	
Chao-Pao Tsai	1,545,000	1.39	0	0	0	0	None	None	
Ontario Capital Co., Ltd. Representative: Chao-Yi Wu	1,500,000 0	1.35 0	0 Note2	0 Note2	0 Note2	0 Note2	None None	None None	
Jui- Jung Hung	1,255,000	1.13	0	0	0	0	None	None	
Sheng- Hsien Liu	753,045	0.68	0	0	0	0	None	None	
CTBC bank is entrusted with the custody of the Prosperity Capital Fund Portfolio - Exclusive Investment Account for the Prosperity Capital Fund No. 1 Portfolio	700,000	0.63	0	0	0	0	None	None	
Citi custodians Berkeley Capital SBL /PB investment account	656,295	0.59	0	0	0	0	None	None	
Kung-Yu Kuo	625,000	0.56	0	0	0	0	None	None	
EZconn Corporation Representative: Steve Chen	617,000 0	0.55 0	0 Note2	0 Note2	0 Note2	0 Note2	None None	None None	
Tai-Ying Yang	592,000	0.53	0	0	0	0	None	None	

Note1. The actual number of shares issued was 111,474,692.

Note2. Due to non-insider access to the relevant information.

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

Total Ownership of Shares in Investee Enterprises

Date: 2025/3/31 Unit: Share; %

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
TrueLight (B.V.I.) Limited	13,000,000	100%	0	0	13,000,000	100%
ProRay Limited	12,500,000	100%	0	0	12,500,000	100%
Zhuhai FTZ ProRay Co., Ltd	0	100%	0	0	0	100%
Optomedia Technology Inc.	2,435,913	30%	0	0	2,435,913	30%
YLTLINK Technology Corporation	7,398,456	41%	0	0	7,398,456	41%

Note: This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

3. Capital Overview

3.1 Capital and Shares:

3.1.1 Sources of Capital :

Sources of Capital

Date:2025/3/31 Unit: NT\$ thousand/ Shares in thousand

Year/Month	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Capital paid in by assets other than cash	Other
2023/9 (Note1)	18	150,000	1,500,000	96,475	964,747	Cash to increase capital and issue new shares NT\$200,000 thousand	None	-
2024/3 (Note2)	30.4	150,000	1,500,000	111,476	1,114,765	Private placement of cash to increase capital and issue new shares NT\$150,000 thousand	None	-

Note1: It was approved by the Hsinchu Science Park Bureau of the National Science and Technology council with the approval letter No.: Chu-Shan-Tzu-1120030087 on September 13, 2023.

Note2: It was approved by the Hsinchu Science Park Bureau of the National Science and Technology council with the approval letter No.: Chu-Shan-Tzu-1130009018 on March 28, 2024.

Date:2025/3/31 unit : share

Type of stock	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered Common Stock	111,474,692	38,525,308	150,000,000	The issued shares include 15,000 thousand private placement ordinary shares, and the rest are Listed on OTC

Information Relating to the Shelf Registration System : None.

3.1.2 Major Shareholders (Shareholdings more than 5% or the Top 10 Shareholders)

2025/3/29 Unit: Shares

Names of Major Shareholders	Shares	Shareholding (shares)	Shareholding (%) (Note)
Taiwan Mask Corp.		13,500,000	12.11%
Chao-Pao Tsai		1,545,000	1.39%
Ontario Capital Co., Ltd.		1,500,000	1.35%
Jui- Jung Hung		1,255,000	1.13%
Sheng- Hsien Liu		753,045	0.68%
CTBC bank is entrusted with the custody of the Prosperity Capital Fund Portfolio - Exclusive Investment Account for the Prosperity Capital Fund No. 1 Portfolio		700,000	0.63%
Citi custodians Berkeley Capital SBL/PB investment account		656,295	0.59%
Kung-Yu Kuo		625,000	0.56%
EZconn Corporation		617,000	0.55%
Tai-Ying Yang		592,000	0.53%

Note: Outstanding shares 111,474,692 (Including private placement 15,000,000 Shares)

3.1.3 Company's dividend policy and implementation thereof

3.1.3.1 Dividend policy: The company's Articles of Incorporation stipulate that if the company has a surplus in its annual final accounts, it shall pay taxes in accordance with the law, and after making up for the accumulated losses, another 10% thereof shall be set aside as the statutory surplus reserve. However, when the statutory surplus reserve has reached the paid-in capital of the company, it may not be set aside, and the special surplus reserve shall be set aside or reversed from the rest to in accordance with laws and regulations; If there is still any surplus, together with the accumulated undistributed surplus, the Board of Directors shall draw up a surplus distribution proposal and submit it to the shareholders meeting for a resolution.

The company's dividend policy adopts the principle of stability and balance, considering the company's environment and growth stage and in response to future capital needs and long-term financial planning, so as to meet shareholders' needs for cash inflows. The company allocates no less than 5% of the distributable surplus every year to distribute dividends to shareholders. However, when the accumulated distributable surplus is less than 10% of the paid-in share capital, it may decide not to distribute dividends; when distributing dividends to shareholders, they may be paid in cash or stock, among which the cash dividend shall not be less than 10% of the total amount of the dividends and bonuses to shareholders.

3.1.3.2 Distribution status of dividends proposed at this shareholders meeting: The company has no distributable surplus in 2024. It has been approved by the company's Board of Directors on 2025/3/7 that no dividends will be distributed, and it has been submitted to the regular shareholders meeting for approval.

3.1.3.3 If a material change in dividend policy is expected : None.

3.1.4 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting : None.

3.1.5 Profit-sharing compensation of employees, directors :

3.1.5.1 The percentages or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the company's articles of incorporation.: If the company makes profits in the year, 4%–10% thereof shall be allocated as employee remuneration, and the Board of Directors shall resolve to distribute them in the form of stocks or cash. The distribution targets include employees of subordinate companies who meet certain conditions; The Board of Directors of the company may resolve to set aside no more than 4% of the foregoing amount of profit as remuneration for directors and supervisors. Proposals on the distribution of employee remuneration as well as remuneration for directors and supervisors shall be reported to the shareholders meeting. However, if the company still has accumulated losses, it shall reserve the amount for making up for the loss in advance, and then allocate the amount for employee remuneration as well as director and supervisor remuneration in accordance with the percentages mentioned in the preceding paragraph.

3.1.5.2 The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period and information on any approval by the board of directors of distribution of profit-sharing compensation : On 2025/3/7, the resolution of the Board of Directors approved that the company will not set aside and distribute the remuneration for employees and directors in accordance with the regulations due to the loss of the current period in 2024.

3.1.5.3 The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated. : The company had not made a profit in 2023, so the employees and directors had not been paid.

3.1.6 Status of a company repurchasing its own shares : None

3.2 Issuance of Corporate Bonds: None

3.3 Issuance of Preferred Shares : None

3.4 Issuance of Global Depository Receipts : None

3.5 Issuance of Employee Stock Warrants : None

3.6 Issuance of New Restricted Employee Shares : None

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions : None

3.8 Financing Plans and Implementation : Please refer to the Market Observation Post System→ Theme Zone→ Investment Area→Private Placement Area→Private Placement Information Inquiry
<https://mopsov.twse.com.tw/mops/web/t116sb01>

4. Operational Profiles

4.1 Description of the business

4.1.1 Business Scope

The main business items of the company are design, research and development, Production and sales are applied to "optical fiber communication, 4G/5G mobile communication base station interconnection, cloud data center, 3D Sensing/Near-Field Sensing/Flood Illumination" Vertical Cavity Surface Emitting Laser (VCSEL), Edge laser (FP / DFB), photodiode (PIN / PINTIA)", including components, sub-modules, Light engine/AOC and other types of products.

Provide necessary assistance and services for the inspection, maintenance, processing and installation of the products related to the preceding paragraph, as well as their import and export trade business.

4.1.1.1 The company's current products (services) and the proportion of sales in 2024

Product Category	%
Chips and components	68%
Optical transmission and connection modules	27%
Others	5%
Total	100%

4.1.1.2 New products (services) planned for development

In response to the growth of broadband communication needs and the rise of the Internet of Things, the construction and upgrade of infrastructure such as cloud data centers and 4G/5G/6G wireless network base stations are continuously carried out, which also drives the growth of new applications such as active optical cables (AOC, HDMI ...), sensing elements (3D sensing), and ranging elements (proximity sensor). This further accelerates the evolution of optoelectronic component product technology and the thriving market.

TL adheres to the principles of self-developed and proprietary manufacturing technology, and establishes a production chain from upstream Epitaxy design and manufacturing, to midstream chip design and production, to downstream active component packaging and manufacturing, to strengthen the company's core competitiveness. It also establishes different product lines (including Surface-Emitting Lasers, Edge-Emitting Lasers and Optical detection components, module components, and Active Optical Cables) to serve different market demands. In addition to continuously supplying different bandwidth optical communication components, TL is also focused on developing VCSEL components for applications in the consumer market (including smartphone proximity sensors, lighting, 3D sensing, Bluetooth headphones, eye tracking, smartphone sensing), LiDAR, security and surveillance, and industrial automation products. TL's long-term product technology development direction is summarized as follows:

- (I) VCSEL (Vertical-Cavity Surface-Emitting Laser)/ GaAs (Gallium Arsenide)/ InP (Indium Phosphide) products (Chip 、 Array 、 TO 、 OSA 、 OSM) for Fiber optic communications applications
- 850nm 10/25G NRZ 、 56G PAM4 VCSEL chip 、 optical sub-modules and transmitter modules for fiber optic communication applications
 - 850nm 10/25G NRZ /56G PAM4 GaAs photodiode 、 optical sub-modules and receiver modules for fiber optic communication applications
 - 980nm 10Gbps VCSEL with an ultra-wide operating temperature range (-40°C to 125°C) for automotive data transmission

- 1260nm~1620nm InGaAs 10/25G NRZ /56G PAM4 InGaAs PIN/APD、optical sub-modules and receiver modules for fiber optic communication applications
- (II)Optical sensor light sources for Consumer、Automotive Optical Communication and LiDAR Applications
 - 850nm~940nm 3mW/10mW/1W Laser (VCSEL chip、Array), applied in mobile phone proximity sensors、IR illumination、3D sensing、Wireless stereo headphones、Eye tracking and Smartphone sensors, etc.
 - SWIR (short-wave infrared) 1130nm VCSEL and PD Development for 3D sensing
 - 660nm VCSELs for medical sensing applications.
- (III)Edge-Emitting Lasers (FP/DFB), Optical Transceiver (Chip、Array、TO、OSA、OSM) for 4G(LTE)/ 5G (5th-Generation Mobile Communication Technology)/ LAN (Local Area Network)/ FTTx (Fiber To The x) application
 - 155Mbps/ 1.25Gbps (622Mbps)/ 2.5Gbps/ 4.25Gbps Dual Tx/Rx OSA Sub-module
 - 10Gbps (6~8Gbps)/ 25Gbps chip、TO-can and OSA Sub-module
 - Analog PD (Receiver)
 - Single Fiber Bi-Directional Sub-Modules (BOSA) For EPON/GPON/10GPON based OSA Sub-module
 - 1270nm~1610nm High-speed Edge-Emitting Lasers (FP/DFB)、optical sub-modules
- (IV)GaAs、InGaAs、AOC product (Chip、COB、AOC) for Data Center/ SAN (Storage Area Network) application
 - 56G/112G GaAs PD、56G/112G InGaAs PD chip
 - 56G/112G PAM4 VCSEL chip
 - 40G/ 100G/ 200G /400G/ COB Sub-module (Chip on Board、AOC)
 - Mini SAS HD 4.0 COB/ Mini SAS HD PCIe 5.0 COB (Chip on Board)
 - High-density high-speed pluggable 100G QSFP28 SR4、200G QSFP-DD SR8、400G QSFP56-DD SR8 and 800G QSFP-DD SR8/1.6T
 - CPO (Co-Packaged Optics) Packaging Technology Development)
- (V)GaN for Power/RF device (Epi wafer)
 - GaN on Sapphire: AlGaIn/GaN HEMT structure on sapphire substrate (Power device and High Frequency device)
 - GaN on SiC: AlGaIn/GaN HEMT structure on semi-insulating SiC substrate (Superior performance RF power amplifier applications)
 - GaN on Si for ODM service: (AlGaIn/GaN HEMT Structure on Si Substrate)
- (VI)MOCVD epitaxy technology
 - 850nm/940nm/980nm 10G/25G/Hi SE VCSEL epi wafer
 - 1270nm~1550nm 2.5G/10G/High power DFB LD epi-wafer
- (VII)ODM/OEM Manufacturing Services.
 - VCSEL /DFB/PD/APD wafer foundry services (including reliability)
 - VCSEL/DFB epitaxy foundry services.
 - GaN on Sapphire (SiC) epitaxy foundry services.
 - High-precision packaging (silicon photonics) and optical、mechanical、electrical、software and firmware integration technology foundry services

4.1.2 Industry Overview

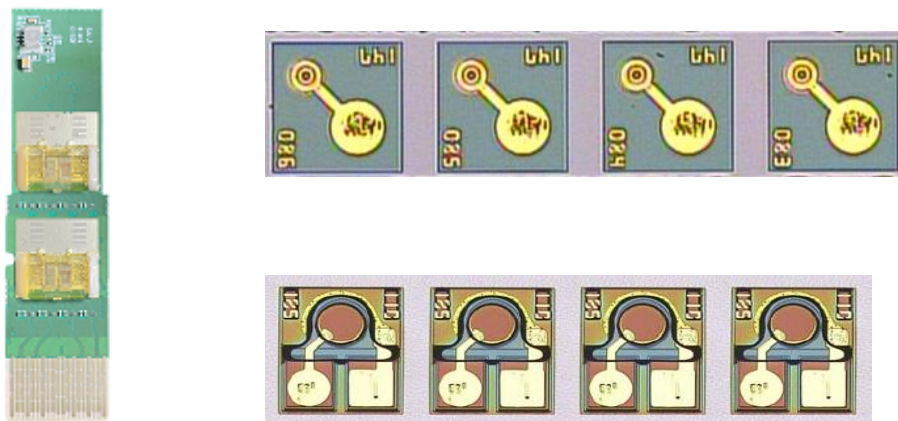
4.1.2.1 Current Status and Development of the Industry

The upstream core technology and products of the optical communication industry supply chain are related components of laser diodes (VCSEL, FP LD, DFB LD) and

photodetectors (PIN and APD). Based on the demand for fiber-optic two-way transmission, the company has developed various optical and electronic components and components that can be paired at both the transmitting end laser diode and the corresponding receiving end photodetector, such as: 850nm/ 940nm VCSEL and 850nm GaAs PD components, 1270nm/1290nm/ 1310nm/ 1330nm/ 1490nm/ 1530nm/ 1550nm/ 1610nm FP, DFB, and InGaAs PD, APD components that receive long-wavelength 1260nm~1620nm.

The current development of the industry mainly focuses on fiber-to-the-home (FTTx) EPON/GPON, future 10GEPON/ XGPON/ XGSPON, 4G/ 5G/ 6G LTE base stations, data center 100GBE/200GBE/400GBE/800GBE AOC (Active Optical Cable) · consumer virtual reality (VR) · Internet of Things (IoT) · Co-packaged optics (CPO) and Silicon Photonics (SiPh).

In addition, in terms of consumer electronics (CE), Automotive Optical Communication · Light Detection and Ranging (LiDAR) and computer information (IT) product applications, the company sells chips that customers can package into various modules; for example, the VCSEL chip is packaged into proximity sensors · 3D sensing modules · smartphone sensing or automotive silicon photonics-based LiDAR sensors, applied to the market of smart phones and wireless stereo headphones and other 3C products. These products are representative of this type of product.



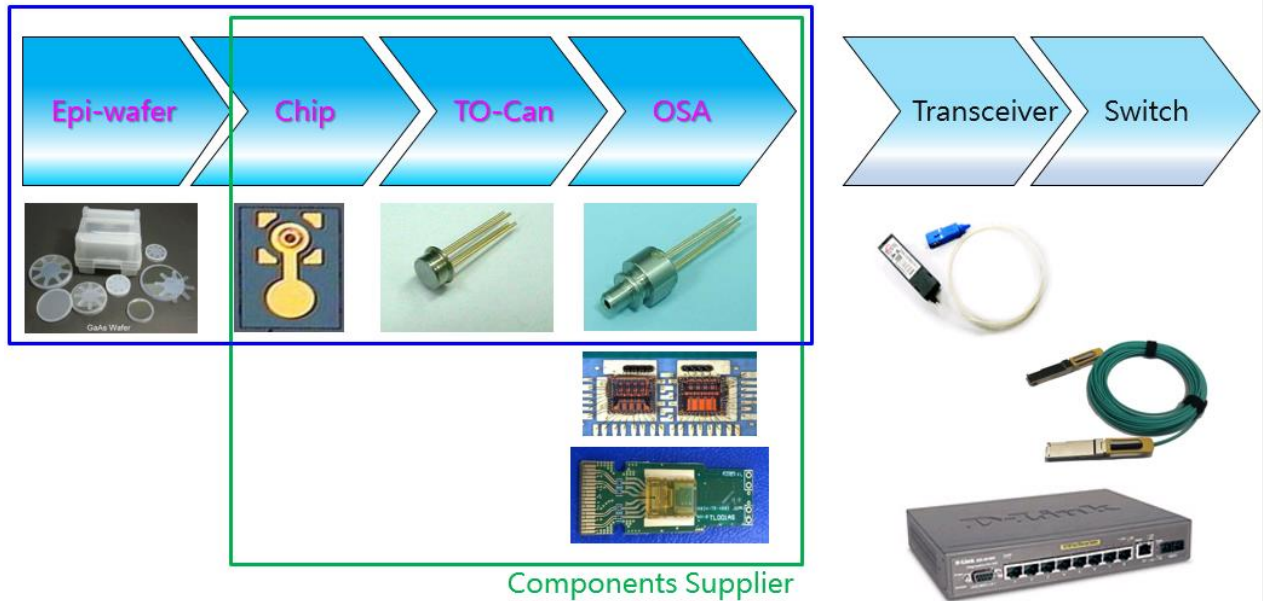
COB prototype with TrueLight's Standard 10 Gbps/ 25Gbps/ 56Gbps GaAs and VCSEL Array (For Non-Hermetic Application) and in-house High Precise Assembly Technology.

4.1.2.2 Relationships between the upstream, midstream, and downstream in the industry

TL positions itself as a professional component supplier and belongs to the midstream to upstream in the optical communication industry chain. We provide optical communication components (chips · TOs · OSAs · OSMs · BOSAs and COBs, etc.) to customers for assembling transceiver modules or AOC cables, which are then sold to downstream communication equipment manufacturers. We also provide ODM and OEM services for communication optical receiving and transmitting components.

In the application of consumer electronics (CE), Automotive Optical Communication · Light Detection and Ranging (LiDAR) and computer information (IT) products, we sell chips to customers who package them into various module types, which are then sold to downstream smartphone operators · 3C product manufacturers or Automotive optical communication manufacturers.

Our Supply Chain (major in Industry of Fiber-Optics)



4.1.2.3. Product Development Trends

With the rise of the internet markets, the demand for massive data centers and high-bandwidth last-mile networks is growing, and FTTH-related PON network technologies require low-cost, high-transmission efficiency long-wavelength (1270nm、1290nm、1310nm、1330nm、1490nm、1530nm、1550nm and 1610nm) fiber-optic transmission modules. At the same time, due to the trend of integrating data (Data)、audio (Audio) and video (Video), as well as the future Internet of Things (IoT) and the increasing demand for cloud network data access speed and data processing capacity, the market continues to grow for higher-capacity broadband networks. Furthermore, the future HDTV、3D TV、3G Wireless、4G/5G/6G LTE (Long-Term Evolution)、mobile communication 6G ecosystem and high-speed, high-capacity data centers (Data Center) and cloud computing will further drive the demand and growth momentum of optical communication components.

TrueLight has been continuously developing key chip-on-board (COB) technology for VCSEL、FP-LD、DFB-LD、PINTIA、APDTIA, and cloud computing Active Optical Cable (AOC), as well as prototype products and higher-density high-speed pluggable 100G QSFP28 SR4/ 200G QSFP-DD SR8、400G QSFP56-DD SR8 and 800G QSFP-DD SR8/1.6T products that are required. All products meet strict quality requirements for Datacom and Telecom industry standards and have been recognized by customers.

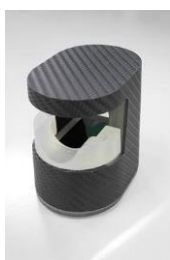
Poised to enter the supply chain of network service providers' data centers with its cutting-edge 200G、400G and 800G high-speed QSFP AOC. By delivering products with enhanced speeds, TrueLight is strategically positioned to seize opportunities in Silicon Photonics.

With VCSEL laser light source as the core technology, various VCSEL products are developed for sensor applications, such as proximity sensors、3D sensors、ToF (Time-of-Flight) distance sensors、LiDAR and other consumer applications, suitable for smart phones、wireless stereo headphones、eye-tracking、smart home appliances、

3C products, and Automotive Optical Communication. In addition, through the development process of biometric recognition technology, the laser and photovoltaic response technology related to the human body obtained from the development of biometric recognition technology will occupy a position in the future application of laser in biomedical photonics.



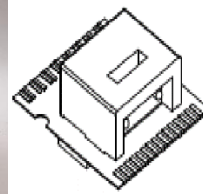
Biometric Authentication Device



palmar digital veins module



200G QSFP-DD SR8/ 100G~400G AOC / 400Gbps Parallel Optical Engine



4.1.2.4. Competitive situation

TL is the first company in the Asia-Pacific region to possess the research and development, manufacturing, and sales capabilities for both long-wave and short-wave products. The company is based in Taiwan and leverages its expertise in component development and production to manufacture high-quality and high-performance critical optical communication components, which are primarily used by the company itself, but also sold to countries such as the US, South Korea, Japan, and mainland China. The company also possesses fully automated packaging and testing equipment and technology with a large production scale, allowing it to market high-quality, high-performance, and competitive TO products to the major manufacturers in the optical communication market. It is worth mentioning that the PINTIA TO-46 and LD/DFB TO-56 produced by the company have a high market share in the global FTTX market.

In recent years, although components manufactured in China have made some gains in some low-speed and ultra-low-cost optical communication markets, the company continues to develop high-performance cutting-edge products, introduces advanced wafer manufacturing technology and machines, establishes its own MOCVD epitaxy technology, and improves its product research and development and manufacturing capabilities. The company also continues to manufacture high-quality and competitively priced products while strengthening its control over production costs, thereby enhancing the overall competitiveness of its products for customers and providing prompt engineering and customer support services.

4.1.3 An overview of the company's technologies and its research and development work

4.1.3.1 Expenses for R&D: Unit: NT\$ thousands

Year	Amount
2024	157,869
2025/1/1~2025/3/31	32,583

4.1.3.2 Research and Development Achievements of Patents

Date:2025/3/31

Country		Taiwan	USA	China	Japan	Total
Patents	Granted	24	24	17	5	70
	Applying	0	1	1	0	2

A. Total of Patent Rights in Taiwan, 24 Pieces

01. BI-DIRECTIONAL OPTICAL DEVICE FOR USE IN FIBER-OPTIC COMMUNICATIONS 【Patent No. I 365623】
02. AVALANCHE PHOTODIODE FABRICATING METHOD AND PHOTO MASK THEREOF 【Patent No. I 491057】
03. METHOD FOR FABRICATING OXIDE-CONFINED VERTICAL-CAVITY SURFACE-EMITTING LASER 【Patent No. I 497854】
04. TWO-PIECE CASING STRUCTURE OF TRANSCEIVER OPTICAL SUB-ASSEMBLY AND FABRICATION METHOD THEREOF 【Patent No. I 490581】
05. VERTICAL CAVITY SURFACE EMITTING LASER AND MANUFACTURING METHOD THEREOF 【Patent No. I 405379】
06. VERTICAL CAVITY SURFACE EMITTING LASER AND MANUFACTURING METHOD THEREOF 【Patent No. I 459670】
07. INPUTTING MODULE AND MOUNT THEREOF AND MANUFACTURING METHOD OF THE MOUNT 【Patent No. I 437477】
08. OPTICAL ORIENTATION MODULE AND LIGHT SOURCE UNIT THEREOF 【Patent No. I 504026】
09. EDGE EMITTING SEMICONDUCTOR LASER DEVICE, METHOD FOR MANUFACTURING THE SAME, AND CHIP BAR HAVING THE LASER DEVICE 【Patent No. I 573172】
10. TRANSCEIVER OPTICAL SUB-ASSEMBLY HAVING A POSITIONING CONNECTING MODULE AND METHOD FOR FABRICATING THE SAME 【Patent No. I 581028】
11. BIO-CHARACTERISTIC VERIFICATION DEVICE AND METHOD 【Patent No. I 536272】
12. A LASER CUTTING METHOD FOR SEMICONDUCTOR CHIP 【Patent No. I 603391】
13. ALIGNMENT JIG FOR OPTICAL LENS ARRAY 【Patent No. I 616691】
14. BEAM SHAPING LENS FOR COHERENT LIGHT SOURCE APPLICATIONS 【Patent No. M 500899】
15. OPTICAL MODULE OF THIN BIO-CHARACTERISTIC VERIFICATION DEVICE 【Patent No. I 557403】
16. OPTICAL COUPLING MODULE AND LIGHT COMMUNICATION APPARATUS USING THE SAME 【Patent No. I 667505】
17. STRUCTURE OF VCSEL AND METHOD FOR MANUFACTURING THE SAME 【Patent No. I 710187】
18. A RECEPTACLE COMPONENT FOR PIN AND A SOCKET HAVING THE RECEPTACLE COMPONENT 【Patent No. I 671956】

19. HIGH-SPEED MULTI-CHANNEL OPTICAL TRANSMITTER MODULE AND METHOD FOR FABRICATING THE SAME 【Patent No. I 729066】
 20. EDGE-EMITTING LASER HAVING SMALL VERTICAL EMITTING ANGLE 【Patent No. I 721167】
 21. STRUCTURE AND FABRICATING METHOD OF DISTRIBUTED FEEDBACK LASER 【Patent No. I 710186】
 22. BURN-IN TESTING MACHINE HAVING MONITORING DEVICE AND MONITORING METHOD THEREOF 【Patent No. I 760611】
 23. STRUCTURE OF VERTICAL CAVITY SURFACE EMITTING LASER 【Patent No. I 791116】
 24. SURFACE EMITTING LASER WITH HYBRID GRATING STRUCTURE 【Patent No. I 850279】
- B. Total of Patent Rights in U.S.A, 24 Pieces
- 01、METHOD FOR PRODUCING AN OXIDE CONFINED SEMICONDUCTOR LASER 【Patent No. US 7,416,930 B2】
 - 02、MULTIPLE FUNCTION THIN-FILM RESISTOR-CAPACITOR ARRAY 【Patent No. US 7,625,775 B2】
 - 03、BI-DIRECTIONAL OPTICAL SIGNAL TRANSMITTING AND RECEIVING DEVICE 【Patent No. US 7,364,374 B2】
 - 04、METHOD FOR FABRICATING OXIDE-CONFINED VERTICAL-CAVITY SURFACE-EMITTING LASER 【Patent No. US 8,679,873 B2】
 - 05、PACKAGING DEVICE FOR MATRIX-ARRAYED SEMICONDUCTOR LIGHT-EMITTING ELEMENTS OF HIGH POWER AND HIGH DIRECTIVITY 【Patent No. US 8,324,722 B2】
 - 06、PACKAGING DEVICE FOR MATRIX-ARRAYED SEMICONDUCTOR LIGHT-EMITTING ELEMENTS OF HIGH POWER AND HIGH DIRECTIVITY 【Patent No. US 8,786,073 B2】
 - 07、PACKAGING DEVICE FOR MATRIX-ARRAYED SEMICONDUCTOR LIGHT-EMITTING ELEMENTS OF HIGH POWER AND HIGH DIRECTIVITY 【Patent No. US 8,786,074 B2】
 - 08、VERTICAL CAVITY SURFACE EMITTING LASER AND MANUFACTURING METHOD THEREOF 【Patent No. US 8,530,358 B2】
 - 09、INPUTTING MODULE AND SUBMOUNT THEREOF AND MANUFACTURING METHOD OF THE SUBMOUNT 【Patent No. US 8,658,961 B2】
 - 10、OPTICAL INPUTTING MODULE OF AN ELECTRONIC DEVICE FOR

SENSING MOVEMENT OF OBJECT AND ITS LIGHT SOURCE UNIT

【Patent No. US 8,653,438 B2】

11、BIOMETRIC AUTHENTICATION DEVICE AND METHOD

【Patent No. US 9,245,164 B2】

12、BIOMETRIC AUTHENTICATION DEVICE AND METHOD

【Patent No. US 9,830,498 B2】

13、CHIP ARRAY STRUCTURE FOR LASER DIODES AND PACKAGING DEVICE FOR THE SAME 【Patent No. US 9,293,893 B2】

14、ALIGNMENT JIG FOR OPTICAL LENS ARRAY

【Patent No. US 9,400,358 B2】

15、THIN OPTICAL IMAGING MODULE OF A BIOMETRIC APPARATUS

【Patent No. US 9,854,141 B2】

16、STRUCTURE OF VCSEL AND METHOD FOR MANUFACTURING THE SAME 【Patent No. US 9,929,536 B1】

17、STRUCTURE OF VCSEL AND METHOD FOR MANUFACTURING THE SAME 【Patent No. US 10,122,152 B1】

18、HIGH-SPEED MULTI-CHANNEL OPTICAL TRANSMITTER MODULE AND METHOD FOR FABRICATING THE SAME

【Patent No. US 10,191,236 B2】

19、EDGE-EMITTING LASER HAVING SMALL VERTICAL EMITTING ANGLE
Patent No. US 10,014,663 B1】

20、EDGE-EMITTING LASER HAVING SMALL VERTICAL EMITTING ANGLE
Patent No. US 10,522,974 B2】

21、STRUCTURE AND FABRICATING METHOD OF DISTRIBUTED FEEDBACK LASER 【Patent No. US 10,581,223 B2】

22、STRUCTURE OF VERTICAL CAVITY SURFACE EMITTING LASER
【Patent No. US 11,831,125 B2】

23、SURFACE EMITTING LASER WITH HYBRID GRATING STRUCTURE
【Patent No. US 11,791,609 B2】

24、SURFACE EMITTING LASER WITH HYBRID GRATING STRUCTURE
【Patent No. US 11,967,800 B2】

C. Total Of Patent Rights in China, 17 Pieces

01. OPTICAL TRANSCEIVER MODULE FOR OPTICAL FIBER COMMUNICATION 【Patent No.1427547】

02. VERTICAL CAVITY SURFACE EMITTING LASER AND MANUFACTURING METHOD THEREOF 【Patent No. 1292231】

03. VERTICAL RESONANT CAVITY SURFACE EMITTING LASER AND MANUFACTURING METHOD THEREOF 【Patent No. 1385148】
04. INPUT MODULE, BASE THEREOF AND MANUFACTURING METHOD OF BASE 【Patent No. 1781626】
05. OPTICAL POINTING MODULE AND LIGHT SOURCE UNIT THEREOF 【Patent No. 1974915】
06. EDGE-EMITTING SEMICONDUCTOR LASER ELEMENT, MANUFACTURING METHOD THEREOF AND CRYSTAL BAR WITH EDGE-EMITTING SEMICONDUCTOR LASER ELEMENT 【Patent No. 1641237】
07. BIOMETRIC IDENTIFICATION DEVICE AND METHOD 【Patent No. 3057490】
08. LASER DIODE ARRAY CRYSTAL GRAIN STRUCTURE AND PACKAGING DEVICE THEREOF 【Patent No. 2991233】
09. LASER CUTTING METHOD FOR SEMICONDUCTOR WAFER 【Patent No. 3226968】
10. ACTIVE LIGHT COUPLING FIXTURE IN ARRAY LENS DEVICE 【Patent No. 2449399】
11. OPTICAL IMAGING MODULE OF THIN BIOLOGICAL IDENTIFICATION DEVICE 【Patent No. 3908453】
12. PIN PLUG ELEMENT AND SOCKET WITH SAME 【Patent No. 3808465】
13. HIGH-SPEED MULTI-CHANNEL OPTICAL TRANSCEIVER MODULE AND PACKAGING METHOD THEREOF 【Patent No. 4253481】
14. EDGE-EMITTING LASER ELEMENT WITH SMALL VERTICAL EMISSION ANGLE 【Patent No. 4590982】
15. DISTRIBUTED FEEDBACK LASER STRUCTURE AND PRODUCTION METHOD 【Patent No. 4067688】
16. VERTICAL RESONANT CAVITY SURFACE EMITTING LASER STRUCTURE 【Patent No. 5971646】
17. SURFACE EMITTING LASER ELEMENT WITH MIXED GRATING STRUCTURE AND MANUFACTURING METHOD THEREOF 【Patent No. 6090894】

D. Total Of Patent Rights in Japan, 5 Pieces

01. 酸化物閉じ込め型の垂直共振器型面発光半導体レーザの製造方法
METHOD FOR PRODUCING AN OXIDE CONFINED SEMICONDUCTOR LASER 【Patent No. 特許 4852305】
02. 二つのスタックを備えた酸化物閉じ込め型の垂直共振器型面発光半導体レー

ザ装置
DUAL PLATFORM SEMICONDUCTOR LASER DEVICE

【Patent No. 特許 4988193】

03. 生体認証装置及び生体認証方法
BIOMETRIC AUTHENTICATION DEVICE AND METHOD
【Patent No. 特許 5851385】
04. 薄型生体認証装置の光学結像装置
THIN OPTICAL IMAGING MODULE OF A BIOMETRIC APPARATUS
【Patent No. 特許 6462385】
05. 光結合構造及び光通信装置
OPTICAL COUPLING MODULE AND LIGHT COMMUNICATION APPARATUS
USING THE SAME 【Patent No. 特許 6335240】

E. Patent pend., 2 Pieces

01. BURN-IN TEST MACHINE WITH MONITORING DEVICE AND MONITORING METHOD THEREOF
【Patent Application No.201910425443.8】
02. SURFACE EMITTING LASER WITH HYBRID GRATING STRUCTURE
【Patent Application No.18/427,644】

4.1.4 Short and Long-Term Business Development Plan

4.1.4.1 Short-term Plan

- A. Promote new products and technologies to existing customers, increase the variety of product transactions with customers and immediately develop products according to customer needs in order to stabilize long-term relationships with customers.
- B. Design high-speed optical sub-module components to meet customers' needs for development cost and timeliness in receiving and transmitting optical module products.
- C. Actively establish overseas service centers, develop potential markets and customers, and enhance operational performance.
- D. Actively participate in international commercial exhibitions to expand sales channels, quickly gather industry information, and enhance marketing ability.

4.1.4.2 Long-term Plan

- A. Continuously strengthen the development capability of optical communication products and technologies, pay attention to the future development trend of the industry and product demand, so as to better meet the growth needs of each customer.
- B. Long-term training of reserve research and development, technical, business, and management personnel to enhance human capital and solidify the company's potential for development.
- C. Develop a diverse application market using existing optical and electronic component technology.
- D. Continuously improve production capabilities, increase product yield and effectively reduce costs.

4.2 Market and Sales Overview:

4.2.1 Market Analysis

4.2.1.1 Major Selling Product:

In the year of 2024, the main revenue of fiber optics application is come from metal-can (TO) and optical sub-assemblies (OSA) product. The two types of products were sold to BOSA or Transceiver manufacturer and provided to worldwide equipment and system suppliers. The consumer products are mainly sold in chips, which are delivered to the Sensor module manufacturer then provided to mobile phone and true wireless blue-tooth headset manufacturers. TrueLight's product are key optical component and end market is worldwide fiber optics and sensor market. The market is diverse with different application, so there is low risk of excessive concentration and able to lower the impact of seasonal demand changes.

The company's 2024 domestic/export sales ratios are approximately 45.86% and 54.14%. The sales ratio of each regional market is shown in the table below:

Geographic areas		Year	2024	
			Amount (Unit: NT\$ thousands)	%
Export	China		56,928	9.92%
	Others in Asia		111,309	19.40%
	Europe and America		142,414	24.82%
Domestic - Taiwan			263,101	45.86%
Total			573,752	100.00%

4.2.1.2 Major Selling Market

TrueLight is a leading manufacturer of optical communication components, providing various types of high-quality components. Customers are main manufacturers of optical communication modules, located in Japan, South Korea, China and Taiwan. In recent years, the popularization of service content created more demand of bandwidth, many governments treat optical communication is important infrastructure and expand the investment. In addition, due to the popularity of smart phones and mobile devices, 3G/4G/5G base stations became the necessary basic construction and the rise of artificial intelligence will also drive a wave of demand for bandwidth which led the growth of optical communication components.

TrueLight major product is for fiber optical communication, the product can meet the demand of fiber optical network construction of Taiwan, Japan, South Korea, China, European and American markets. Besides, TrueLight has also actively developed consumer product in recent years and successfully introducing proximity sensor into mobile phones and true wireless Bluetooth earphones and other applications such as TOF for several international manufacturers. The success is helpful to expand the new application market. With the trend of increasing screen ratio and screen resolution of mobile phones, there is a demand for thinner and more sensitive components. Compared with traditional LEDs, lasers will have more significant advantages in packaging size, better S/N ratio and lower power consumption, so the future demand will be expected.

FTTX became the major fixed network solution around the world, markets in the Asia-Pacific region such as Japan and South Korea currently use GE-PON solution; Europe and America regions, India markets, and China markets use GPON as major solution. And the demand of XG-PON and XGS-PON are gradually increasing, and large-scale deployments have started in China, Europe and the United States. The FTTX solutions is gradually replace the xDSL and became the major network construction. With the popularization of mobile devices such as smart phones and handy deice, more user is relying on online content service. The telecom operators will have strong intension to increase the investment of 4G/5G networks so the growth of global mobile broadband is expected.

As far as the development of FTTX in Taiwan, Chunghwa Telecom is a leading domestic manufacturer, also mainly promotes fiber-to-the-home services. The plan to increase bandwidth has been a firm policy of governments around the world. In addition, the development of cloud applications has also driven strong demand for data computing centers. TrueLight has the ability to produce laser (VCSEL) and photodetector (PIN) for this application with mass production capability from Chip, TO to OSA. The market is expected to growth in the future.

4.2.1.3 Competition analysis:

A. Advantage:

TrueLight is a leading manufacturer in the design, and manufacture optical component. We are familiar with market and application. We are devoting in the fiber optics market for over 20 years. As a result of our efforts, TrueLight not only won the Year 2000 Outstanding Optoelectronic Product Award in Taiwan for "surface-emitting laser diode", but also was invited to hold a speech at the internationally renowned exhibition Photonics West, which received a lot of response from the business community. These activities prove and recognize Taiwan's position in the research, development and manufacturing of VCSEL and related laser products.

a. Great market potential:

The optical communication construction has been identified as important national infrastructure by governments of various countries. With the popularity of mobile devices, coupled with the rise of cloud applications and artificial intelligence, the demand for bandwidth will continue to increase. TrueLight has developed in this industry for a long time, has a complete product line and strong relationship with customers with good market reputation. Furthermore, compared to well-known manufacturers in the United States and Japan, TrueLight also has the cost advantage, which also increases the chances of OEM/ODM business with foreign manufacturers.

b. Own Production Line:

TrueLight own factory with more than 5,000 pings, which has the flexibility to expand the capacity at any time according to the market and business situation. TrueLight self-owned production line is complete from the wafer process, TO packaging to the Optical sub-module assembly, the production technology can fully meet customer needs. In recent years, in order to strengthen the competitiveness of TO and OSA product lines, we have established stable outsourcing (subcontract) partners in mainland China to provide a strong logistics system with flexible delivery.

c. Strong professional talent and R&D capability:

TrueLight main management team are come from early founder and professional managers in the industry, devoting for stable and healthy growth of the company. In respect of professional talent, TrueLight has strong technical team from epitaxy growth,

device manufacturing, characteristic measurement, TO packaging, and reliability testing, TrueLight team has strong knowledge for the product and market, that is also the reason why TrueLight can take the good market place in the industry for over 20 years.

d. The diversity of products:

TrueLight not only provides high-quality VCSEL (surface-emitting laser), FP/DFB laser, high-speed PD/APD photodetector chip and array but also provides corresponding assembly platform such as TO-46, TO38, TO-56, OSA and COB package, which demonstrates the technical strength of TrueLight, is also a strong foundation for building customer trust. In addition to selling our own brand products, TrueLight's strength also attract OEM/ODM customers for strategic alliance. In recent years, besides the fiber optics and VCSEL(surface-emitting laser) for consumer application market, TrueLight is also collaborating with well-known domestic and international companies to provide OEM/ODM services for CW Laser (Continuous-Wave Lasers) and automotive LiDAR. This allowed us to share the large-scale business opportunity of AI data center optical communications, silicon photonics, and autonomous driving.

B. Disadvantage:

a. Price Pressure:

With the advancement of technology; the increasing of market demand and competition. The price of modules for fiber optical communication continues to decline. TrueLight is not only improving automation but also continuously developing and improving process technologies to further save manpower, operation time, materials cost, etc. These efforts are able to reduce product costs, accelerate output efficiency, and increase output yield. TrueLight commits to customers for on-time delivery with good quality to increase customer satisfaction. On the other hand, TrueLight is also investing new high-tech production line to develop better value-added products and minimize the impact of low-price competition in the market.

b. Lack of high-tech labor

The optical communication industry is already a star industry with great potential in Taiwan. However, the government focuses on supporting the semiconductor industry, which makes the difficult to recruit new talents in optical communication technology. In the long term, it may affect our R&D training plan and increase the overall R&D cost. TrueLight actively participates in the recruit plan of the Ministry of the R&D substitute service, it has been able to obtain quotas every year to enrich our R&D manpower. Besides, TrueLight also encouraged employees to attend internal and external education and training course to improve the professional skills of employees. TrueLight also has various welfare measures and employee dividends, so that employees can share the results of profit. These activities are able to gather the centripetal force of company member.

c. The risk of Exchange Rate Changes:

TrueLight's quote is mainly in US dollars, and the receipt of payment is also affected by international exchange rate fluctuations, which in turn affects the revenue and gross profit of the product. For domestic company who quote in U.S. dollars, also pay in U.S. dollars to reduce the exchange risk of converting into Taiwan dollars. On the other hand, our financial team will always pay attention to the change in exchange rates, and will use financial instruments to conduct hedging operations if necessary to ensure the operation interests of the group.

4.2.2 The important application and product manufacturing process of major products

4.2.2.1 Important application

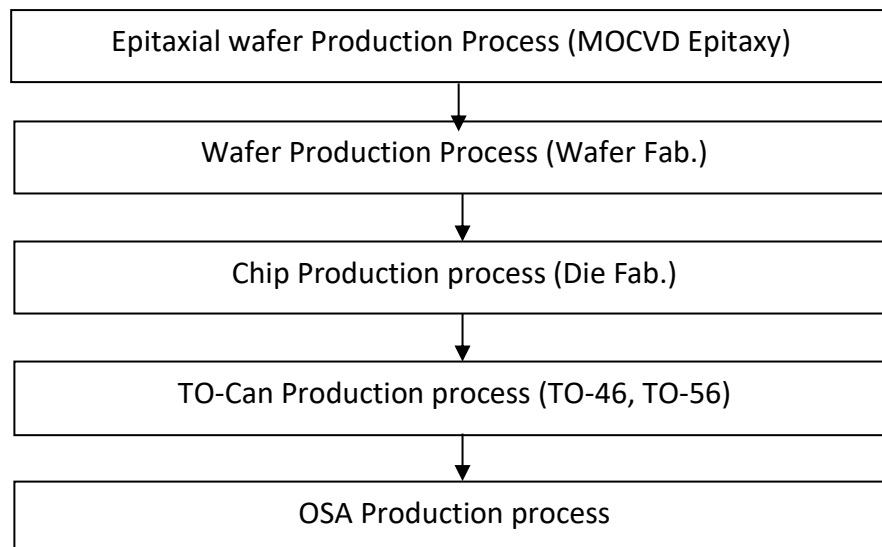
TrueLight, based on core technologies such as vertical cavity surface emitting lasers

(VCSELs), edge-emitting lasers (FP/DFBs), and photodetector components (GaAs PIN, InGaAs PIN, InGaAs APD), has developed various optical and photonic components and sub-modules suitable for fiber optic communication applications (Chip, TO, and OSA product lines). In recent years, the company has continued to actively develop products for 4G LTE, 5G base station transmission, the needs of new-generation broadband fixed networks, as well as high-speed products for the cloud and data center (COB, QSFP, AOC), and also expanded business opportunities such as wafer foundry for Silicon Photonics application, becoming a new wave of growth.

In addition, TrueLight has also successfully developed VCSEL components of different power levels, used in security and monitoring, vein recognition systems, smartphone proximity sensors, 3D sensing and eye-tracking applications in consumer electronics, and has completed customer validation and begun production. Furthermore, the company has actively laid out and developed its own VCSEL wafer and successfully applied it to consumer VCSEL products and high-speed VCSEL products, with the goal of developing more diverse photonic applications as a long-term development objective for the company.

4.2.2.2 Product manufacturing process

Our production process are as follows. Each product can be sold separately or be put into downstream applications as the final product.



4.2.3 Supply situation for the company's major raw materials.

The company's main raw materials are III-V compound semiconductor epitaxial wafers, TO packaging metal seats, integrated circuits (TIA, etc.), precious metals, resistors, capacitors, and flexible printed circuit boards.

The company chooses suppliers with stable supply and high quality; suppliers are distributed in Taiwan, Germany, the United States, Japan, South Korea, Singapore and China.

The company has cooperated with domestic and foreign suppliers for many years and has maintained a good cooperative relationship. For important raw materials, we adopt a decentralized procurement method to achieve the stability and autonomy of the supply of goods, and the supply status is good. For the quality of incoming materials and supplier management, quality inspection is carried out in accordance with ISO 9001, ISO 14001 and ISO45001 policies, which meet international standards.

4.2.4 A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from

(sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

4.2.4.1 Information on Major Suppliers for the Most Recent 2 Years :

Unit: NT\$ thousands

Item	2024				2023			
	Name	Amount	% of annual net purchases	Relationship with the issuer	Name	Amount	% of annual net purchases	Relationship with the issuer
1	SM002	24,779	24	None	AL006	33,786	23	None
2	KS005	17,314	17	None	KS005	22,933	16	None
3					SM002	17,701	12	None
4					LY002	15,872	11	None
	Others	59,629	59		Others	57,525	38	
	Net purchases	101,722	100		Net purchases	147,817	100	

Reasons for increase or decrease: There were no significant changes in the last two years.

As of the date of printing of the annual report, there has been no financial information that has been audited or reviewed by certified accountants for 2025.

4.2.4.2 Information on Major Customers for the Most Recent 2 Fiscal Years

Unit: NT\$ thousands

Item	2024				2023			
	Name	Amount	% of annual net sales	Relationship with the issuer	Name	Amount	% of annual net sales	Relationship with the issuer
1	E0113	102,067	18	None	E0113	100,028	16	None
2	AC012.1	66,371	12	None				
-	Others	405,314	70		Others	530,238	84	
-	Net sales	573,752	100		Net sales	630,266	100	

Reasons for increase or decrease: There were no significant changes in the last two years.

As of the date of printing of the annual report, there has been no financial information that has been audited or reviewed by certified accountants for 2025.

4.3 Human Resources:

The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels (including the percentage of employees at each level)

Date:2025/3/31

Year		2024	2023	2025/3/31
Number of employees	Operators	138	137	133
	Engineering Staff	124	153	123
	Management Staff	55	69	55
	Total	317	359	311
Average age		43.41	42.00	43.68
Average years of service		12.93	11.77	12.67

Education distribution percentage (%)	Ph.D.	2.21%	2.51%	2.25%
	Master's degree	12.30%	12.26%	13.83%
	College	51.73%	49.58%	49.52%
	Senior high school	25.87%	27.58%	27.00%
	Below senior high school	7.89%	8.07%	7.40%

4.4 Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. : None

4.5 Labor relations

4.5.1 List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

4.5.1.1 Employee welfare measures and implementation

A. Employee welfare measures and implementation: In accordance with Labor Insurance Act and National Health Insurance Act, the Company handles all insurance matters, provides group insurance for employees, and conducts regular health check-ups for employees. The Company has an Employee Welfare Committee to execute employee welfare matters and provide a variety of welfare measures, including Mid-Autumn Festival gifts, birthday, wedding, maternity cash gifts, and hospitalization, funeral condolence money, and other activity subsidies, etc. The Company organizes recreational activities such as charity bazaars and basketball shooting competitions, and provides subsidies and space for social activities to promote physical and mental health and enhance communication among colleagues. An employee stock ownership association was established in March 2025 to handle the employee stock ownership trust.

B. In order to take care of the employees, the Company provides meal subsidies, implements employees health checks and provides on-site health services. In addition, the Company hires visually impaired masseurs to provide free massage services to employees to help them relieve stress and relax.

4.5.1.2 Employee continuing education, training and implementation status

Various types of education and training courses, such as new employee training, professional knowledge and skills training, supervisor training were offered in accordance with the development needs of employees and the company, providing subsidies to employees for participating in the training courses organized by training institutions, and rewarding employees for participating in the continuing education for degrees issued by the school.

Category	Number of sessions	Total person-times	Total hours
Supervisory skills training	5	40	70
Health promotion course	1	125	375
Professional skills training	45	333	900
Liberal education on the job training	9	563	732.5
On-the-job Training for new recruits	7	21	136
Total	67	1,082	2,213.5

4.5.1.3 Retirement system and its implementation status

A. The company's retirement system is handled in accordance with the provisions of the Labor Standards Act and the Labor Pension Act.

- a. The company's retirement system is all handled in accordance with the provisions of the Labor Standards Act. For those who have seniority under the old system, pensions under the old system were settled in 2016 through a labor/management agreement, and all the procedures have been completed with the pension dedicated account with the Bank of Taiwan having been settled.
- b. In accordance with the Labor Pension Act, the company formulated the retirement guidelines with the defined contribution scheme in July 1, 2005, which is applicable to employees of Taiwan nationality. For employees who select to adopt the labor pension system stipulated in the Labor Pension Act, the company will contribute 6% of the monthly salary as the labor pension to the employee's personal account with the Bureau of Labor Insurance on a monthly basis.

B. Zhuhai FTZ ProRay Optoelectronics Technology Co., Ltd., allocates the pension insurance funds in accordance with a certain percentage of the total salary of local employees every month in accordance with the pension insurance system stipulated by the government of the People's Republic of China.

4.5.1.4 Labor-management agreement situation

The company's labor and management get along well, and the communication channels are smooth. The opinions of the labor can be valued by the management and quickly resolved. Therefore, the relationship between the labor and management is harmonious, and there are no major labor disputes.

4.5.1.5 Protection measures for the workplace and personal safety of employees:

A. Occupational safety and health management

- a. Established the Occupational Safety and Health Management Unit in accordance with the law, staffed with occupational safety and health management personnel.
- b. Establish an Occupational Safety and Health Management system in accordance with the law.

B. Access control security

- a. Installed with access control card swiping system.
- b. Installed with image monitoring system.
- c. Hired full-time security personnel and security guards dispatched by the security company to maintain the safety of the factory 24 hours a day.

- C. Maintenance and inspection of equipment
 - a. Carry out fire equipment maintenance and building public safety inspections every year in accordance with fire protection and building laws and regulations.
 - b. Factory staff conduct daily patrol inspections to ensure equipment safety.
 - c. Carry out regular inspections of relevant equipment in accordance with occupational safety laws.
- D. Disaster prevention measures and response
 - a. The emergency response management procedures were formulated for factory-wise emergency response grouping, and to conduct fire protection and emergency response drills every six months.
 - b. The hazardous event management procedures were formulated to implement handling as well as investigation and analysis of occupational disasters.
 - c. The hazard identification and risk assessment management procedures were formulated to conduct annual assessments for operational safety.
 - d. The emergency response equipment is in place to ensure that there would be sufficient emergency response equipment in case of emergency.
 - e. The safety and health protective equipment is in place in accordance with the law to ensure that personnel can be fully protected during operations.
- E. Health management
 - a. The modern nursing rooms, medical rooms and full-time nursing staff are in place to provide health care services, health advocacy and consultation, as well as emergency medical treatment.
 - b. The special occupational medical doctor regular visits the factory to provide health services with the law.
 - c. Provide physical exams for new recruits, regular health checks for current employees, and health checks for special operations.
 - d. Set up first aid personnel in accordance with the law to provide first aid treatment for personnel for each shift and in each region.
 - e. We organize health lectures, health promotion activities, monthly health information advocacy, and provide correct health education and follow-up care as well as tracking in accordance with employee physical condition.
 - f. Employee health and care: Maternal risk assessment, abnormal workload assessment and psychological counseling for employees to take care of the physical and mental health of each employee.
- F. Control of environmental hazard factors in workplaces
 - a. Understand the actual working environment of workers in the workplace and evaluate workers' exposure to the working environment, and adopt planning, sampling, monitoring and analysis. In order to protect workers from harmful substances in the workplace and provide them with a healthy and comfortable working environment, we conduct workplace environment monitoring twice a year to gradually understand the actual exposure status of workers.
- G. Insurance and medical condolence money:
 - a. Take out labor insurance (including occupational accident insurance) for employees, health insurance, and free group insurance for employees, life insurance, first diagnosis cancer insurance, accident insurance, accident medical insurance, hospitalization medical insurance, and cancer medical insurance.
 - b. For group insurance, we also provide additional insurance for employees' family members. Different insurance contents are provided in accordance with the target to enjoy preferential premium rates, including life insurance, first diagnosis cancer

insurance, accident insurance, accidental medical insurance, hospitalization medical insurance, and cancer medical insurance.

H. Mental health:

- a. Communication and complaint channels: We hold employee forums from time to time, and convene regular labor-management meetings. Employees may express their opinions through e-mail, general letters, telephone calls, etc.
- b. Advocacy on the prevention of unlawful infringements in the performance of duties: We formulated a prevention plan for unlawful infringements in the performance of duties as well as complaint handling channels, and disclose them publicly.

4.5.1.6 Employee Code of Conduct or Ethics:

In order to enable employees to understand and follow the code of conduct, rights, obligations and workplace ethics of employees, the company has formulated employee handbooks and rules. In addition to internal disclosure of relevant rules, employee handbooks will be provided when new employees report for duty. We also organize education and training for new employees to help employees understand the norms.

The main contents of the guidelines and codes are as follows:

- A. Formulated work rules: stipulating the rights and obligations of both employers and employees to promote employees to work together with concerted efforts, improve the company's organization and management, and abide by government regulations.
- B. The recruit of employees is based on the needs of the company's business, combined with personal expertise, knowledge, and skills, so that employees can be placed in the right position as they are talented for, and to develop their potential and contribute their enthusiasm.
- C. Performance appraisal guidelines: The company implements performance appraisal operations based on employee performance as the basis for duty assignments, rank promotions, salary adjustments, and training and development.
- D. Attendance of employees and requests for leaves: In order to establish good discipline and improve work efficiency, employees shall abide by the company's attendance, leave, and vacation rules.
- E. Clear reward and punishment guidelines: In order to allow employees to follow the reward and punishment rules and achieve the effect of motivation or vigilance, the company has formulated reward and punishment guidelines to regulate the ethical and moral conduct of employees.
- F. Sexual harassment prevention and handling measures: In order to maintain gender equality in work and strictly prohibit sexual harassment in the workplace, the company not only clearly stipulates the norms in the work rules, but also announces relevant laws and regulations as well as the complaint channels on the company's internal website so as to regulate employee conduct in the workplace.
- G. Employees shall abide by the computer use rules, which are clearly stipulated in the employee handbook, strictly prohibiting the use of unauthorized reproduced software and illegal software, and requiring employees to pay attention to and check the legality of software on computer hard disks used on a constant basis.
- H. Confidential document control and business secret agreement: In order to ensure the company's business interests and maintain the company's information security, employees shall have the obligation to strictly keep confidential the company's business secrets, and sign a personnel work contract when new recruits report for duties so as to ensure that they understand the related company rules.
- I. The company has formulated work rules and codes of conduct for employees regarding severance and resignation, retirement, occupational accident compensation and

condolence money, as well as welfare measures.

J. Employees shall take good care of company supplies and not arbitrarily damage or waste them. There are also instructions for the use of public environments. The company regularly advocates and formulates management rules to remind employees to jointly maintain the public environment and use order.

K. Clearly formulated the ethical corporate management policy and other norms to properly implement the ethical corporate management policy, and the company's employees shall abide by the code of conduct when performing their duties. Unethical conduct shall be prohibited.

4.5.2 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. :

4.5.2.1 Since the establishment of the company, the relationship between labor and management has been harmonious, and no loss has been incurred due to labor disputes. It is estimated that the possibility of losses due to labor disputes in the future is extremely low.

4.5.2.2 Current and future possible losses

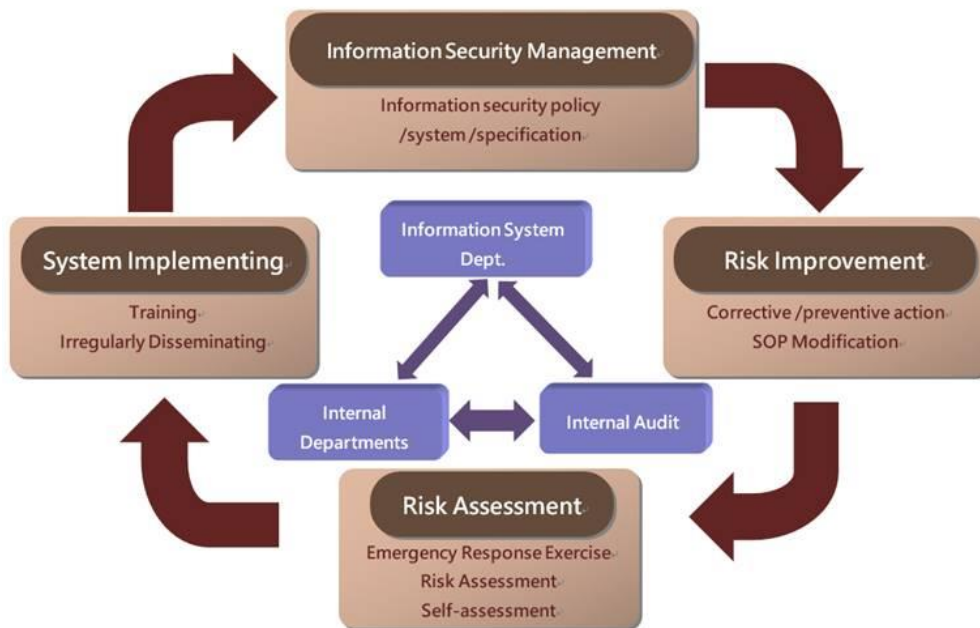
The company attaches great importance to employee opinions, and provides a variety of channels (e.g., employee suggestion boxes, opinion survey forms, employee forums, and labor-management meetings) to promote labor and management relations and in-depth understanding of employees' satisfaction level with management and welfare systems, so as to maintain good labor-management relations. The company's labor-management relationship is good, and labor and management have reached a consensus, and therefore there are no labor disputes and related losses.

4.5.2.3 Response measures: N/A.

4.6 Cyber security management :

4.6.1 Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

4.6.1.1 Framework of Information Security Risk Management



The company's Information System Department is the dedicated unit in charge of information security. The head of the Information System Department serves as the information security supervisor, who appoints 2 persons who are familiar with the field in information security to perform tasks of information security. The Information System Department is in charge of formulating the company's information security policy, planning and implementing information security operations, as well as promoting and implementing the information security policy. In 2024, the company published 10 pieces of messages of information security on the internal webpage from time to time for employees to refer to; we also timely guide users on how to distinguish the authenticity of emails so as to strengthen the importance of employee information security, preventing malicious hackers from inserting computer viruses, destructive software or ransomware into the company's network system to steal confidential information and affect company operations.

The internal auditors regularly audit the implementation status of information security and report them to the Board of Directors. Once any deficiencies are found, they immediately request the inspected unit to propose improvement plans and specific actions, track the improvement results, so as to reduce internal and external information security risks. The internal audit supervisor of the company submitted the audit report to each independent director on 2024/11/30, and submitted the audit results to the Board of Directors on 2025/3/7.

In addition, as information security insurance involves information security level inspection institutions, claims verification institutions, claim settlement conditions, scope, and related supporting measures, before the assessment is completed, the information security protection mechanism will still be strengthened in accordance with the company's Information Security Policy.

4.6.1.2 Cyber security policy

- A. Ensure the confidentiality of the company's business secrets and important customer information.
- B. Ensure the availability and integrity of information applications and support services as

well as equipment for core operations.

- C. Ensure the effectiveness and continuity of the information security management mechanism.

In order to ensure the sustainable development of the enterprise and fulfill our commitments to customers, the company has formulated the company information security policies, operating norms and guidelines so as to improve information risk management, strengthen information security management mechanisms, implement information security protection, improve information security standards, and enable all related company personnel of each unit and important cooperative partners to follow the norms.

4.6.1.3 Specific management plan and resources invested in cyber security management

- A. Information architecture inspection

Check whether the measures taken in relation to the ongoing operation are appropriate: Check whether there is a single point of failure risk in the structure and maintenance mechanism of the measures taken; conduct risk analysis on the suitability of the continuous operation of the business, and propose the results and suggestions of the information architecture security assessment.

- B. Network activity inspection

Check device access records and account permission settings:

Whether the access records of network equipment, information security equipment and servers, the authorization of account permissions and the monitoring mechanism conform to the internal control operating rules; use the principle of least privilege to check the account permissions and access records of equipment, servers, etc., and identify abnormal records and confirm the warning mechanism.

- C. Detection of network equipment, servers and user terminal equipment

Vulnerability scanning and patching operations

Regularly or timely conduct vulnerability scans of network equipment, servers, and user terminal equipment, and improve and patch the discovered vulnerabilities. Assess the scope of the vulnerability scanning operation, the operation mode, the improvement plan and patching status of the vulnerability, and provide evaluation suggestions for the scanning results. Find out possible vulnerabilities and loopholes in the structure, improve and patch them, and focus on reducing overall information security risks.

Continue participating in the Science Park Information Sharing and Analysis Center (SP-ISAC), share information security intelligence and integrate with international information security technology through research and analysis, and information personnel participate in technical training, personnel training, and seminars held by the unit from time to time and assist in information security drills, so that the company can grasp the latest attack methods and propose countermeasures to achieve early warning, improvement and other protection goals, so as to strengthen internal information security management and protection capacity.

The company joined the Taiwan CERT_CSIRT alliance in 2022 to obtain information security consultation and exchange of information from related enterprises on a constant basis, and integrated this intelligence with our internal firewall for coordinated defense. In 2024, the responsible information security officer and personnel completed and obtained certifications for three courses: "Information Security Awareness, Essential Knowledge, and Responsibilities," "Cybersecurity Incident Explanation and Preventive Measures," and "Guidelines for Information Security Management of Listed and OTC Companies," after attending lectures and passing the exams.

- D. Security settings inspection

- Server security policy settings
 - a. Set a strong password and keep it in a safe place and require frequent changes.
 - b. Turn off the server insecure protocol.
 - c. USB control.
 - d. The server audit log is kept for future reference.
 - e. Remote desktop connection control.
 - f. Establish a complete firewall.
 - g. The system is updated in real time
- E. Internet fraud protection
 - a. Regularly advocate and continuously remind employees to pay attention to messages on Internet fraud.
 - b. Cooperate in information security software or equipment to intercept as much as possible in advance on the company's edge network.
 - c. Continue to conduct education and training to strengthen employees' understanding of the risks of email fraud, enhance employees' crisis awareness of social engineering fraud, reduce risks and losses caused by social engineering fraud, and achieve the purpose of protecting customer information and important operational information and services.

4.6.2 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.: None.

4.7 Important contracts :

Important contracts

Nature of Contract	Parties	Beginning and End Dates of Contract	Major Content	Restrictive clauses
Long-term loan	Hua Nan Commercial Bank	2024/7/8~ 2026/7/8	Unsecured Loan	None
Land lease	Hsinchu Science Park Bureau, National Science and Technology Council	2020/8/8~2039/12/31	1. Lease a piece of public land in the park to the company. 2. The rent is paid once a month. During the lease period, the land lease fee can be adjusted at any time in case of relevant laws and regulations.	None

5.Review of Financial Conditions, Operating Results, and Risk Management

5.1 Financial Position

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	643,382	669,688	(26,306)	(4)
Property, Plant and Equipment	397,458	419,976	(22,518)	(5)
Other assets	196,944	214,942	(17,998)	(8)
Total assets	1,237,784	1,304,606	(66,822)	(5)
Current Liabilities	137,108	390,282	(253,174)	(65)
Long-term Liabilities	87,823	101,717	(13,894)	(14)
Other Liabilities	102,636	108,885	(6,249)	(6)
Total Liabilities	327,567	600,884	(273,317)	(45)
Capital	1,114,747	964,747	150,000	16
Capital Surplus	306,311	342,417	(36,106)	(11)
Retained Earnings	(453,344)	(556,511)	103,167	(19)
Other equity	(10,584)	(15,643)	5,059	(32)
Non-controlling interest	(46,913)	(31,288)	(15,625)	50
Total Equity	910,217	703,722	206,495	29

1. Analysis of the difference greater than 20% in the last 2 years :

- 1.1 Current Liabilities and **total Liabilities** decrease : Mainly due to the repayment of short-term loans in 2024.
- 1.2 Other equity decrease : Mainly due to foreign currency exchange differences in 2024.
- 1.3 Non-controlling interest decrease : Mainly due to the increase in losses of non-100% invested subsidiaries in 2024.
- 1.4 Total Equity increase : Mainly due to the cash capital increase and reduction of after-tax loss in 2024.

2. Significant influence and the plan for response: None.

5.2 Financial Performance

Unit: NT\$ thousands

Item \ Year	2024	2023	(+ / -)	%	Change Analysis Description
Operating revenue	573,752	630,266	(56,514)	(9)	
Operating costs	(550,137)	(606,288)	56,151	(9)	
Gross profit from operation, net	23,718	23,996	(278)	(1)	
Operating expenses	(279,211)	(352,645)	73,434	(21)	A
Net operating loss	(255,493)	(328,649)	73,156	(22)	A
Non-operating income and expenses	618	(92,058)	92,676	(101)	B
Profit (loss) before income tax from continuing operations	(254,875)	(420,707)	165,832	(39)	C
Income tax expenses	0	(4,904)	4,904	(100)	D
Loss for the year	(254,875)	(425,611)	170,736	(40)	E

1. Analysis of Deviation over 20% :

- A. Operating expenses and Net operating loss decrease : Mainly R&D expenses and Employee Wages and salaries benefit expenses decrease.
- B. Non-operating income and expenses decrease : Mainly due to the impairment of recognized assets in 2023.
- C. Profit (loss) before income tax from continuing operations decrease : On a whole, the net loss after tax of the continuing operating business segment in the current period decreased compared with the previous period.
- D. Income tax expenses decrease : Mainly due to the recognition of income tax expense as a result of the reduction in deferred tax assets in 2023.
- E. Loss for the year decrease : On a whole, the net loss after tax of the continuing operating business segment in the current period decreased compared with the previous period.

(2) The expected sales volume and its basis, the possible impact on the company's future finance and business, and the response plan:

The company does not disclose financial forecasts to the public. The expected sales volume is based on market supply and demand forecasts, competitive environment in the industry, product mass production schedules, and company operating plan, and other conditions as the basis for determining the sales targets. The company also continues to invest in research and development resources so as to maintain technological progress and innovation. At the same time, it will continue to improve product quality and manufacturing process stability so as to achieve competitive advantages in quality and cost, thereby meeting customer needs and expanding the market share.

5.3 Cash Flow

5.3.1 The annual report shall describe and analyze any cash flow changes during the most recent fiscal year,

5.3.1.1 Cash flow for the most recent year:

Cash Flow Review and Analysis

Cash Flow Analysis				Unit: NT\$ thousands	
Cash at beginning of year	Annual net cash flow generated from operating activities	Annual net cash flow from investment/ financing activities and impact of exchange rate changes	Cash surplus (deficit) Amount	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
217,203	(56,374)	156,589	317,418	-	-

5.3.1.2 Analysis of cash flow changes in this year:

- A. Operating activities: Net cash outflow of NT\$56,374 thousands were due to net loss before tax in the period.
- B. Investment activities: The net cash outflow of NT\$64,191 thousands was mainly due to the increase in acquisition of equipment.
- C. Financing activities: The net cash inflow was NT\$218,752 thousands was mainly due to cash capital increase in the period.

5.3.1.3 Improvement plan for insufficient liquidity: Not applicable

5.3.1.4 Analysis of Cash Flow Changes in Recent Years

Item \ Year	2024	2023	Increase / Decrease (%)
Ratio of Cash Flow	(41.12)	(33.60)	(42.12)
Ratio of Cash Flow Allowance	161.29	323.20	160.29
Ratio of Cash investment	(1.36)	(3.26)	(2.36)
Explanation of the increase and decrease ratio changes: Ratio of Cash Flow : Mainly due to the decrease in current liabilities in the current period compared with the previous period. Ratio of Cash Flow Allowance : Mainly due to the decrease in net cash outflow from operating activities in the period compared with the same period last year.			

5.3.2 Cash liquidity analysis for the coming year

Unit: NT\$ thousands					
Opening cash balance	Estimated annual net cash flow from operating activities	Estimated annual net cash flow from investing and financing activities	Estimated cash surplus (deficit) amount	Measures to cash deficit remediation	
				Investment Plan	Financial Plan
317,418	174,834	(130,830)	361,422	-	-

5.3.2.1 Analysis of Cash Flow Changes

- A. Operating activities: Net cash inflow from operating activities is estimated on the basis of estimated cash generated from sales and depreciation of cashless expenses.
- B. Investment activities: Changes caused by the estimated purchase of production equipment.
- C. Financing activities: Mainly due to the repayment of long-term borrowings.

5.3.2.2 Remedial measures and liquidity analysis of expected cash insufficiency: Not applicable.

5.4 The annual report shall describe the effect upon financial operations of any major capital expenditures during the most recent fiscal year. : The company's capital expenditure in the most recent year was mainly for the replacement of some machinery and equipment and routine maintenance, and there was no major capital expenditure.

5.5 The annual report shall describe the company's investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving investment profitability, and investment plans for the coming year. :

5.5.1 Investment policy for the most recent year : The company's investment policy is mainly based on long-term strategic investment. For the management and control of invested enterprises, there are investment cycle internal control operating procedures in order to grasp the financial and business conditions of invested enterprises. In order to strengthen the risk control and supervision of subsidiaries and to achieve the overall strategic goals of the company and its subsidiaries, the company has formulated " Subsidiary Management Practices", and establish a subsidiary operation risk management mechanism.

5.5.2 The main reason and improvement plan for the profit or loss of reinvestment in the most recent year:

Unit: NT\$ thousands

Invested Business	Cost of Investment	Book Value	Investment Profit/ Loss Recognized in the current period	Main Cause of Loss	Improvement Plan
Zhuhai FTZ ProRay Optoelectronics Technology Co., Ltd.	US\$12,500	NT\$127,197	(NT\$66,155)	Not reach economic scale	Capacity utilization improving
YLTLINK Technology Corporation	NT\$68,330	(NT\$40,491)	(NT\$10,747)	YLTLINK is still in the stage of business expansion, and has not yet generated significant revenue and profits.	Aggressively expand business and develop new customers

5.5.3 Investment plan for the coming year: will be reassessed based on operational needs.

5.6 The section on risks shall analyze and assess the following matters during the most recent fiscal year and as they stood on the date of publication of the annual report :

5.6.1 The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.

5.6.1.1 Changes in interest rates: The interest expense of the group's bank loans in 2024 was in the amount of NT\$7,145 thousand, and the interest rate risk of the Group was mainly derived from floating rate borrowings, based on the amount of borrowings exposed to interest rates as of December 31, 2024, if the market interest rate increased by 0.25% in the future, the pretax net profit would be reduced by approximately NT\$283 thousand. The company has good contacts with financial institutions, and no worries about credit records, continues to maintain close contact with banks, actively strives for preferential interest rate conditions, and cooperates with capital market financing tools to reduce the dependence on bank borrowings, in addition to ensuring long-term capital stability and reducing the

risk of interest rate changes.

5.6.1.2 Changes in exchange rate: The exchange profit of the group in 2024 was in the amount of NT\$9,164 thousand, accounting for 1.6% of the net operating income. The company's main sales are quoted in US dollars, and the proportion of export sales is high. The purchase part is denominated in foreign currencies. In addition to continuing the previous financial policy, it will use natural hedging to pay for foreign currency payments from foreign sales, and strictly control liabilities, foreign currencies and inventory levels. When the exchange rate fluctuates greatly, we also hold strong currency deposits and weak foreign currency liabilities to avoid the impact of exchange rate changes. When necessary, we may also select appropriate hedging tools in a timely manner to reduce the negative impact of exchange rate fluctuations on the company's profit and loss.

5.6.1.3 Impact of inflation: The government has effectively controlled the inflation situation in Taiwan. The inflation is still moderate, and the impact on the company's profit and loss is limited. However, the company continues to improve the production process so to increase production efficiency and reduce production costs, so as to maintain the company's competitiveness under the market price comparison situation.

5.6.2 The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

5.6.2.1 The group has always adhered to the principle of focusing on its own business and pragmatism in operating its business. The financial policy is based on the principle of prudence and conservatism, and it does not engage in high-risk and high-leverage investments. In addition, the company has formulated the Regulations Governing the Acquisition and Disposal of Assets, the Operating Procedures of Endorsement / Guarantees, and the Procedure for Lending Funds to Other Parties and or Guarantee as the basis for the company to follow when engaging in related activities.

5.6.2.2 The group's investment and financial management is prudent and conservative. It has not engaged in any high-risk, high-leverage investment. It has always adopted a conservative attitude towards derivatives trading and operates the trading for the purpose of avoiding risks rather than profit. Hedging adjustments are made for changes in foreign currency positions, and forward foreign exchange is selected as a hedging tool, and no other derivatives trading has been carried out. However, the aforementioned operations may still cause losses in the transaction itself due to exchange rate fluctuations. The group has promptly and accurately announced all transaction information in accordance with laws and regulations.

5.6.3 Future R&D Plan and Expected R&D Expenditure

Unit: NT\$ thousand

Planning for 2025 and continuing the R&D plan for 2024 (Brief Description)	R&D Expenditure
LW VCSEL and PD Chip/TO-Can/OSA/OSM Project	20,500
Optical communication Product development	17,000
SW VCSEL and PD Chip/TO-Can/OSA/OSM Project	20,500
COB/AOC Product development	12,000
Consumer product development	28,000
Optics Fiber component new manufacturing process	32,000

5.6.4 Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

The company is an important supplier of key spare parts and components in the optoelectronic and optical communication industry. Its business and financial operations are rather slightly affected by changes in domestic and foreign policies or laws, and there have been no significant changes in domestic and foreign policies or laws in recent years. If domestic import and export policies or laws change, it may still have a certain impact on the company's finances or business. The company will continue to monitor important policy and regulatory changes at home and abroad, and consult experts in a timely manner to control possible risks.

5.6.5 Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response.

In response to changes in industrial development and business environment, the group collects and investigates relevant market information and adjusts the company's business strategy and product structure in a timely manner. By effectively managing accounts receivable, accounts payable and inventory levels, financial risks did not increase; the group will carefully plan the amount and method of fundraising according to demand, in other words, by using long-term funds to meet long-term needs. In addition, in response to the short-term demand for working capital, it will be covered by bank financing.

In addition, about information security risks, please refer to 4.6 Cyber security management of the annual report.

5.6.6 Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response: None.

5.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

5.6.8 Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

5.6.9 Risks associated with any concentration of sales or purchasing operations, and mitigation measures being or to be taken.

Purchase: The company's main raw materials are sourced from suppliers in Taiwan, Germany, the United States, Japan, Korea, Singapore, and China. The company mainly selects suppliers with stable supply and high quality.

Since the company has always maintained a good cooperative relationship with domestic and foreign suppliers for many years, and at the same time adopts the direction of decentralized procurement of important raw materials so as to achieve stability and independence of supply, the supply status is good.

Sales: The company actively expands the application of products to expand new customer sources through the diversification of product applications, and then disperses sales areas in order to reduce the risk of sales concentration.

5.6.10 Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

5.6.11 Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

5.6.12 Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the

company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

5.6.13 Other important risks, and mitigation measures being or to be taken: None.

5.7 Other important matters: None.

6. Special Disclosure

- 6.1 Summary of Affiliated Companies : Please refer to the Market Observation Post System and click on "Single Company" under "Electronic Document Download" and then "Three Forms and Documents of Related Enterprises" to search
https://mopsov.twse.com.tw/mops/web/t57sb01_q10
- 6.2 Organization of the Latest Private Placement Securities as of the Date of Printing of the Annual Report:
Please refer to the Market Observation Post System→ Theme Zone→ Investment Area→Private Placement Area→Private Placement Information Inquiry
<https://mopsov.twse.com.tw/mops/web/t116sb01>
- 6.3 Holding or disposal of the Company's shares by its subsidiaries of the latest year and up to the date of printing of the Annual Report: None
- 6.4 Other matters requiring supplementary information:
When the company applied for listing on the OTC, according to the letter "Securities-TPEX-Examination- No. 0990102370" from the TPEX, the implementation of the commitments issued by the company is as follows:
Commitments:
In the " Regulations Governing the Acquisition and Disposal of Assets", add "The company shall not give up the capital increase of TrueLight (BVI) Limited in each future year; TrueLight (BVI) Limited shall not give up the capital increase of ProRay Limited in the future; ProRay Limited shall not give up the capital increase of Zhuhai FTZ PRORAY Co., Ltd in the future years; In the future, if a company needs to give up the capital increase or dispose of the above-mentioned company's equity due to strategic alliance considerations or other approvals by TPEX, it must be approved by a special resolution of the board of directors of TrueLight Corp. " And if the handling method is revised, it should disclosure the material information thru the MOPS and report to TPEX for future reference.
Execution:
This article has been added to the company's " Regulations Governing the Acquisition and Disposal of Assets " and submitted to the Shareholders Meeting on June 30, 2011 for discussion and approval.
- 6.5 Latest matters with important impact on shareholder rights or security prices indicated in article 36 paragraph 3 subparagraph 2 of the Securities Exchange Act as of the date of printing of Annual Report: None.

TrueLight Corporation

Chairman : Lidon Chen