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Megaforce Company Limited

Advancement, Accessibility, and Sustainability

2024 ANNUAL REPORT

Printed on April 30, 2025

Note:

If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.

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Title: CFO

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Title: Assistant Vice President of Group Financial Div.

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※The CPAs Attesting the Most Recent Annual Financial Statements

Name of the CPAs:Yen-Ta,Su and Tzu-Chieh, Tang

Firm Name: KPMG in Taiwan

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

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※The name of any exchanges where the Company's securities are listed offshore, and the method by which to access information on the offshore securities: Not applicable

※Company website: <https://www.megaforce.com.tw>

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I. Letter to Shareholders

Dear Shareholders:

We would like to thank all our shareholders for the support to Megaforce. In 2024, we made solid progress in all fields. Existing businesses continue to integrate, upgrade and transform to meet high-end needs. New businesses are actively innovating and developing, and growth is expected, which will become the driving force for us to return to the profit track. The company's operating results for 2024 and operating plan overview for 2025 are described as follows:

I. The 2024 Operating Results

Operating results and financial condition

The Company's 2024 consolidated operating revenue was NT\$4,312,502 thousand, reflecting a 4.21% increase compared to the year 2023, the annual consolidated net profit was NT\$75,623 thousand, marking a significant improvement from the previous year's loss and turning profitable, the earnings per share (EPS) was NT 0.575.

Items	2024	2023
Operating Revenue	4,312,502	4,138,158
Operating Cost	3,642,837	3,580,213
Gross Profit	669,665	557,945
Operating Expenses	662,399	604,397
Operating Profit or Loss	7,266	(46,452)
Non-operating Revenue and Expense	139,581	39,078
Current Profit or Loss attributable to the Parent Company	75,623	(129,394)
Earnings per Share (NTD)	0.575	(0.995)

Budget Implementation

The company did not announce its financial forecasts of the fiscal year 2024; therefore, the budget execution status is not listed.

Financial Revenue and Expense and Profitability Analysis

The financial structure and profitability of the company in 2024 are listed as follows:

Analysis Items		2024	2023
Financial structure	Ratio of debt to assets (%)	53.74	60.69
	Ratio of long-term fund to property, plant and equipment (%)	446.87	384.95
Solvency	Current ratio (%)	243.55	205.39
	Quick ratio (%)	219.26	182.25
Profitability	Return on assets (%)	1.83	(2.04)
	Return on shareholders' equity (%)	3.41	(5.94)
	Ratio of net income before tax to paid-in capital (%)	11.12	(0.56)
	Profit ratio (%)	1.70	(3.21)
	Earnings per share (NTD)	0.575	(0.995)

Research and development status

◎ R&D achievements

- Development of a method to improve the surface energy of PCR materials 、 Research on antibacterial tactile coating 、 Development of a high toughness PC/ABS alloy material and its preparation method
- Assembly and Testing The Parking management solution for parking lot
- Assembly Roadside Automated license plate recognition bollard
- Assembly Underground Automatic number-plate recognition
- Tooling Advanced Manufacturing Transformation Plan - Smart Parking System and Electric Vehicle Charging Module Integration project
- Badge LBS Mass Production
- Portable LBS Device Mass Production
- LD LCOS AR HUD Design and Development Completed
- Complete 3D sensing module
- complete LBS AR-HUD development
- Design, development, and prototyping of a cervical physical therapy device.
- Design, development, and prototyping of products for gynecological inflammation and infection control
- Completion of assembly and shipment of robotic tactile sensors
- Design, development, and prototyping of a brainwave resonance stress-relief phototherapy module system
- Design, development, and prototyping of non-invasive brain stimulation therapeutic devices

◎ Future research and development plans

- Development of an anti-static, high dimensional stability PPO material 、 Development of a lightweight, wind-resistant damping PA material 、 Research on a high toughness PPS material
- Development Passive bone implant sensing
- Development Tooth plaque detection indicator
- Development Tongue depressor Technology
- AI Solution for Company 、 AI Meeting Assistant 、 Medical AI
- AI Projector + Mobile APP
- AR HUD
- Unmanned Aircraft System AI image recognize system development
- AR autorefractor glasses developemnt 、 autorefractor device ddevelopment
- Retina glasses development
- Design, development, and production of blood purification devices.
- Assembly and testing of dental laser treatment devices.
- Design, development, and production of surgical instruments.
- Design, development, and production of medical imaging OCT (Optical Coherence Tomography) products.
- Assembly and performance testing of urinalysis equipment.

Outlook

In 2024, the global economy continued to be affected by inflation and geopolitics. As inflation slowed down, starting in the second half of 2024, led by the United States, major economies began to decrease interest rates, and the global economy slowly recovered. The political and economic competition between China and the United States and supply chain changes are still ongoing, which continues to bring challenges to the company's overall operations. Faced with the pressure of declining revenue and rising costs, all units of the group actively integrated resources, optimized operations, successfully turned losses into profits, and achieved good results.

Looking ahead to 2025, the political and economic trends of "Trump 2.0" in the United States may become the biggest black swan of the year, and the problem of supply chain differentiation is expected to continue. In order to effectively disperse operational risks, MEGAFORCE continues its 2024 strategy and continues to implement "upgrading Taiwan",

"southing to Malaysia", "optimizing China's layout", "leveraging Mexico" and "construct North American business". The group's various production bases continue to integrate and upgrade to meet high-end market needs and accelerate technology realization. In the fields of optoelectronics and AI intelligence, a number of projects have been launched, covering medical, industrial and consumer fields, which are expected to drive business growth. In addition, the biomedical business continues to develop high-end products and has successfully entered the supply chain of leading global pharmaceutical companies, with promising future development.

While promoting business growth, MEGAFORCE also actively implements ESG and is committed to building a more sustainable corporate structure. In terms of environmental protection, the company continues to optimize production processes, improve energy efficiency, and reduce carbon emissions; In terms of social responsibility, it actively participates in local community development, promotes employee diversity and inclusion and talent training programs; In terms of corporate governance, it strengthens internal risk management mechanisms and improves information transparency to ensure the stable operation of the company.

In an environment where global changes are accelerating, we will respond calmly, act and collaborate with an attitude of "integration, inclusiveness, and sharing", manage in a lean manner, make good use of resources and seize opportunities, and jointly create a new situation for Megaforce.

II. The 2025 Operating Plan Overview

Operating strategy

- Use the core value to establish a trending industry
- Solicit international customers continuously to increase market share
- Provide comprehensive services to strategic customers
- Enhance resource integration and support for strategic products
- Improve competitiveness with innovative approaches and thinking, and develop niche businesses with industry advantages
- Disperse operational risks with regional production by establishing new factories and duplicating and improving the management model
- Activate assets to maximize the efficiency of the group resources
- Promote smart mold processes to improve efficiency and reduce cost
- Refine technology to promote industrial value-added operation
- Promote cross-industry cooperation to expand the industrial ecosystem
- Emphasize the importance of talent retention and cultivation, and enhance competitiveness
- Construct system integration and technology development capability to help the Group transform from a component manufacturer to a system integration solution provider in order to enhance value-added services and create revenue and profits

Expected Quantity of Sale and Reference

The company's expected quantity of sale is based on the overall industry environment and changes in the market, as well as the company's production capacity and business development.

However, the company has not disclosed its financial forecast for 2024, and the product categories are diverse and the units are different, making it difficult to present them one by one, so it does not intend to disclose the expected sales volume.

Important Production and Marketing Policy

- Increase the ratio of automated production, reduce process costs, and improve product yield rate
- Reduce bad debts, review inventory, and consolidate assets in idling
- Initiate factory integration or adjustment (including the establishment of factory in Mexico, Malaysia, and Minxiong, Taiwan) in accordance with the market size and the timeliness of customer service
- Expand North American business and integrate regional resources

- Enhance the research, development, and application of plastic materials to achieve optimized molding and to enhance market competitiveness
- Work with customers to develop new products actively in order to meet the market trends and seize business opportunities
- Actively develop niche products to reduce the risk of price competition from competitors
- Enhance core technical capabilities and create the best market differentiation with excellent mold development capabilities and process technology

III. The Company's Future Development Strategy

- Develop international brand customers continuously
- Provide one-stop-shop service continuously
- Transfer production base, adjust production mode rapidly, and enhance customer and market differentiation and deployment
- Develop and expand micro-molding and molding technology
- Development and application of polymer materials in medical materials, medical devices, and green industrie
- AI application, system integration, optoelectronic products, and environmental protection and energy saving industries

IV. Affected by the External Competitive Environment, Regulatory Environment, and Overall Business Environment

- Fluctuations in energy and raw material prices affect cost structure and gross profit
- Environmental protection and carbon emission regulations are becoming stricter, affecting process and equipment investment
- The energy conservation issues have affected the operating costs and supply chain; also, continue to improve the resource utilization efficiency and the research and development of environmentally friendly materials
- Labor laws and regulations vary greatly from country to country, increasing management complexity
- With operations in many countries, exchange rate fluctuations affect revenue and cost structure
- Customers' risk-reducing strategy by diversifying suppliers brings new opportunities and threats to the industry
- Pressure from smart manufacturing transformation accelerates equipment upgrades
- The opportunities and threats caused by Trump 2.0 policy on the North American investment environment and changes in China policy
- Changes in trade protection and tariff policies affect operating costs and supply chain configuration
- Higher international certification requirements increase compliance costs

Looking ahead, Megaforce will work with a prudent, optimistic, and relentless attitude held up high to create higher value for the company and shareholders. Gratitude to all shareholders for the long-term support and trust. We sincerely express the deepest gratitude!

Best Regards,

Wen-Lin, Hsu
Chairman

II. Corporate Governance Report

I. Board of Directors and Management Team

(I) Directors、Supervisors

1. Information on the Director's Name, Experience (Education), Shareholding, and Nature

April 30, 2025; Unit: Shares

Title (Note 1)	Nationality	Name	Gender Age (Note 2)	Date elected or Appointed	Term of Office	Date First Elected or Appointed (Note 3)	Shareholding When Elected or Appointed		Current Shareholding		Current Shareholding of Spouse and Minor Children		Shareholding in the Name of Others		Main Working (Education) Experience (Note 4)	Concurrent Positions in the Company and Other Companies	Spouse or Relatives within the Second Degree of kinship who are Officers, Directors, or Supervisors of the Company			Remarks (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Wen-Lin, Hsu	Male 71–80 years old	6.7.2024	3 years	5.23.2003	4,991,508	3.78%	4,991,508	3.78%	189,358	0.14%	0	0	Department of Mechanical Engineering, Lunghwa Junior College of Technology Chairman, Techron Co., Ltd. CEO, Megaforce Group	CEO, Megaforce Group Chairman, Megaforce Group Co., Ltd. Chairman, Megaforce International Co., Ltd. Chairman, Newforce Global Limited. Chairman, Megaforce SDN. BHD. Director, Barintec Co., Ltd. Chairman, Shanghai Yingji Electronic Plastic Co., Ltd. Chairman, Shanghai Shanghua Painting Co.,Ltd Chairman, Shanghai AB Megaforce Co., Ltd. Chairman, Suzhou Intentech Co., Ltd. Chairman, Dongguan Megaforce Electronic Technology Co., Ltd. Chairman, Megachamp Investment Co., Ltd. Chairman, Mega1 Co., Ltd. Chairman, Ying Fan Investment Co., Ltd. Director, Anguil Technology Co., Ltd. President, Yu Jin Ltd.	Director / Senior Manager	Wan-Sheng, Hsu / Li-Kai, Chen	Father and daughter / Son-in-law	
Vice Chairman	R.O.C.	Tung-Hui, Chiang	Male 61–70 years old	6.7.2024	3 years	5.23.2003	1,404,956	1.06%	1,421,356	1.08%	0	0	0	0	Department of Mechanical Engineering, National Taiwan University Manager, Techron Co., Ltd. President, Megaforce Group	President, Megaforce Co., Ltd. Group Operation Resources president and chief information security officer, Megaforce International Co., Ltd. Director, Shanghai Yingji Electronic Plastic Co., Ltd. Director, Shanghai Shanghua Painting Co., Ltd. Director, Suzhou Intentech Co., Ltd. Director, Dongguan Megaforce Electronic Technology Co., Ltd. Director, Mega1 Co., Ltd. Director, Ying Fan Investment Co., Ltd.	None	None	None	

Title (Note 1)	Nationality	Name	Gender Age (Note 2)	Date elected or Appointed	Term of Office	Date First Elected or Appointed (Note 3)	Shareholding When Elected or Appointed		Current Shareholding		Current Shareholding of Spouse and Minor Children		Shareholding in the Name of Others		Main Working (Education) Experience (Note 4)	Concurrent Positions in the Company and Other Companies	Spouse or Relatives within the Second Degree of kinship who are Officers, Directors, or Supervisors of the Company			Remarks (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Wan-Sheng, Hsu	Female 41–50 years old	6.7.2024	3 years	6.23.2015	1,523,640	1.15%	1,523,640	1.15%	80,000	0.06%	0	0	MCom, University of Queensland — Applied Finance SCPM(Stanford Certified Project Manager), Stanford University Audit Department, KPMG Taiwan	Senior Specialist, CEO's Office, Megaforce Group Director, Megaforce International Corporation Director, Fortis Biosolutions Co., Ltd. Director, Super Bravo Bio Co., Ltd. Director, Worldwide applied biomedicine Co., Ltd. Supervisor, Super Good Bio Co., Ltd. Director, Barintec Co., Ltd.	Chairman / Senior Manager	Wen-Lin Hsu / Li Kai, Chen	Father and daughter / Husband and wife	
Director	R.O.C.	Le-Li, Lu (Representative of Ying Fan Investment Co., Ltd.)	Male 61–70 years old	6.7.2024	3 years	7.27.2021	38,983,802	29.53%	38,983,802	29.53%	0	0	0	0	MBA — Controllership, St. John's University Vice president, Fengyao group Co., Ltd. CFO, Megaforce Co., Ltd. Chief of Staff of Megaforce Co., Ltd.	Director, APOGÉE Handcraft Co., Ltd.	None	None	None	
Director	R.O.C.	Chia-Cheng, Chang (Representative of Ying Fan Investment Co., Ltd.)	Male 51–60 years old	6.7.2024	3 years	6.7.2024	38,983,802	29.53%	38,983,802	29.53%	0	0	0	0	EMBA, National Chengchi University Department of Accounting, National Chung Hsing University Senior Manager, PwC Taiwan	CFO, Megaforce Co., Ltd. Supervisor, Mega1 Co., Ltd. Supervisor, Shanghai AB Megaforce Co., Ltd. Supervisor, Shanghai Yingji Electronic Plastic Co., Ltd. Supervisor, Shanghai Shanghua Painting Co., Ltd. Supervisor, Suzhou Intentech Co., Ltd. Supervisor, Dongguan Megaforce Electronic Technology Co., Ltd. Supervisor, Fortis Biosolutions Co., Ltd. Representative Director, Liefco Optical Inc. Representative Director, Super Bravo Bio Co., Ltd. Independent Director, S&S healthcare Holding Ltd.	None	None	None	
Director	R.O.C.	Ming-Hsiung, Chu	Male 51–60 years old	6.7.2024 (Note 7)	3 years	10.10.2008	2,140,217	1.62%	2,140,217	1.62%	470,000	0.36%	0	0	Taipei Jingwen High School Chairman, Gubang Co., Ltd. Chairman, Jih Feng Co., Ltd. Chairman, Charis Brother International Co., Ltd. Chairman, Gruba Construction Co., Ltd. Director, Megaforce Co., Ltd.	Chairman, Charis Brother International Co., Ltd. Director, Ying Fan Investment Co., Ltd. Director, Worldwide applied biomedicine Co., Ltd. Director, Anguil Technology Co., Ltd. Director, Super Bravo Bio Co., Ltd.	None	None	None	

Title (Note 1)	Nationality	Name	Gender Age (Note 2)	Date elected or Appointed	Term of Office	Date First Elected or Appointed (Note 3)	Shareholding When Elected or Appointed		Current Shareholding		Current Shareholding of Spouse and Minor Children		Shareholding in the Name of Others		Main Working (Education) Experience (Note 4)	Concurrent Positions in the Company and Other Companies	Spouse or Relatives within the Second Degree of kinship who are Officers, Directors, or Supervisors of the Company			Remarks (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	R.O.C.	Hai-Pang, Chiang	Male 51–60 years old	6.7.2024	3 years	6.16.2006	0	0	0	0	0	0	0	0	Ph.D. National Taiwan University— Electrical Engineering Director, Institute of Optoelectronic Sciences, National Taiwan Ocean University Professor, National Taiwan Ocean University— Optoelectronic and Materials Technology Supervisor, Taiwan Optical Engineering Society Adjunct Research Fellow, National Applied Research Laboratories Adjunct Research Fellow, Institute of Physics, Academia Sinca	Dean, National Taiwan Ocean University -College of Electrical Engineering and Computer Science Distinguished Professor, National Taiwan Ocean University— Optoelectronic and Materials Technology	None	None	None	
Independent director	R.O.C.	Wan-Hua, Hsieh	Male 41–50 years old	6.7.2024	3 years	4.3.2024	0	0	0	0	0	0	0	0	Master of Accounting and Finance and Taxation from Feng Chia University Accountant, WAN-SHIN Certified Public Accounting Firm, Teacher of taxation laws at 3people cram school, Teacher of taxation laws at Jhih Guang Group (easywin).	Accountant, WAN-SHIN Certified Public Accounting Firm Teacher of taxation laws at 3people cram school Teacher of taxation laws at Jhih Guang Group (easywin)	None	None	None	
Independent director	R.O.C.	Wei-Chun, Chin	Male 51–60 years old	6.7.2024	3 years	6.7.2024	0	0	0	0	0	0	0	0	Ph.D., University of Washington University of California, Merced Professor	University of California, Merced Professor	None	None	None	

Note 1: The corporate shareholder shall have the name of the corporate shareholder and the representative listed separately (the representative of the corporate shareholder shall indicate the name of the corporate shareholder) with Table 1 below filled out.

Note 2: Please indicate the actual age, which can be expressed in intervals, such as 41–50 years old or 51–60 years old.

Note 3: Fill in the time serving as the company's director for the first-time, and indicate if there is any interruption during the term of office.

Note 4: Experience related to incumbent position, describe the job title and job responsibility during the employment, if any, with the commissioned CPA Firm for audit or its affiliated enterprises.

Note 5: If the chairman, President, or the individual (top management) holds equivalent position are the same person, spouses, or relatives in the first-degree of kinship to each other, please detail the reason, rationality, necessity, and countermeasures (for example, increase the number of independent directors, the majority of directors are not concurrently serving as employees or Managers).

Note 6: The company established an Audit Committee on June 8, 2018, to replace the supervisors.

Note 7: Director Mr. Ming-Hsiung, Chu resigned as director on February 11, 2019, and was elected on June 7, 2024..

2. Major Shareholders of the Corporate Shareholders

April 30, 2025

Name of Corporate Shareholders (Note 1)	Major Shareholders of the Corporate Shareholders (Note 2)	Shareholding Ratio
Ying Fan Investment Co., Ltd.	Wen-Lin, Hsu	26.0%
	Yu-Mei, Hsu	18.6%
	Tung-Hui, Chiang	12.1%
	Shin Bao Investment Co., Ltd.	10.5%
	Chi Kong Investment Co., Ltd.	7.0%
	Min-Hsiung, Chu	4.2%
	Fong-Jen, Lin	2.6%
	Chin-Bao, Liao	2.6%
	Ting, Lin	2.2%
	Ze-Yu, Lin	2.1%

Note 1: The director who is a representative of a corporate shareholder should have the name of the corporate shareholder filled in.

Note 2: Fill in the name and shareholding ratio of the major shareholders of the corporate shareholder (the top-ten shareholders in shareholding). If their major shareholders are corporate shareholders, it is necessary to also fill out Table 2.

Note 3: If the corporate shareholder is not a company organization, the name and shareholding ratio of the shareholder to be disclosed as stated in the preceding paragraph refer to the name, capital contribution, or investment ratio of the investor or contributor (please refer to the announcement of the Judicial Yuan). The contributor who had passed away should be noted as "deceased."

3. The Major Shareholders of the Major Shareholder that is a Juridical Person

April 30, 2025

Name of Juridical Person (Note 1)	Major Shareholders of Juridical Person (Note 2)	Shareholding Ratio
Shin Bao Investment Co., Ltd.	Tsung-Lin, Chu (President)	1.43%
Chi Kong Investment Co., Ltd.	Ru-Ping, Kang (President)	0.43%

Note 1: If the major shareholders stated in Table 1 are corporate shareholders, it is necessary to fill in the name of the juridical person.

Note 2: Fill in the name and shareholding ratio of the major shareholders of the corporate shareholder (the top-ten shareholders in shareholding).

Note 3: If the corporate shareholder is not a company organization, the name and shareholding ratio of the shareholder to be disclosed as stated in the preceding paragraph refer to the name, capital contribution, or investment ratio of the investor or contributor (please refer to the announcement of the Judicial Yuan). The contributor who had passed away should be noted as "deceased."

4. Disclosure of the Professional Qualifications of Directors and Supervisors and Independence of Independent Directors

April 30, 2025

Conditions Name	Professional Qualification and Experience (Note 1)	Compliance of Independence (Note 2)	Number of Other Public Companies in which the Individual is concurrently serving as an Independent Director
Wen-Lin, Hsu	Professional Qualifications: Possesses expertise in leadership, operational judgment, business management, crisis management, rich industrial knowledge and international market vision, but none of the events stated in Article 30 of the Company Act. Experience: Graduated from Department of Mechanical Engineering of Lunghwa University of Science and Technology; former chairman of Kerdian Co., Ltd.; incumbent Chairman and CEO of Megaforce Group, director of Megaforce Group's subsidiaries, and other important positions.	Non-independent directors; therefore, it is not applicable.	0
Tung-Hui, Chiang	Professional Qualifications: Possesses expertise in leadership, operational judgment, business management, crisis management, rich industrial knowledge and international market vision, but none of the events stated in Article 30 of the Company Act. Experience: Graduated from Department of Mechanical Engineering of National Taiwan University; former manager of Kedian Co., Ltd.; incumbent President of Megaforce Group and the director of Megaforce Group's subsidiary.		0
Le-Li, Lu	Professional Qualifications: Possesses expertise in leadership, operational judgment, business management, crisis management, financial accounting, rich industrial knowledge and international market vision, but none of the events stated in Article 30 of the Company Act. Experience: Graduated from MBA-Controllershship, St. John's University; former CFO of Taiwan Green Point Enterprises Co., Ltd.; Vice president of Fengyao group Co., Ltd.; CFO of Megaforce Co., Ltd.; Chief of Staff of Megaforce Co., Ltd. and other important positions.; incumbent Director of APOGÉE Handcraft Co., Ltd.		0

Conditions Name	Professional Qualification and Experience (Note 1)	Compliance of Independence (Note 2)	Number of Other Public Companies in which the Individual is concurrently serving as an Independent Director
Chia-Cheng, Chang	<p>Professional Qualifications: Possesses expertise in leadership, operational judgment, business management, crisis management, financial accounting, rich industrial knowledge and international market vision, but none of the events stated in Article 30 of the Company Act.</p> <p>Experience: Graduated from EMBA, National Chengchi University ; Department of Accounting, National Chung Hsing University; former Senior Manager of PwC Taiwan; incumbent CFO of Megaforce Co., Ltd., Supervisor of Megaforce Group's subsidiaries, Representative of the corporate director of Super Bravo Bio Co., Ltd., etc., and the Independent Director of S&S healthcare Holding Ltd</p>	Non-independent directors; therefore, it is not applicable.	1
Wan-Sheng, Hsu	<p>Professional Qualifications: Possesses expertise in business management and financial accounting, but none of the events stated in Article 30 of the Company Act.</p> <p>Experience: Earn degrees of MCom, University of Queensland – Applied Finance; SCPM (Stanford Certified Project Manager), Stanford University; incumbent Senior Specialist to the CEO's office of Megaforce Group, the director of Megaforce Group's subsidiaries, and the representative of the corporate director of the company invested by Megaforce.</p>		0
Ming-Hsiung, Chu	<p>Professional Qualifications: Possesses expertise in leadership, operational judgment, business management, crisis management, rich industrial knowledge and international market vision, but none of the events stated in Article 30 of the Company Act.</p> <p>Experience: Graduated from Taipei Jingwen High School; former Chairman of Gubang Co., Ltd., Chairman of Jih Feng Co., Ltd., Chairman of Gruba Construction Co., Ltd., and Director of Megaforce Co., Ltd.; incumbent Chairman of Charis Brother International Co., Ltd. and Director of Ying Fan Investment Co., Ltd., etc.</p>		0

Conditions Name	Professional Qualification and Experience (Note 1)	Compliance of Independence (Note 2)	Number of Other Public Companies in which the Individual is concurrently serving as an Independent Director
Hai-Pang, Chiang	<p>Professional Qualifications: Possesses expertise in professional knowledge of the industry, but none of the events stated in Article 30 of the Company Act.</p> <p>Experience: Earn Ph.D. degree from the Institute of Electrical Engineering, National Taiwan University; incumbent Dean of National Taiwan Ocean University -College of Electrical Engineering and Computer Science, Distinguished Professor of the Department of Optoelectronics and Materials Technology of National Taiwan Ocean University.</p>	<p>1. There has been no direct or indirect interest in the company within the two years prior to the election, and none of the person, spouse, or relatives within the second degree of kinship has served as a director (including independent directors) or an employee of the company, affiliated enterprises, or companies with a specific relationship with the company, and does not hold shares in the company.</p> <p>2. There has been no service in business, legal, financial, accounting, and others provided to the company or affiliated enterprises in the past two years, and has not received any relevant remuneration.</p>	0
Wan-Hua,Hsieh	<p>Professional Qualifications: Possesses expertise in finance,taxation and accounting, but none of the events stated in Article 30 of the Company Act.</p> <p>Experience: Earn master degree of Accounting and Finance and Taxation from Feng Chia University; Accountant of WAN-SHIN Certified Public Accounting Firm, Teacher of taxation laws at 3people cram school, Teacher of taxation laws at Jhih Guang Group (easywin) ; incumbent WAN-SHIN Certified Public Accounting Firm accountant, Teacher of taxation laws at 3people cram school, Teacher of taxation laws at Jhih Guang Group (easywin).</p>	<p>1. There has been no direct or indirect interest in the company within the two years prior to the election, and none of the person, spouse, or relatives within the second degree of kinship has served as a director (including independent directors) or an employee of the company, affiliated enterprises, or companies with a specific relationship with the company, and does not hold shares in the company.</p> <p>2. There has been no service in business, legal, financial, accounting, and others provided to the company or affiliated enterprises in the past two years, and has not received any relevant remuneration.</p>	0

Conditions Name	Professional Qualification and Experience (Note 1)	Compliance of Independence (Note 2)	Number of Other Public Companies in which the Individual is concurrently serving as an Independent Director
Wei-Chun, Chin	Professional Qualifications: Possesses expertise in professional knowledge of the industry, but none of the events stated in Article 30 of the Company Act. Experience: Ph.D., University of Washington; incumbent University of California, Merced Professor.	1. There has been no direct or indirect interest in the company within the two years prior to the election, and none of the person, spouse, or relatives within the second degree of kinship has served as a director (including independent directors) or an employee of the company, affiliated enterprises, or companies with a specific relationship with the company, and does not hold shares in the company. 2. There has been no service in business, legal, financial, accounting, and others provided to the company or affiliated enterprises in the past two years, and has not received any relevant remuneration.	0

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of each individual director and supervisor. For those who are members of the Audit Committee with expertise in accounting or finance, describe their accounting or financial background and work experience; also, indicate whether they are subject to any of the events stated in Article 30 of the Company Act.

Note 2: Describe the independence of each independent director in details, including but not limited to whether the person, spouse, and relatives within the second degree of kinship are a director, supervisor, or employee of the company or any of its affiliated enterprise; the number of shares of the company and shareholding ratio held by the person, spouse, and relatives within the second degree of kinship (or in the name of others); whether a director, supervisor, or employee of a company (refer to Article 3, Paragraph 1, Subparagraph 5–8 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”) that has a specific relationship with the company, and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the company or its affiliated enterprises in the last 2 years.

Note 3: Please refer to the best-practice reference examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the guidelines on disclosures.

5. Board Diversity and Independence

- (I) Board Diversity: Please refer to Summary Description III-(I) on P.29–P.30 of (III) The implementation of the corporate governance and its deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed companies” and the reasons of of the annual report.
- (II) Independence of the Board of Directors: The company has three independent directors appointed, accounted for 33% of all directors. The company’s Board of Directors complies with the requirement of independence. Except for Wen-Lin, Hsu the Chairman and Wan-Sheng, Hsu the Director, are relatives within the second degree of kinship, the other directors, independent directors, and between independent directors and directors are not a spouse or a relative within the second degree of kinship to one another.

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of each individual director and supervisor. For those who are members of the Audit Committee with expertise in accounting or finance, describe their accounting or financial background and work experience; also, indicate whether they are subject to any of the events stated in Article 30 of the Company Act.

Note 2: Describe the independence of each independent director in details, including but not limited to whether the person, spouse, and relatives within the second degree of kinship are a director, supervisor, or employee of the company or any of its affiliated enterprise; the number of shares of the company and shareholding ratio held by the person, spouse, and relatives within the second degree of kinship (or in the name of others); whether a director, supervisor, or employee of a company (refer to Article 3, Paragraph 1, Subparagraph 5–8 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”) that has a specific relationship with the company, and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the company or its affiliated enterprises in the last 2 years.

Note 3: Please refer to the best-practice reference examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the guidelines on disclosures.

(II) Information on the President, Vice President, Senior Manager, and Officers of Departments and Branches

April 30, 2025; Unit: Shares

Title (Note 1)	Nationality	Name	Gender	Date Rlected or Appointed	Shareholding		Shareholding of Spouse and Minor Children		Shareholding in the Name of Others		Main Career (Academic) Achievements (Note 2)	Concurrent Positions at Other Companies	Managers who are Spouses or Relatives within the Second Degree of Kinship			Remarks (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
CEO	R.O.C.	Wen-Lin ,Hsu	Male	12.16.2010	4,991,508	3.78%	189,358	0.14%	0	0	Department of Mechanical Engineering, Lunghwa Junior College of Technology Chairman, Techron Co., Ltd. Chairman, Megaforce Co., Ltd. CEO, Megaforce Group	Chairman, Megaforce International Co., Ltd. Chairman, Newforce Global Limited. Chairman, Megaforce SDN. BHD. Director, Barintec Co., Ltd. Chairman, Shanghai Yingji Electronic Plastic Co., Ltd. Chairman, Shanghai Shanghua Painting Co., Ltd. Chairman, Shanghai AB Megaforce Co., Ltd. Chairman, Suzhou Intertech Co., Ltd. Chairman, Dongguan Megaforce Electronic Technology Co., Ltd. Chairman, Megachamp Investment Co., Ltd. Chairman, Mega 1 Co., Ltd. Chairman, Ying Fan Investment Co., Ltd. Director, Anguil Technology Co., Ltd. President, Yu Jin Ltd.	Senior Manager	Li-Kai, Chen	Son-in-law	
General Manager	R.O.C.	Tung-Hui, Chiang	Male	12.1.2021	1,421,356	1.08%	0	0	0	0	Department of Mechanical Engineering, National Taiwan University Manager, Techron Co., Ltd. President, Megaforce Co., Ltd. Group Operation Resources president and chief information security officer, Megaforce Group.	Director, Shanghai Yingji Electronic Plastic Co., Ltd. Director, Shanghai Shanghua Painting Co.,Ltd Director, Suzhou Intertech Co., Ltd. Director, Dongguan Megaforce Electronic Technology Co., Ltd. Director, Mega 1 Co., Ltd. Director, Ying Fan Investment Co., Ltd.	None	None	None	
Chief Strategy Officer	Singapore	Cheng, Chao	Male	2.15.2019	46,000	0.03%	0	0	0	0	Department of Engineering, Kennedy Western University CMO, LITE-ON Technology Corporation Senior Vice President, Quanta Computer Inc. CEO, 3M PC Touch (Singapore) Pte Limited. AI Application Development officer, Megaforce Co., Ltd.	Independent Director, Jean Co., Ltd. Independent Director, Leader Electronics Inc.	None	None	None	
CFO	R.O.C.	Chia-Cheng, Chang	Male	1.20.2017	0	0	0	0	0	0	EMBA, National Chengchi University Dept. of Accounting, National Chung Hsing University Senior Manager, Audit Department, PwC Taiwan Spokesman, Megaforce Co., Ltd.	Supervisor, Shanghai Yingji Electronic Plastic Co., Ltd. Supervisor, Shanghai Shanghua Painting Co., Ltd. Supervisor, Suzhou Intertech Co., Ltd. Supervisor, Dongguan Megaforce Electronic Technology Co., Ltd. Supervisor, Shanghai AB Megaforce Co., Ltd. Supervisor, Fortis Biosolutions Co., Ltd. Representative Director, Liefco Optical Inc. Supervisor, Mega 1 Co., Ltd. Independent Director, S&S Healthcare Holding Ltd. Director, Super Bravo Bio Co., Ltd. (Legal Representative)	None	None	None	

Title (Note 1)	Nationality	Name	Gender	Date Elected or Appointed	Shareholding		Shareholding of Spouse and Minor Children		Shareholding in the Name of Others		Main Career (Academic) Achievements (Note 2)	Concurrent Positions at Other Companies	Managers who are Spouses or Relatives within the Second Degree of Kinship			Remarks (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Shanghai BU President	R.O.C.	Cheng-An, Lee	Male	9.1.2012	33,146	0.03%	0	0	0	0	EMBA, Shanghai Jiao Tong University Manager, Dynacast International Inc.	Director and General Manager, Shanghai Yingji Electronic Plastic Co., Ltd. Director and General Manager, Shanghai Shanghua Painting Co., Ltd.	None	None	None	
Taiwan BU Vice President	R.O.C.	Huo-Tsao, Lin	Male	1.1.2016	117,727	0.09%	0	0	0	0	Department of Bussiness, National Open University Team Leader of Molding, Huaju Enterprise Co., Ltd.	NA	None	None	None	
Dongguan BU Vice President	R.O.C.	Ming-Wei, Hsu	Male	3.1.2021	917,339	0.69%	0	0	0	0	Department of International Trade, Soochow University Sales Representative, New Century Infocomm Tech Co., Ltd.	Director and General Manager, Dongguan Megaforce Electronic Technology Co., Ltd.	None	None	None	
Biomedical and system integration Business BU Vice President	R.O.C.	Li-Kai, Chen	Male	3.1.2021	80,000	0.06%	1,523,640	1.15%	0	0	Ph.D., University of California, Merced — BioEngineering and Small Scale Technology Director, R&D of Medical Division, MicroBase Technology Corporation	Director and General Manager, Fortis Biosolutions Co., Ltd. Director and General Manager, Megaforcecmx , S. de R.L. de C.V. Managing Director , Megaforce International Corporation Director, Mei Jia Fu Shi Investment Co., Ltd.	None	None	None	
Suzhou BU Junior VP	R.O.C.	Tsung-Ho, Ou	Male	3.1.2022	32,098	0.02%	0	0	0	0	Graduate Institute of Chemical Engineering , Tamkang University Manager, Foxconn Technology Corporation	Director and General Manager, Suzhou Intentech Co., Ltd.	None	None	None	
Core Design BU Junior VP	R.O.C.	Cheng-Ching, Hsia	Male	3.1.2021	100,000	0.08%	0	0	0	0	Dept. of computer engineering, Lunghwa Junior College of Technology Team Leader, Lih Rong Electronic Enterprise Co., Ltd.	NA	None	None	None	
Corporate Governance Officer	R.O.C.	Yen-Hua, Huang	Female	5.3.2024	150	0.00%	0	0	0	0	PMBA, National Taiwan University Deputy Spokesperson, Megaforce Co., Ltd. Assistant Vice President of Group Financial Div., Megaforce Co., Ltd.	NA	None	None	None	

Note 1: The information disclosure should include the President, Vice President, Senior Manager, officers of departments and branches, and those who hold a position equivalent to the President, Vice President, or Senior Manager, regardless of their titles.

Note 2: Experience related to incumbent position, describe the job title and job responsibility during the employment, if any, with the commissioned CPA Firm for audit or its affiliated enterprises.

Note 3: If the chairman, President, or the individual (top management) holds equivalent position are the same person, spouses, or relatives in the first-degree of kinship to each other, please detail the reason, rationality, necessity, and countermeasures (for example, increase the number of independent directors, the majority of directors are not concurrently serving as employees or Managers).

II. Remuneration and Compensation Paid to Directors, Supervisors, President and Vice President

(I) Remuneration of Directors, Independent Directors, Supervisors, President, and Vice President

1. Remuneration of Directors and Independent Directors

Unit: NT\$ thousand; thousand shares

Title	Name	Director's Remuneration								Ratio of the Total Amount (A+B+C+D) to Net Income (Note 10)		Receipt of Remuneration by Part-time Employees								Ratio of the Total Amount (A+B+C+D+E+F+G) to Net Income (Note 10)		Receipt of Remuneration from the Invested Enterprises Other than the Subsidiaries or Parent Company (Note 11)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
		Remuneration (A) (Note 2)		Severance and Pension (B)		Director's Remuneration (C) (Note 3)		Business Practice Expense (D) (Note 4)				Salary, Bonus, Special Expense, etc. (E) (Note 5)		Severance and Pension (F) (Note 13)		Employee's Remuneration (G) (Note 6)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
		The Company	All Companies included in the Financial Report (Note 7)	The Company	All Companies included in the Financial Report (Note 7)	The Company	All Companies included in the Financial Report (Note 7)	The Company	All Companies included in the Financial Report (Note 7)	The Company	All Companies included in the Financial Report (Note 7)	The Company	All Companies included in the Financial Report (Note 7)	The Company	All Companies included in the Financial Report (Note 7)	The Company		All Companies included in the Financial Report (Note 7)		The Company	All Companies included in the Financial Report																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

1. Please describe the policy, system, standard, and structure for the remuneration of independent directors, and the correlation with the amount of remuneration in terms of their responsibilities, risks, time spent, and other factors: The company's remuneration policy for the independent directors is stipulated as "An amount not exceeding 5% of the company's net income before tax, if any, that is before deducting the remuneration distributed to employee and director and supervisor, but after appropriating an amount equivalent to the accumulated loss should be distributed as remuneration to Directors and Supervisors" in accordance with the Articles of Incorporation. The company has a Compensation Committee set up to formulate and regularly review the annual and long-term performance objectives and remuneration policies, systems, standards, and structures of independent directors. Evaluates the achievement of independent directors' performance objectives, and stipulate the remuneration content and amount for each independent director by referring to the general payment standard of the industry, and taking into account the time invested by each independent director, the responsibilities assumed, the achievement of personal objectives, the performance at other positions assumed, the salary and remuneration paid by the company to those in the same position in recent years, as well as evaluating personal performance based on the achievement of the company's short-term and long-term business objectives, the company's financial status, and the reasonableness of the correlation between the company's operating performance and future risks.
2. In addition to the disclosure in the aforementioned table, the remuneration received by the directors of the company for providing services to all companies included in the financial report in the most recent year (such as serving as a consultant not an employee of the parent company/all companies included in the financial report/invested enterprises): None.

* Relevant information on directors (general directors who are not independent directors) and independent directors should be listed separately.

Note 1: The names of directors should be listed separately (corporate shareholders should list the names of juridical person shareholders and representatives separately), classified by general directors or independent directors individually, and the payment amounts should be disclosed collectively. The directors who are also serving as the President or Vice President of the company concurrently should fill out this form and Table (3-1), or Table (3-2-1) and (3-2-2).

Note 2: It refers to the remuneration of directors in the most recent year (including director salaries, job allowance, severance pay, various bonuses, and incentives).

Note 3: Fill in the amount of remuneration paid to directors with the approval of the Board of Directors in the most recent year.

Note 4: It refers to the relevant business practice expenses of the directors in the most recent year (including transportation expenses, special expenses, allowances, dormitory, business car, and in-kind). When accommodation, car, and other means of transportation or exclusive personal expense account are provided, the nature and cost of the assets provided, the actual or estimated rent at fair market prices, fuel, and other payments shall be disclosed. In addition, for the designated chauffeur, if any, the payment paid by the company should be noted, however, such amount will not be included in the remuneration.

Note 5: It refers to the salary, job allowance, severance pay, bonuses, incentives, transportation allowance, special expenses, allowances, dormitories, business car and other in-kind received by the directors who are also employees (including serving as President, Vice President, other Managers, and employees) concurrently in the most recent year. When accommodation, car, and other means of transportation or exclusive personal expense account are provided, the nature and cost of the assets provided, the actual or estimated rent at fair market prices, fuel, and other payments shall be disclosed. In addition, for the designated chauffeur, if any, the payment paid by the company should be noted, however, such amount will not be included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS2 "Share-Based Payment," including the acquisition of employee stock warrants, new restricted employee shares, and participation in cash capital increase subscription shares, should also be included in remuneration.

Note 6: It refers to the directors who are also an employee (including the President, V.P., and other Managers and employees) receiving employee remuneration (including stocks and cash) should disclose the amount of employee remuneration distributed by the Board Of Directors in the most recent year. If such amount cannot be estimated, the proposed distribution amount for this year shall be calculated proportionally to the actual distribution amount of last year with the attachment Form 1-3 filled out accordingly.

Note 7: Disclose the total amount of remuneration paid to the directors of the company by all companies (including the company) in the consolidated report.

Note 8: Disclose the name of the director in the respective column of the remuneration table where they belong.

Note 9: Disclose the total amount of remuneration paid to each director of the company by all companies (including the company) in the consolidated financial report; also, disclose the name of the director in the respective column of the remuneration table where they belong.

Note 10: Net income refers to the net income expressed in the standalone financial report for the most recent year.

Note 11: a. It is necessary to fill in the amount of remuneration received by the company's directors from the invested companies other than the subsidiaries or the parent company (if the answer is "NO," please state "NO").

b. If the directors receive remuneration from the invested company other than the subsidiaries or the parent company, the amount received should be filled in column "I" on the remuneration table and the column should be renamed as "Parent Company and All In vested Enterprises."

c. The "remuneration" refers to the salary and remuneration (including remuneration of employees, directors, and Supervisors) and business practice fees received by the directors of the company for serving as the directors, supervisors, or Managers of the invested companies other than the subsidiaries or the parent company.

Note 12: Independent Director Mr. Chun-Nan, Pai resigned as an independent director on February 6, 2024.

Note 13: Independent Director Mr. Ching-Kong, Chao retired at the end of his term on Jun 7, 2024.

Note 14: On June 8, 2018, the company established an Audit Committee to replace the supervisors.

Note 15: The allocated severance and pension amount for the company and all consolidated entities totals NT\$586 thousand, with an actual payment of NT\$0 thousand.

* The content of remuneration disclosed in this form is different from the concept of income stipulated in the Income Tax Act; therefore, this form is intended for information disclosure not for taxation purposes.

2. Remuneration of the President and Vice President

Unit: NT\$ thousand; thousand shares

Title	Name	Salary (A) (Note 2)		Severance and Pension (B) (Note 12)		Bonus, Special Expense, etc. (C) (Note 3)		Employee’s Remuneration (D) (Note 4)				Ratio of Total Amount (A+B+C+D) to Net Income (%) (Note 8)		Receipt of Remuneratio n from the Invested Enterprises other than the Subsidiaries or Parent Company (Note 9)
		The Company	All Companies included in the Financial Report (Note 5)	The Company	All Companies included in the Financial Report (Note 5)	The Company	All Companies included in the Financial Report (Note 5)	The Company		All Companies included in the Financial Report (Note 5)		The Company	All Companies included in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Wen-Lin, Hsu	22,586	24,531	1,168	1,168	10,051	10,051	0	0	0	0	33,805 44.70%	35,750 47.27%	0
General Manager	Tung-Hui, Chiang													
CFO	Chia-Cheng, Chang													
Chief Strategy Officer	Cheng, Chao													
Shanghai BU President	Cheng-An, Lee													
Taiwan BU Vice President	Huo-Tsao, Lin													
Dongguan BU Vice President	Ming-Wei, Hsu													
Biomedical and system integration BU— Vice President	Li-Kai, Chen													

*The information disclosure should include those who hold a position equivalent to the President and Vice President (such as President, CEO, Director), regardless of their titles.

Remuneration Ranges

Remuneration Ranges paid to Each President and Vice President of the Company	Name of President and Vice President	
	The Company (Note 6)	All Companies in the Financial Statements (Note 7)
Below NT\$1,000,000	None	None
NT\$1,000,000 (inclusive) – NT\$2,000,000 (exclusive)	None	None
NT\$2,000,000 (inclusive) – NT\$3,500,000 (exclusive)	Ming-Wei, Hsu / Huo-Tsao, Lin / Li-Kai, Chen	Huo-Tsao, Lin / Li-Kai, Chen
NT\$3,500,000 (inclusive) – NT\$5,000,000 (exclusive)	Cherng, Chao / Cheng-An, Lee / Chia-Cheng, Chang	Cherng, Chao / Cheng-An, Lee / Chia-Cheng, Chang / Ming-Wei, Hsu
NT\$5,000,000 (inclusive) – NT\$10,000,000 (exclusive)	Wen-Lin, Hsu / Tung-Hui, Chiang	Wen-Lin, Hsu / Tung-Hui, Chiang
NT\$10,000,000 (inclusive) – NT\$15,000,000 (exclusive)	None	None
NT\$15,000,000 (inclusive) – NT\$30,000,000 (exclusive)	None	None
NT\$30,000,000 (inclusive) – NT\$50,000,000 (exclusive)	None	None
NT\$50,000,000 (inclusive) – US\$100,000,000 (exclusive)	None	None
Over NT\$100,000,000	None	None
Total	None	None

Note 1: The names of the President and Vice President should be listed separately, and the payment amounts should be disclosed collectively. If the director concurrently serves as the President or Vice President, please fill out this form and Table (1-1), or (1-2-1) and (1-2-2).

Note 2: Please fill in the salary, job allowance, and severance pay of the President and Vice President in the most recent year.

Note 3: Fill in the bonuses, incentives, transportation expenses, special expenses, allowances, dormitories, business car, in-kind provisions, and other remuneration amount paid to the President and Vice President in the most recent year. When accommodation, car, and other means of transportation or exclusive personal expense account are provided, the nature and cost of the assets provided, the actual or estimated rent at fair market prices, fuel, and other payments shall be disclosed. In addition, for the designated chauffeur, if any, the payment paid by the company should be noted, however, such amount will not be included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS2 "Share-Based Payment," including the acquisition of employee stock warrants, new restricted employee shares, and participation in cash capital increase subscription shares, should also be included in remuneration.

Note 4: Please fill in the amount of employee remuneration (including stocks and cash) distributed to the President and Vice President approved by the Board of Directors in the most recent year. If such amount cannot be estimated, the proposed distribution amount for this year shall be calculated proportionally to the actual distribution amount of last year with the attachment Form 1-3 filled out accordingly.

Note 5: Disclose the total amount of remuneration paid to the President and Vice President of the company by all companies (including the company) included in the consolidated financial report.

Note 6: Disclose the total amount of remuneration paid to each President and Vice President by the company and the name of the President and Vice President in the respective column of the remuneration table where they belong.

Note 7: Disclose the total amount of remuneration paid to each President and Vice President of the company by all companies (including the company) included in the consolidated financial report; also, disclose the name of the President and Vice President in the respective column of the remuneration table where they belong.

Note 8: Net income refers to the net income expressed in the standalone financial report for the most recent year.

Note 9: a. It is necessary to fill in the amount of remuneration received by the company's President and Vice President from the invested companies other than the subsidiaries or the parent company (if the answer is "NO," please state "NO").

b. If the President and Vice President receive remuneration from the invested company other than the subsidiaries or the parent company, the amount received should be filled in column "E" on the remuneration table and the column should be renamed as "Parent Company and All Invested Enterprises."

c. The "remuneration" refers to the salary and remuneration (including remuneration of employees, Directors, and Supervisors) and business practice fees received by the President and Vice President of the company for serving as the directors, supervisors, or Managers of the invested companies other than the subsidiaries or the parent company.

Note 10: The appropriated amount of severance and pension of the company and all the companies included in the financial report is NT\$1,168 thousand, and the actual payment amount is NT\$0 thousand.

*The content of remuneration disclosed in this form is different from the concept of income stipulated in the Income Tax Act; therefore, this form is intended for information disclosure not for taxation purposes.

The Top Five Highest paid Executives of the TWSE/TPEx-Listed companies (Individual Disclosure of Name and Payment of Remuneration) (Note 1)

Unit: NT\$ thousand; thousand shares

Title	Name	Salary (A) (Note 2)		Severance and Pension (B)		Bonus, Special Expense, etc. (C) (Note 3)		Employee's Remuneration (D) (Note 4)				Ratio of the Total Amount (A+B+C+D) to Net Income (Note 6)		Receipt of Remuneration from the Invested Enterprises Other than the Subsidiaries or Parent Company (Note 7)
		The Company	All Companies included in the Financial Report (Note 5)	The Company	All Companies included in the Financial Report (Note 5)	The Company	All Companies included in the Financial Report (Note 5)	The Company		All Companies included in the Financial Report (Note 5)		The Company	All Companies included in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Wen-Lin, Hsu	4,260	4,260	295	295	1,719	1,719	0	0	0	0	6,274 8.30%	6,274 8.30%	0
General Manager	Tung-Hui, Chiang	3,666	3,666	243	243	1,487	1,487	0	0	0	0	5,396 7.14%	5,396 7.14%	0
Chief Strategy Officer	Cheng, Chao	3,240	3,240	108	108	945	945	0	0	0	0	4,293 5.68%	4,293 5.68%	0
Chief Financial Officer	Chia- Cheng, Chang	2,704	2,704	47	47	1,274	1,274	0	0	0	0	4,025 5.32%	4,025 5.32%	0
Shanghai BU President	Cheng-A n, Lee	2,142	3,210	108	108	1,633	1,633	0	0	0	0	3,883 5.13%	4,951 6.55%	0

Note 1: The so-called "top five executives with the highest pay" refers to the Managers of the company. The standards for the identification of relevant Managers refer to the "Managers" defined in the Tai-Tsai-Zhen-(III)-Zi No. 0920001301 Order by the former Securities and Futures Administration Commission of the Ministry of Finance on March 27, 2003. As for the calculation and recognition principle of "the top five highest remunerations," it is based on the total amount of salaries, severance pay and pensions, bonuses, and special expenses received by the company's Managers from all companies included in the consolidated financial report, including the amount of employee remuneration (that is, the total amount of "A+B+C+D"), ranked top five orderly. The aforementioned Managers who are also a director concurrently shall fill out this form and the aforementioned form (1-1).

Note 2: Fill in the salary, job allowance, and severance pay of the top five highest paid executives in the most recent year.

Note 3: Fill in the bonuses, incentives, transportation expenses, special expenses, allowances, dormitories, business car, in-kind provisions, and other remuneration amount for the top five highest paid executives in the most recent year. When accommodation, car, and other means of transportation or exclusive personal expense account are provided, the nature and cost of the assets provided, the actual or estimated rent at fair market prices, fuel, and other payments shall be disclosed. In addition, for the designated chauffeur, if any, the payment paid by the company should be noted, however, such amount will not be included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS 2 "Share-Based Payment," including the acquisition of employee stock warrants, new restricted employee shares, and participation in cash capital increase subscription shares, should be included in the calculation of remuneration.

Note 4: It refers to the employee remuneration (including stocks and cash) to be received by the top five highest paid executives according to the resolution of the Board of Directors in the most recent year, if such amount cannot be estimated, the proposed distribution amount for this year shall be calculated proportionally to the actual distribution amount of last year with the attachment Form 1-3 filled out accordingly

Note 5: Disclose the total amount of remuneration paid to the top five highest paid executives of the company by all companies (including the company) included in the consolidated financial report.

Note 6: Net income refers to the net income expressed in the standalone financial report for the most recent year.

Note 7: a. It is necessary to fill in the amount of remuneration received by the top five highest paid executives of the company from the invested companies other than the subsidiaries or the parent company (if the answer is "NO," please state "NO").

b. The "remuneration" refers to the salary and remuneration (including remuneration of employees, Directors, and Supervisors) and business practice fees received by the top five highest paid executives of the company for serving as directors, supervisors, or Managers of the invested companies other than the subsidiaries or the parent company.

Note 8: The appropriated amount of severance and pension of the company and all the companies included in the financial report is NT\$1,168 thousand, and the actual payment amount is NT\$0 thousand.

*The content of remuneration disclosed in this form is different from the concept of income stipulated in the Income Tax Act; therefore, this form is intended for information disclosure not for taxation purposes.

3. The name of the Managers who receive Employee Remuneration and the Respective Amount

NT\$ thousand						
	Position Name Stock Cash Total Ratio of Total Amount to Net Income(%)	Position Name Stock Cash Total Ratio of Total Amount to Net Income(%)	Position Name Stock Cash Total Ratio of Total Amount to Net Income(%)	Position Name Stock Cash Total Ratio of Total Amount to Net Income(%)	Position Name Stock Cash Total Ratio of Total Amount to Net Income(%)	Position Name Stock Cash Total Ratio of Total Amount to Net Income(%)
Managers & Directors	CEO	Wen-Lin, Hsu	0	78	78	0.10%
	General Manager	Tung-Hui, Chiang				
	Chief Strategy Officer	Cheng, Chao				
	CFO	Chia-Cheng, Chang				
	President	Cheng-An, Lee				
	Vice President	Huo-Tsao, Lin				
	Vice President	Ming-Wei, Hsu				
	Vice President	Li-Kai, Chen				
	Junior VP	Tsung-Ho, Ou				
	Junior VP	Cheng-Ching, Hsia				
	Corporate Governance Officer	Yen-Hua, Huang				
	Director	Wan-Sheng, Hsu				

Note1: Individual names and job titles should be disclosed, but profit distribution situations can be disclosed in an aggregated manner °

Note2: This is the amount of employee compensation (including stocks and cash) distributed to managers approved by the board of directors in the most recent year. If it cannot be estimated, the proposed distribution amount for this year will be calculated based on the proportion of the actual distribution amount last year. Net income after tax refers to the net income after tax for the most recent year; if IFRS has been adopted, net income after tax refers to the net income after tax for individual or individual financial reports in the most recent year.

Note3: The standards for the identification of relevant Managers refer to the "Managers" defined in the Tai-Tsai-Zhen-(III)-Zi No. 0920001301 Order by the former, Securities and Futures Administration Commission of the Ministry of Finance on March 27, 2003.

(1) General manager and equivalent

(2)) Deputy general manager and equivalent level

(3) Associate director and those with equivalent levels

(4) Finance department manager

(5) Accounting department manager

(6) Other persons with the authority to manage the company's affairs and sign signatures

Note4: If directors, general managers and deputy general managers receive employee remuneration (including stocks and cash), they should fill in this form in addition to Appendix 1-2.

(II) Analyze the Ratio of the Total Remuneration paid to the Company's Directors, Supervisors, President, and Vice President in the Most Recent 2 Years by the Company and all Companies in the Consolidated Financial Statements to the Net Income; explain the Policies, Criteria and Combination, the Procedures for Determining Remuneration, and the Correlation to Operating Performances and Future Risks.

1. Analyze the Ratio of the Total Remuneration paid to the Company's Directors, Supervisors, President, and Vice President in the Most Recent 2 Years by the Company and all Companies in the Consolidated Financial Statements to the Net Income

Item Title	Ratio of Total Remuneration to Net Income			
	2023		2024	
	The Company	All Companies included in the Financial Statements	The Company	All Companies included in the Financial Statements
Director	(12.30%)	(12.30%)	29.38%	29.38%
Supervisor (Note 2)	0%	0%	0%	0%
President and Vice President	(25.32%)	(27.06%)	44.70%	47.27%

Note 1: The "market price" of stock dividends is calculated by the TWSE/TPEX-Listed companies based on the average closing price of the last month in the most recent fiscal year; for non-TWSE/TPEX-Listed companies, it is calculated based on the net value at the end of the accounting period of the year that the earnings belong to. Net income refers to the net income expressed for the most recent year.

Note 2: The company established an Audit Committee on June 8, 2018, to replace the supervisors.

2. The Remuneration Payment Policies, Criteria and Combination, the Procedures for Determining Remuneration, and the Correlation to Operating Performances and Future Risks

(1) Director

Annual directors' remuneration and the compensation level of peers, the company's overall operations and the director's remuneration distribution ratio stipulated in the articles of association, etc. will be considered, and the compensation will be paid after the recommendation of the Compensation Committee is submitted to the board of directors for discussion and approval. There are also fixed remuneration and carriage fees and other remuneration.

(2) President and Vice President

It includes salary, bonus, and employee remuneration. The company bases on the relevant personnel regulations to determine salaries and bonuses, and considers the contribution of each position holder to the company's operations and his/her personal performance for a reasonable distribution of remuneration. The Board of Directors bases on the earnings in the distribution year and the percentage or range of remuneration defined in the Articles of Incorporation to have the employee remuneration resolved for distribution; also, take into account the degree of contribution made by each individual and the recommendation of the Compensation Committee that will be deliberated and resolved by the Board of Directors before carrying out a reasonable distribution of employee remuneration.

- (3) The so-called consideration of the company's overall operations and the degree of contribution to the company's operations in the aforementioned remuneration policy in the last two paragraphs are highly relevant to performance evaluation, including financial indicators (such as the company's revenue and net income before tax achievement rate) and non-financial indicators (such as participating in new product development, the substantiation of strategic development, and the compliance with laws and regulations and operational risks of the departments under supervision); also, consider the degree of participation, stability, and loyalty to the company of each director, President, and Vice President in the company's operations in order to avoid the impact of future risks on the company.

III. Implementation of Corporate Governance

(I) The operation of the Board of Directors

1. Information on the operation of the Board of Directors

The Board of Directors held 7 meetings(A) held in 2024 with the attendance of Directors and Supervisors as follows:

Title	Name (Note 1)	Actual Number of Attendances (B)	Number of Attendances by proxy	Actual Attendance Rate (%) [B/A] (Note 2)	Remarks
Chairman	Wen-Lin, Hsu	7	0	100%	Re-elected on Jun. 7, 2024
Vice Chairman	Tung-Hui, Chiang	7	0	100%	Re-elected on Jun. 7, 2024
Director	Wan-Sheng, Hsu	3	0	100%	Re-elected on Jun. 7, 2024
Director	Ying Fan Investment Co., Ltd. Representative: Wan-Sheng, Hsu	4	0	100%	Former ; Retired at the end of term on Jun.7,2024
Director	Ying Fan Investment Co., Ltd. Representative: Le-Li, Lu	7	0	100%	Re-elected on Jun. 7, 2024
Director	Ying Fan Investment Co., Ltd. Representative: Chia-Cheng, Chang	3	0	100%	Newly elected on Jun.7,2024
Director	Ming-Hsiung, Chu	3	0	100%	Newly elected on Jun.7,2024
Independent Director	Chun-Nan, Pai(note3)	1	0	100%	Former ; Resigned on Feb.6,2024
Independent Director	Ching-Kong, Chao(note4)	4	0	100%	Former ; Retired at the end of term on Jun.7,2024
Independent Director	Hai-Pang, Chiang	7	0	100%	Re-elected on Jun. 7, 2024
Independent Director	Wan-Hua,Hsieh(note5)	4	1	75%	Newly elected on Apr.3,2024
Independent Director	Wei-Chun, Chin	3	0	100%	Newly elected on Jun.7,2024

Other matters required to be recorded:

I. If the operation of the Board of Directors is under any of the following circumstances, the meeting date, term, proposal content, all independent directors' opinions, and the Company's handling of their opinions should be described:

(I) Matters addressed in Article 14-3 of the Securities and Exchange Act

No such event has ever occurred. Please refer to P.53–P.55 for important resolutions of the Board of Directors.

(II) In addition to the aforementioned matters, other resolutions of the Board of Directors to which were objected or dissented by an independent director in writing or in records.

No such event has ever occurred. Please refer to P.53–P.55 for important resolutions of the Board of Directors.

II. Regarding the director's recusal due to a conflict of interest, the director's name, the proposal content, the reasons for recusal, and the participation in voting should be stated.

No such event has ever occurred. Please refer to P.53–P.55 for important resolutions of the Board of Directors.

III. TWSE/TPEx-Listed companies should disclose information on the periodicity and duration, scope, method, and content of the self-performance evaluation (or peer evaluation) by the Board of Directors.

The company has formulated the "Rules for Performance Evaluation of the Board of Directors." Please refer to P.25 for details on the implementation of the evaluation of the Board of Directors.

IV. Evaluation the objectives for enhancing the functions of the Board of Directors (establishing an Audit Committee, enhancing information transparency, etc.) and its implementation in the current year and the most recent year.

1. The company established the Compensation Committee on November 25, 2011 with the members appointed by the Board of Directors. Assist the Board of Directors in implementing and evaluating the company's overall remuneration and welfare policies and the remuneration of board directors and Managers.

2. The company established the Audit Committee on June 8, 2018 with the participation of all independent directors so to assist the Board of Directors in supervising the company's quality and integrity in the implementation of accounting, auditing, financial reporting processes, and financial control.

3. The company appointed the corporate governance officer on January 29, 2021 to provide the Board of Directors with the information needed to comply with laws and regulations and perform business operation; also, to assist board directors in taking office and completing continue education.

4. The company ranked the top 6%–20% among all TPEx-Listed companies in the 5th–9th term of Corporate Governance Evaluation, and in the 10th–11th session, the company was ranked between 21% to 40% among the TWSE/TPEx-Listed companies.

V. The attendance of independent directors in each board meeting in 2024 ☉: Attended in person – : Not in term

2024	1.26.2024	2.15.2024	3.15.2024	5.3.2024	6.7.2024	8.9.2024	11.8.2024
Chun-Nan, Pai	☉	–	–	–	–	–	–
Ching-Kong, Chao	☉	☉	☉	☉	–	–	–
Hai-Pang, Chiang	☉	☉	☉	☉	☉	☉	☉
Wan-Hua, Hsieh	–	–	–	☉	entrust	☉	☉
Wei-Chun, Chin	–	–	–	–	☉	☉	☉

Note 1. If the Directors and Supervisors are a juridical person, it is necessary to disclose the name of the corporate shareholder and its representative.

Note 2: (1) The resignation date of a director or supervisor before the end of the fiscal year should be indicated in the remark column. The actual attendance rate (%) is calculated based on the number of board meetings convened and the actual attendance during the term of office.

(2) If there is a re-election of Directors and Supervisors before the end of the fiscal year, both the new and old Directors and Supervisors should be indicated in writing, including the election status as former, newly elected, or re-elected indicated in the remark column. The actual attendance rate (%) is calculated based on the number of board meetings convened and the actual attendance during the term of office.

Note 3: Independent Director Mr. Chun-Nan, Pai resigned as an independent director on Feb 6, 2024.

Note 4: Independent Director Mr. Ching-Kong, Chao retired at the end of his term on Jun 7, 2024.

Note 5: Independent Director Mr. Wan-Hua, Hsieh was by-elected as an independent director on Apr 3, 2024.

2. Implementation of Board Evaluation

Evaluation Cycle (Note 1)	Evaluation Duration (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
Implemented once a year	January 1, 2024 – December 31, 2024	The Board of Directors taking as a whole	Internal Self-evaluation of the Board of Directors	A. Degree of Participation in the Company's Business Operations B. Improve the Decision-making Quality of the Board of Directors C. Board Composition and Structure D. Election and Continuing Education of Board Directors E. Internal Control
		Individual Board Director	Self-evaluation of Individual Board Director	A. Grasp the Company's Objectives and Missions B. Director's Recognition of Responsibilities C. Degree of Participation in the Company's Business Operations D. Internal Relationship Management and Communication E. Professional and Continuing Education of Directors F. Internal Control
		Functional Committees	Self-evaluation of Individual Board Director	A. Degree of Participation in the Company's Business Operations B. Functional Committee's Recognition of Responsibilities C. Improve the Decision-making Quality of Functional Committees D. Composition of Functional Committees and Appointment of Members E. Internal Control

Note 1: Fill in the implementation cycle of the Board of Directors' evaluation, for example: implemented once a year.

Note 2: Fill in the duration of the Board of Directors' evaluation, for example: evaluate the performance of the Board of Directors for the period from January 1, 2019 to December 31, 2019.

Note 3: The scope of evaluation includes the performance evaluation of the Board of Directors, individual board director, and functional committees.

Note 4: Evaluation methods include internal self-evaluation by the Board of Directors, self-evaluation by individual board director, peer evaluation, appointment of external professional institutions, experts, or other appropriate methods for performance evaluation

Note 5: The evaluation content according to the scope of evaluation includes at least the following items:

- (1) Performance evaluation of the Board of Directors: It includes at least the degree of participation in the company's business operations, the decision-making quality of the Board of Directors, the composition and structure of the Board of Directors, the selection and appointment of board directors and continuing education, internal control, etc.
- (2) Performance evaluation of individual board director: It includes at least the grasp of the company's objectives and missions, board director's recognition of responsibilities, the degree of participation in the company's business operations, internal relationship management and communication, board directors' professional and continuing education, internal control, etc.
- (3) Performance evaluation of functional committees: The degree of participation in the company's business operations, the functional committee's recognition of responsibilities, the decision-making quality of functional committees, the composition of functional committees and selection of members, internal control, etc.

(II) The Operation of the Audit Committee or the Participation of Supervisors in the Operation of the Board of Directors

Information on the Operation of the Audit Committee

A total of 5 Audit Committee meetings (A) held in 2024 with the attendance of independent directors as follows:

Title	Name	Actual Number of Attendances (B)	Number of Attendances by proxy	Actual attendance rate (%) (B/A) (Note 1 and Note 2)	Remarks
Convener	Chun-Nan, Pai	1	0	100%	Former ; Resigned on Feb.6,2024
Members	Ching-Kong, Chao	3	0	100%	Former ; Retired at the end of term on Jun.7,2024
Members	Hai-Pang, Chiang	5	0	100%	Re-elected on Jun. 7, 2024
Members	Wan-Hua, Hsieh	3	0	100%	Newly-elected on Apr.3,2024
Members	Wei-Chun, Chin	2	0	100%	Newly-elected on Jun.7,2024

Other Matters Required to be recorded:

I. If the Operation of the Audit Committee is under any of the Following Circumstances, the Meeting Date, Term, Proposal Content, all Independent Directors' Dissented Opinions, Qualified Opinion, or Material Suggestion Content, the Resolution of the Audit Committee, and the Company's Handling of Their Opinions should be described:

(I) Matters Listed in Article 14-5 of the Securities and Exchange Act:

No such event has ever occurred. Please refer to P.56-P.57 for important resolutions of the Audit Committee.

(II) In addition to the Aforementioned Matters, other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all Board Directors.

No such event has ever occurred. Please refer to P.56-P.57 for important resolutions of the Audit Committee.

II. In the Implementation of an Independent Director's Recusal for being an Interested Party in a Proposal, the Independent Director's Name, the Proposal Content, the Recusal Reasons, and his or her participation in voting should be stated:

No such event has ever occurred.

III. Communication between Independent Directors, Internal Audit Officer, and CPA (including Major Matters, Methods and Results of Communication on the Company's Financial and Business Conditions):

(1) Communication method between independent directors and internal audit officer

1. The company's Audit Committee is composed of all independent directors, and the internal audit officer attends the Audit Committee meeting every time to communicate with the independent directors.

2. The company's Audit Office provides an audit report to all independent directors on a monthly basis with the "Audit Report Review Reply Form" enclosed. The monthly implementation and audit result has been fully communicated.

3. Summary of previous major communications conducted:

Date	Communication Matters	Communication Results
8.19.2024	1. Formulate the company's 2025 internal audit plan in line with the company's actual operating conditions and the management requirements for sustainable information, and with reference to the implementation of the 2024 audit plan. 2. Prepare the audit room's 2025 budget with an audit plan.	No objection.

(2) Communication methods between independent directors and the CPAs

1.The independent auditors of the company attend the “meeting for communication between auditing unit and governance unit” at least once every six months to communicate with the CPAs. The CPAs can directly contact the independent directors when necessary, and the communication is good.

2.Summary of previous communications conducted:

Date	Communication Matters	Communication Results
3.15.2024	Communicate with the accountant to discuss how should we promote the establishment of IFRS sustainable disclosure standards and collect questions and opinions from different promotion groups and the industry.	After thorough discussion and communication, plan an exclusive roadmap for the company and provide corporate cases for reference.
8.9.2024	Communicate with independent directors on the second quarter 2024 financial report information, operating status, regulatory compliance and updated regulations in the "Communication Meeting between Audit Unit and Governance Unit".	No objection.

IV. The Duties and Powers of the Audit Committee are as follows:

1. Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluate the effectiveness of the internal control system.
3. Formulate or amend the “Procedures for acquisition and disposal of assets,” “Procedures for engaging in derivatives transactions,” “Procedures for loaning of funds,” “Procedures for making of endorsements/guarantees,” and other material financial business activities in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters involving the interests of the board directors.
5. Material assets or derivatives transactions.
6. Material loaning of funds and endorsements/guarantees.
7. Offering, issuance, or private placement of “equity-type securities”
8. Appointment, dismissal, or remuneration of the independent auditors.
9. Appointment and dismissal of financial, accounting, or internal audit officers
10. Annual financial report and semi-annual financial report.
11. Other material matters stipulated by the company or the competent authority.

The resolution of the aforementioned item shall be approved by the majority of the Audit Committee members, and shall be submitted to the Board of Directors for resolution.

The matters stated in all subparagraph, except for subparagraph 10, in paragraph 1 can be implemented with the approval of two-thirds of the board directors if not approved by the majority of the Audit Committee members.

Note 1: The resignation date of an independent director before the end of the fiscal year should be indicated in the remark column. The actual attendance rate (%) is calculated based on the number of board meetings convened and the actual attendance during the term of office.

Note 2: If there is a re-election of independent directors before the end of the fiscal year, both the new and old independent directors should be indicated in writing, including the election status as former, newly elected, or re-elected indicated in the remark column. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings convened and the actual attendance during the term of office.

Note3: Independent director Mr. Chun-Nan, Pai resigned as a independent director on February 6, 2024 and on April 3, 2024, the extraordinary meeting of shareholders by-elected Mr. Wan-Hua Hsieh as an independent director.

(III) The implementation of the corporate governance and its deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed companies” and the reasons

The company has been certified by Taiwan Corporate Governance Association for the “CG6004,” “CG6005,” and “CG6007” corporate governance system evaluation.

The Board of Directors members and governance units are committed to the implementation of corporate governance.

The company was ranked the top 6%–20% among the TPEX-Listed companies in the 5th–9th Corporate Governance Evaluation, and in the 10th–11th session, the company was ranked between 21% to 40% among the TWSE/TPEX-Listed companies.

The company’s Directors and Supervisors have actively participated in continuing education on topics related to corporate governance, which is disclosed in the “Corporate Governance” section of the Market Observation Post System.

Website: <https://mopsov.twse.com.tw/mops/web/t100sb07>

Evaluation Items	The State of Operations (Note)			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed companies” and the reasons
	Yes	No	Summary Description	
I. Has the Company formulated and disclosed its corporate governance best-practice principles in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed companies?”	V		The company has formulated the “Corporate Governance Best-Practice Principles” in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed companies” and has it disclosed on the Market Observation Post System and the company’s website.	No material deviation
II. The Company’s equity structure and shareholders’ equity		V		In planning
(I) Has the company established internal operating procedures to handle shareholders’ recommendations, doubts, disputes, and litigations, and implemented them according to the procedures?			(I) The company has not yet formulated relevant operating procedures. A stock affair agency is entrusted to handle shareholder affairs currently, and the spokesperson, acting spokesperson, and the Group Finance Division are responsible for handling shareholder-related issues.	
(II) Does the company have a list of the major shareholders who actually control the company and those who ultimately have control over the major shareholders?	V		(II) The company grasps the shareholding status and ultimate controller of directors, supervisors, managerial officers, and major shareholders with more than 10% shareholding, and reports the relevant information in accordance with the governing regulations.	No material deviation
(III) Has the Company established and implemented risk control and firewall mechanisms between the company and the affiliated enterprises?	V		(III) The financial and business transactions between the company and its affiliated enterprises are handled in accordance with the “Procedures for Transactions of Group Enterprises, Specified Companies, and Related Parties.” An appropriate organizational control structure is established between the company and its subsidiaries with the “Regulations Governing Subsidiary Supervision and Management” formulated to substantiate the risk control and firewall mechanisms for subsidiaries.	No material deviation
(IV) Has the company formulated internal regulations to prevent insiders from trading securities using undisclosed market information?	V		(IV) The company has formulated the “Procedures for Handling Material Inside information,” “Code of Ethical Conduct for Employees,” and “Regulations Governing Insider Trading” to strictly prevent company employees from using unpublished market information to buy and sell securities.	No material deviation

Evaluation Items	The State of Operations (Note)			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons
	Yes	No	Summary Description	
III. Composition and responsibilities of the Board of Directors (I) Does the Board of Directors formulate a diversity policy, and specific management objectives, and implementation for the composition of board directors?	V		(I) 1. The Board of Directors of the company approved the formulation of the “Corporate Governance Best-Practice Principles” on November 10, 2015. The policy of diversification is formulated in Chapter 3 “Strengthen the powers of the Board of Directors.” The nomination and selection of the company's board directors is in compliance with the provisions of the company's Articles of Incorporation, the “Regulations Governing Election of Directors,” and the “Corporate Governance Best-Practice Principles” to ensure the diversity and independence of directors. 2. Currently, there are nine directors serving the 12th term of the Board of Directors with Ms. Wan-Sheng, Hsu as the one and only female director with expertise in business management and financial accounting affairs. Mr. Wen-Lin, Hsu, Mr. Tung-Hui, Chiang and Mr. Ming-Hsiung, Chu are with expertise in leadership, business judgment, business management, crisis management, and has industry knowledge and international vision. Mr. Le-Li, Lu and Mr. Chia-Cheng, Chang has expertise in leadership, business judgment, business management, crisis management, financial accounting, and has industry knowledge and international vision. There are three independent directors, including Mr. Hai-Pang, Chiang and Mr. Wei-Chun, Chin who have rich industry knowledge, providing professional guidance and suggestions, which will greatly contribute to the company's improvement of process efficiency and product quality, and Mr. Wan-Hua, Hsieh, with expertise and experience in finance, taxation and accounting. 3. The directors and independent directors who are also employees of the company accounted for 44% and 33%, respectively. The company aims to have female directors elected and accounted for 11% of the Board of Directors. Except for the independent director Mr. Hai-Pang, Chiang have served for more than ten years, both the other two independent directors Mr. Wan-Hua, Hsieh and Mr. Wei-Chun, Chin are newly-elected. One director is between 71 and 80 years old, two directors are between 61 and 70 years old, four directors are between 50 and 60 years old, and two directors are under 50 years old. 4. The Board of Directors has formulated a board director diversification policy and has it disclosed on the company's website and Market Observation Post System. 5. The sustainable inheritance of board directors and important management: [Board of Directors] The company continues to cultivate high-level managers to get familiar with the Group's operation and development, and to enhance their industrial knowledge and decision-making ability in line with the company's core values. The company uses the “Corporate Governance Best-Practice Principles” to substantiate the board director diversification policy, focus on gender equality, and equip them with diversified industrial experience and	No material deviation

Evaluation Items	The State of Operations (Note)			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons
	Yes	No	Summary Description	
			<p>professional capabilities in banking, finance, and accounting. For the realization of gender equality, the company’s Board of Directors is composed with one female director, the target of female directors has been set to reach more than 1/3, and it is expected to pay attention to suitable talents in subsequent director elections to achieve the target. The Group deployment has a flat organization adopted and ten business units classified and planned by functions, the heads of business units are all professionals in their fields. Each subsidiary is assigned a professional manager by the company as general manager and a director to be familiar with the operation of the board of directors.</p> <p>[Important management level]</p> <p>The company arranges strategic management meetings for mid-level and high-level executives (including the President) every year to conduct discussions and strategic planning in response to global market trends, rapid changes in the industrial environment, and severe competition in the industry; also, combine external resources to understand the industry and new knowledge and technology, and plan proactive and forward-looking business models. Also, help senior executives build up a systematic and innovative thinking, urge them to learn and understand the industrial environment and market demand trend, substantiate the core value of the enterprise, and find new growth momentum for mid-level and high-level executives through innovative development strategies.</p> <p>The company’s important management regularly participates in the monthly operation and management meeting to understand the operation overview, and organizes internal and external training occasionally to improve the decision-making quality of the management (including management ability, professional skills, language learning, judgment and problem-solving ability, and enhancement of professional skills. and management ability) and to train the high-quality manpower needed for the sustainable development of the company.</p> <p>In addition to the policy of retaining talents, the company also recruits outstanding talents from market with an aim to increase the breadth and depth of the management by building up a talent pool with recruits from inside and outside the company.</p> <p>In addition, the company has formulated the “Regulations Governing Position Substitute” to help the substitutes learn about the management responsibilities in a timely manner in order to facilitate the sustainable development.</p>	
(II) Does the company voluntarily establish functional committees other than the Compensation Committee and the Audit Committee?		V	(II) The company has not set up any functional committee except the Compensation Committee and the Audit Committee.	In planning.
(III) Does the company formulate the “Rules for Performance	V		(III) The company has formulated the “Rules for Performance Evaluation of the Board	No material

Evaluation Items	The State of Operations (Note)			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons														
	Yes	No	Summary Description															
<p>Evaluation of the Board of Directors” and other performance evaluation methods, conduct a performance evaluation annually and regularly, and report the performance evaluation results to the Board of Directors and apply it as a reference for the consideration of remuneration and nomination of each director?</p> <p>(IV) Does the company regularly evaluate the independence and competency of the attesting CPAs?</p>	V		<p>of Directors” and the evaluation method, which has been implemented every year. The performance evaluation results of the Board of Directors in 2024 were reported to the Board of Directors on January 17, 2025, which is used as a reference in determining individual director’s remuneration and nomination for a new term.</p> <p>(IV) The company regularly evaluates the independence and competency of the attesting CPAs once a year through the attesting CPA Independence Checklist. The evaluation items include the independence and professionalism of the attesting CPA, with reference to the Audit Quality Index Information (AQI) and accountants. This is a declaration of independence which is verifying that the company’s independence assessment checklist for the attesting CPAs has not violated independence and that they are competent. The assessment results will be reported to the audit committee and the board of directors in each year. In the most recent year, both the assessment criteria were reviewed and approved on March 15, 2024 and March 14, 2025, and the "Declaration of Independence" was issued by the attesting CPAs.</p> <p>Attesting CPA independence checklist</p> <table><tr><th>Independent evaluation items</th><th>Conform to</th></tr><tr><td>Whether the attesting CPA is a director or independent director of the company or the company’s affiliated enterprises?</td><td>V</td></tr><tr><td>Whether the attesting CPA is a shareholder of the company or the company’s affiliated enterprises?</td><td>V</td></tr><tr><td>Whether the attesting CPA collects salary form the company or the company’s affiliated enterprises?</td><td>V</td></tr><tr><td>Whether the attesting CPA provides audit services to the company for seven consecutive years?</td><td>V</td></tr><tr><td>Does the attesting CPA confirm that the CPA Firm to which it belongs has complied with the relevant independence norms?</td><td>V</td></tr><tr><td>Whether the co-CPAs of the CPA Firm to which they belong have served as directors, managerial officers of the company, or positions that have a material impact on the audit case within one year after resignation?</td><td>V</td></tr></table>	Independent evaluation items	Conform to	Whether the attesting CPA is a director or independent director of the company or the company’s affiliated enterprises?	V	Whether the attesting CPA is a shareholder of the company or the company’s affiliated enterprises?	V	Whether the attesting CPA collects salary form the company or the company’s affiliated enterprises?	V	Whether the attesting CPA provides audit services to the company for seven consecutive years?	V	Does the attesting CPA confirm that the CPA Firm to which it belongs has complied with the relevant independence norms?	V	Whether the co-CPAs of the CPA Firm to which they belong have served as directors, managerial officers of the company, or positions that have a material impact on the audit case within one year after resignation?	V	<p>deviation.</p> <p>No material deviation.</p>
Independent evaluation items	Conform to																	
Whether the attesting CPA is a director or independent director of the company or the company’s affiliated enterprises?	V																	
Whether the attesting CPA is a shareholder of the company or the company’s affiliated enterprises?	V																	
Whether the attesting CPA collects salary form the company or the company’s affiliated enterprises?	V																	
Whether the attesting CPA provides audit services to the company for seven consecutive years?	V																	
Does the attesting CPA confirm that the CPA Firm to which it belongs has complied with the relevant independence norms?	V																	
Whether the co-CPAs of the CPA Firm to which they belong have served as directors, managerial officers of the company, or positions that have a material impact on the audit case within one year after resignation?	V																	

Evaluation Items	The State of Operations (Note)			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons
	Yes	No	Summary Description	
IV. Do the TWSE/TPEx-Listed companies have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for Directors and Supervisors to perform their business, assisting Directors and Supervisors in complying with laws and regulations, conducting board meeting and shareholders’ meeting related matters in accordance with law, and preparing minutes of board meetings and shareholders’ meetings)?	V		The Company has appointed a corporate governance officer to be responsible for corporate governance-related matters. The scope of duties of the corporate governance officer includes: Assisting directors in complying with laws and regulations and providing necessary information to them for business operation, assisting directors in their appointment and continuing education, handling matters related to board meetings and shareholders’ meetings in accordance with the law, preparing minutes of meetings, and assisting the board of directors in strengthening its functions. Please refer to attached “Managerial Officer Training” on P.52 for the training status of corporate governance officer.	No material deviation.
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and a special section for stakeholders on the company’s website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		The company maintains smooth communication channels with stakeholders, and respects and safeguards their legitimate rights and interests. Also, the company establishes a special section on the website for stakeholders so they can communicate with each other through the telephone or email disclosed on the website when necessary.	No material deviation.
VI. Has the company entrusted a professional stock affairs agency to handle shareholders’ meetings related matters?	V		The company entrusts the Department of Agency of CTBC Bank to handle the shareholders’ meeting related affairs in order to have the shareholders’ meeting held legally and effectively.	No material deviation.
VII. Information Disclosure				
(I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		(I) The company has the product information, technology research and development results, financial information and corporate governance-related information fully disclosed on the company’s website at: https://www.megaforce.com.tw	No material deviation.
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of company information, implementing a spokesperson system, and posting the company’s investors conference on the website)?	V		(II) The company has an official website in both Chinese and English language to disclose company information in a timely manner and has a Group Finance Department to be responsible for collecting and disclosing information on shareholders, laws, investment, and markets. Also, a spokesperson system is established and implemented to respond to inquiries from investors and stakeholders.	No material deviation.
(III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second, and third quarters and the monthly operating status before the prescribed deadline?		V	(III) The company has not publicly announced and filed annual financial statements within two months after the end of the fiscal year, but has the financial statements for the first, second, and third quarters and the monthly operating status announced and filed before the prescribed deadline.	In planning.

Evaluation Items	The State of Operations (Note)			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons
	Yes	No	Summary Description	
VIII. Does the company have any other important information that helps understand the corporate governance operation (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, continuing education of Directors and Supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the acquisition of the liability insurance by the company for Directors and Supervisors)?	V		<ul style="list-style-type: none"> ◆ Employees’ rights and interests: The company appreciates the importance of labor–management relations, treats employees with integrity, and substantiates the Labor Standards Act. The chairman has a blog available for employees to express their opinions. The company handles employees’ suggestions and complaints in an open manner and practice to effectively resolve labor disputes. ◆ Employee Care: Encourage employees to participate in various training courses and technical seminars, pay group insurance premium in full for each employee, arrange regular health checkups, set up an employee welfare committee to enrich employee benefits and encourage employees to engage in club activities with partial subsidies provided. ◆ Investor Relations: The company has a Group Finance Department setup with dedicated personnel assigned to handle shareholders’ suggestions and inquiries, and has dedicated personnel assigned to maintain the information related to finance, business, Board of Directors, and shareholders’ meetings on the company’s website and the Market Observation Post System so as to ensure that investors can obtain the latest company news in a timely manner. ◆ Supplier Relations: The company maintains good communication with suppliers and good relationship. ◆ Stakeholders’ Rights: The company establishes various communication platforms for stakeholders with the latest information of the company provided; also, they can communicate and make suggestions with the company at any time in order to protect their legitimate rights and interests. ◆ Directors’ continuing education: The company arranges continuing education for directors occasionally with the relevant information on P.51-P.52 and disclosed in the “Corporate Governance” section of the Market Observation Post System. ◆ Implementation of risk management policies and risk measurement standards: The company has established the “Risk management policies and procedures” and various internal regulations to conduct various risk management and assessments successfully. ◆ Implementation of customer policy: The company maintains a stable and good relationship with customers ,the main customers have been with us for more than 10 to 20 years to create the best profits for the company. ◆ Liability insurance policy acquired by the company for directors: The company purchases liability insurance policy for directors every year with the relevant information disclosed on the Market Observation Post System. 	No material deviation.

Evaluation Items	The State of Operations (Note)			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons
	Yes	No	Summary Description	
IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved. Those items that did not score in the 10 th Corporate Governance Evaluation in 2023 had been improved and scored in the 11 th evaluation, as follows:				
Evaluation index content			Improvement completed	
Does the company have written regulations for financial operations with related parties, which should include the management procedures for transactions such as purchase and sale of goods, acquisition or disposal of assets, and whether relevant major transactions should be submitted to the board of directors for approval and submitted to the shareholders' meeting for approval or report?			On November 18, 2024, the Company's Board of Directors approved the amendment of some provisions of the "Transaction Procedures for Group Enterprises, Specific Companies and Related Parties".	
Do the company's independent directors account for more than one-third of the board seats?			Yes, the Company has nine directors, including three independent directors.	
Does the company disclose the professional qualifications and experience of audit committee members, annual work priorities and operating conditions?			The Company has disclosed the relevant regulations in the 2023 annual report and the company website.	
Does the company disclose on its website the individual communications between independent directors and the head of internal audit and accountants (e.g. the methods, matters and results of communications regarding the company's financial reports and financial business status)?			The company has disclosed the relevant content on its website.	
Does the company's board of directors regularly (at least once a year) assess the independence and suitability of the certified public accountants with reference to the Audit Quality Indicators (AQIs), and disclose the assessment procedures in detail in the annual report?			The company has disclosed the relevant content in the 2023 annual report.	
Does the company regularly disclose the specific promotion plan and implementation results of corporate sustainable development (ESG) on its website, annual report or sustainability report?			The company has disclosed the relevant content on its website.	
Does the company prepare and upload a sustainability report on the Public Information Observatory and the company website in accordance with the GRI Standards issued by the Global Reporting Institute (GRI)?			Yes, the sustainability report has been uploaded to the Public Information Observatory and the company website.	
Does the company's website, annual report or sustainability report disclose the supplier management policy it has formulated, requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights, and explain the implementation status?			The company has disclosed the relevant content on its website.	
Does the company disclose information about its governance, strategy, risk management, metrics and targets for climate-related risks and opportunities in accordance with the TCFD framework?			The company has disclosed the relevant content in the 2023 annual report.	
Propose priorities and measures for those items that did not score in the 10 th Corporate Governance Evaluation in 2023 and not yet improved as follows:				
Evaluation index content			Propose priorities and measures for those items that are not yet improved.	
Does the company disclose its water usage and total weight of waste generated over the past two years?			The Company has started water consumption assessment work.	

Note: Regardless of the answer is “Yes” or “No,” It must be explained in the “Remark” column of the summary report.

(IV) If the company has established a Compensation Committee, it is necessary to disclose its composition, responsibilities, and operations.

1. The Compensation Committee aims to assist the Board of Directors in implementing and evaluating the company's overall remuneration and welfare policies and the remuneration of directors and managerial officers. Compensation Committee members are to be appointed by the Board of Directors in accordance with the law and regulations. According to the company's Compensation Committee Charter, there should be 3–5 members appointed, and at least one of them should be an independent director.
2. The company had the Compensation Committee setup on November 25, 2011 with at least two meetings held in one year. Independent directors Hai-Pang, Chiang, Wan-Hua, Hsieh and Wei-Chun, Chin are appointed as the Compensation Committee members currently; also, Mr. Hai-Pang, Chiang is the convener and chairman of the meeting.

Information on the Compensation Committee members

<div>Identity (Note 1)</div> <div>Conditions</div> <div>Name</div>		Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of other public companies in which the individual is concurrently serving as a Compensation Committee member
Independent Director	Hai-Pang, Chiang	Professional qualifications: With expertise in leadership, business judgment, business management and finance and accounting, and not subject to any of the provisions of Article 30 of the Company Act. Experience: Ph.D. of Electrical Engineering from National Taiwan University, Chair and professor of the Institute of Optoelectronics Science, National Taiwan Ocean University, director and supervisor of Taiwan Photonics Society, part-time researcher of Taiwan Instrument Research Institute of National Applied Research Laboratories (NARLab), part-time researcher of the Institute of Physics, Academia Sinica, and Professor of the Department of Optoelectronics and Materials Technology, National Taiwan Ocean University ; incumbent Dean, National Taiwan Ocean University -College of Electrical Engineering and Computer Science, Distinguished Professor of the Department of Optoelectronics and Materials Technology, National Taiwan Ocean University.	1. He had no direct or indirect interest in the company within the two years prior to the election, and he or his spouse and relative within the second degree of kinship had not served as a director (including an independent director) or employee of the company, the company's affiliated enterprise, or a company that has a specific relationship with the company; also, did not hold any share of the company. 2. He did not provide the company or the company's affiliated enterprises with business, legal, financial, accounting, and other services in exchange for remuneration in the last 2 years.	0
Independent Director	Wan-Hua, Hsieh	Professional Qualifications: With expertise in professional knowledge of the industry and not subject to any of the provisions of Article 30 of the Company Act. Experience: Earn master degree of Accounting and Finance and Taxation from Feng Chia University; Accountant of WAN-SHIN Certified Public Accounting Firm, Teacher of taxation laws at 3people cram school, Teacher of taxation laws at Jhih Guang Group (easywin) ; incumbent WAN-SHIN Certified Public Accounting Firm accountant, Teacher of taxation laws at 3people cram school, Teacher of taxation laws at Jhih Guang Group (easywin).	1. He had no direct or indirect interest in the company within the two years prior to the election, and he or his spouse and relative within the second degree of kinship had not served as a director (including an independent director) or employee of the company, the company's affiliated enterprise, or a company that has a specific relationship with the company; also, did not hold any share of the company. 2. He did not provide the company or the company's affiliated enterprises with business, legal, financial, accounting, and other services in exchange for remuneration in the last 2 years.	0
Independent Director	Wei-Chun, Chin	Professional Qualifications: With expertise in a finance,taxation and accounting, and not subject to any of the provisions of Article 30 of the Company Act. Experience: Ph.D., University of Washington; incumbent University of California, Merced Professor.	1. He had no direct or indirect interest in the company within the two years prior to the election, and he or his spouse and relative within the second degree of kinship had not served as a director (including an independent director) or employee of the company, the company's affiliated enterprise, or a company that has a specific relationship with the company; also, did not hold any share of the company. 2. He did not provide the company or the company's affiliated enterprises with business, legal, financial, accounting, and other services in exchange for remuneration in the last 2 years.	0

Note 1: Please specify in the form the relevant working seniority, professional qualifications, experience, and independence of Compensation Committee member. If the Compensation Committee member is an independent director, make a note to refer to page ____ for Table 1 Relevant information on Directors and Supervisors (I). Please indicate the identity as independent director or others (for example, noted as a "convener") in the "Identity" column.

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of individual Compensation Committee member.

Note 3: Independence conformity: Describe the independence conformity of the Compensation Committee members, including but not limited to the party, spouse, and relatives within the second degree of kinship are or are not the directors, supervisors, or employees of the company or its affiliated enterprises; shareholding or shareholding ratio of the party, spouse, and relatives within the second degree of kinship (or in the name of others) in the company; are or are not directors, supervisors, or employees of a company (Refer to Article 6, Paragraph 1, Subparagraphs 5–8 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange of the Taipei Exchange) that has a special relationship with the company; and the remuneration amount received for providing the company or the company's affiliated enterprises with business, legal, financial, accounting, and other services in the last 2 years.

Note 4: Please refer to the best-practice principles for information disclosure on the website of the Corporate Governance Center of Taiwan Stock Exchange.

Information on the operation of the Compensation Committee

I. There are three members in the company's Compensation Committee to serve.

II. The term of 6th Compensation Committee members: Jun 7, 2024 to Jun 6, 2027.

The Compensation Committee held two meetings (A) in 2024. The qualifications and attendance of the Compensation Committee members are as follows:

Title	Name	Number of attendances in person (B)	Number of attendances by proxy	Attendance in person (%) (B/A) (Note)	Remark
Former Convener	Chun-Nan, Pai	0	0	-	Former ; Resigned on Feb.6,2024
Committee Members	Ching-Kong, Chao	1	0	100%	Former ; Retired at the end of term on Jun.7,2024
New Convener	Hai-Pang, Chiang	2	0	100%	Re-elected on Jun. 7, 2024
Committee Members	Wan-Hua, Hsieh	1	0	100%	Newly-elected on Apr.3,2024
Committee Members	Wei-Chun, Chin	1	0	100%	Newly-elected on Jun.7,2024

Other matters to be recorded:

- I. If the Board of Directors does not accept or adjust the suggestions of the Compensation Committee, the date, term, proposal content, the resolution of the Board of Directors, and the Company's handling of the opinions of the Compensation Committee members (such as the remuneration resolved by the Board of Directors is superior to the suggestion made by the Compensation Committee should be described, including the deviation and the reasons): None Please refer to P.58 for the important resolutions of the Compensation Committee.
- II. For the proposals by the Compensation Committee, if any member has objections or reservations with records or written statements made, the date, term, proposal content, and opinions of all members, its handling of the members' opinions should be stated: None
- III. Responsibilities and powers of the Compensation Committee:
 1. Periodically review the Compensation Committee Charter with suggestions for amendments proposed.
 2. Formulate and regularly review annual and long-term performance objectives and remuneration policies, systems, standards, and structures of the company's directors and managerial officers.
 3. Regularly evaluate the achievement of the performance objectives by the company's directors and managerial officers, and determine the content and amount of their personal remuneration in accordance with the evaluation results obtained from the performance evaluation standards.
 4. The Compensation Committee shall follow the following principles to perform its responsibilities and powers:
 - (1) Ensure that the company's remuneration arrangements are in compliance with relevant laws and regulations and are sufficient to attract outstanding talents.
 - (2) The performance evaluation and remuneration of directors and managerial officers should refer to the standard payment of the industry, consider the personal performance evaluation result, time invested, responsibilities, achievement of personal objectives, performance in other positions, and the remuneration paid to those in the same position in recent years by the company, in other words, evaluate the rationality of the correlation among personal performance, the company's business performance, and future risks based on the achievement of the company's short-term and long-term business objectives, the company's financial status, etc.
 - (3) Do not guide the directors and managerial officers to engage in an act exceeding the company's risk tolerance in the pursuit of remuneration.
 - (4) The distribution of remuneration amount to the directors and senior managerial officers for their short-term performance and the timing of distributing variable remuneration should be determined with the industrial characteristics and the company's business nature taking into account.
 - (5) The content and amount of remuneration for directors and managerial officers should be determined with rationality taking into account. The determination of remuneration for directors and managerial officers should not materially deviate from financial performance. In the event that there is a material decline in profits or accumulated long-term loss, the remuneration should not be higher than that of in the previous year.
 - (6) Compensation Committee members may not participate in the discussions and voting in the proposal related to their personal remuneration.

The so-called remuneration in the preceding two paragraphs includes cash remuneration, stock options, dividends, retirement benefits or resignation benefits, allowances, and other measures with substantial rewards; also, its scope should be consistent with the remuneration of directors and managerial officers stated in the "Regulations Governing Information to be Published in Annual Report of Public Companies."

If decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the Board of Directors of the company, the company's Compensation Committee shall be asked to make recommendations before the matter is submitted to the Board of Directors for deliberation.

Note:

- (1) The resignation date of a Compensation Committee member before the end of the fiscal year should be indicated in the remark column. The actual attendance rate (%) is calculated based on the number of Compensation Committee meetings convened and the actual attendance during the term of office.
- (2) If there is a re-election of Compensation Committee members before the end of the fiscal year, both the new and old Compensation Committee members should be indicated in writing, including the election status as former, newly elected, or re-elected indicated, as well as the election date, in the remark column. The actual attendance rate (%) is calculated based on the number of Compensation Committee meetings convened and the actual attendance during the term of office.

(V) The implementation of the sustainable development and its deviation from the “Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and the reasons

Promotion items	The State of implementation (Note 1)			Deviation from the “Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons						
	Yes	No	Summary description (Note 2)							
I. Has the Company established a governance structure to promote sustainable development, and designated a full-time (part-time) unit to promote sustainable development, which is to be handled by the senior management with the authorization of the Board of Directors, and the actual supervision of the Board of Directors? (TWSE/TPEx-Listed companies should report the implementation status, not compliance or explanation.)	V		<p>The company established the “Enterprise Sustainable Operation Taskforce” in 2021, later renamed "ESG Sustainability Taskforce ". In order to deeply implement sustainability issues, in July 2024, the "ESG Sustainability Group" was subdivided into the Corporate Governance Group, the Sustainable Environment Group, the Sustainability Information Disclosure Group and the Social Welfare Group. The said Taskforce is headed by Mr. Tung-Hui, Chiang, the President, and composed of the representatives from the Group Finance Division, the Group Operation Resources Department, and the Chief Executive Office. The Taskforce members were recommended by the relevant units with the Group to organize and plan the sustainable operation-related affairs of the Group and make proposals and reports to the Board of Directors regularly.</p> <p>The missions of the “Enterprise Sustainable Operation Taskforce”including but not limited to:</p> <p>1. Implement corporate governance</p> <p>2. Develop a sustainable environment.</p> <p>3. Strengthen corporate sustainability information disclosure.</p> <p>4. Maintain social welfare.</p> <p>5. Be responsible for promoting and tracking the results of the aforementioned plans and proposals approved by the Board of Directors.</p> <p>The 2024 implementations:</p> <p>1. For the third consecutive year, the sustainability report was issued and uploaded to the public information observatory and company website.</p> <p>2. Amend relevant management measures and strengthen practical operations in compliance with the governing laws and regulations.</p> <p>3. Formulate a greenhouse gas inventory and verification schedule, submit quarterly carbon emission data and implementation reports to the board of directors.</p> <p>4. Report the operation of corporate governance to the Board of Directors once a year.</p> <p>5. The Share Holding Employees Trust system has been extended to subsidiaries, and the number of participants has exceeded 70%.</p> <p>6. Continue to improve sustainability-related issues such as RBA (Responsible Business Alliance), sustainability information disclosure, EcoVadis (sustainability assessment platform).</p> <p>Supervision of the Board of Directors:</p> <p>1. Reported the implementation of the greenhouse gas inventory to the Board of Directors on a quarterly basis since June 2022. A total of five reports were submitted to the Board of Directors in 2024. The latest report date was January 17, 2025. The Board of Directors regularly receives reports and reviews the progress of strategies and objectives.</p> <p>2.Report the sustainable development operation policy and promotion to the Board of Directors at least once a year for the reference of the Board of Directors in proposing suggestions on management policies, strategies, and objectives. The latest report date was November 8, 2024.</p> <p>3. Amended the relevant management measures lawfully to strengthen the company’s practical operation.</p>	No material deviation						
II. Does the company conduct risk assessments on environmental, social, and corporate governance issues related to the company’s operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2) (TWSE/TPEx-Listed	V		<p>The information disclosure risk assessment boundary covers the company and its subsidiaries. The “ESG Sustainability Taskforce” is established to substantiate corporate governance, develop a sustainable environment, maintain social welfare, and strengthen corporate sustainability information disclosure. In terms of the principle of materiality for sustainable development, evaluate the relevant risk assessments of important issues and formulate relevant risk management policies or strategies as follows:</p> <table><tr><th>Material issues</th><th>Risk assessment items</th><th>Risk management policy or strategy</th></tr><tr><td>Environment</td><td>Environmental protection</td><td><p>The company’s environmental protection policies and strategies are as follows:</p><p>1. Self-development and use of low-energy light-curing green energy-friendly materials, and introducing water-based paint to reduce volatile organic compounds (VOCs).</p><p>2. Use RTO for atmospheric control.</p><p>3. Utilize the water-cooled circulation system and improve the air-conditioning efficiency in the factory.</p><p>4. Adopt a rain-wastewater diversion system for wastewater recycling in the factory that meets the effluent standard.</p><p>5. The “Regulations Governing Waste Reduction and Recycling” is formulated to discuss and regulate the annual waste reduction objectives at the end of each year in order to have waste sorted thoroughly, waste reduced and recycled for achieving resource sustainability; also, utilize the network system to control waste flow.</p></td></tr></table>	Material issues	Risk assessment items	Risk management policy or strategy	Environment	Environmental protection	<p>The company’s environmental protection policies and strategies are as follows:</p> <p>1. Self-development and use of low-energy light-curing green energy-friendly materials, and introducing water-based paint to reduce volatile organic compounds (VOCs).</p> <p>2. Use RTO for atmospheric control.</p> <p>3. Utilize the water-cooled circulation system and improve the air-conditioning efficiency in the factory.</p> <p>4. Adopt a rain-wastewater diversion system for wastewater recycling in the factory that meets the effluent standard.</p> <p>5. The “Regulations Governing Waste Reduction and Recycling” is formulated to discuss and regulate the annual waste reduction objectives at the end of each year in order to have waste sorted thoroughly, waste reduced and recycled for achieving resource sustainability; also, utilize the network system to control waste flow.</p>	No material deviation
Material issues	Risk assessment items	Risk management policy or strategy								
Environment	Environmental protection	<p>The company’s environmental protection policies and strategies are as follows:</p> <p>1. Self-development and use of low-energy light-curing green energy-friendly materials, and introducing water-based paint to reduce volatile organic compounds (VOCs).</p> <p>2. Use RTO for atmospheric control.</p> <p>3. Utilize the water-cooled circulation system and improve the air-conditioning efficiency in the factory.</p> <p>4. Adopt a rain-wastewater diversion system for wastewater recycling in the factory that meets the effluent standard.</p> <p>5. The “Regulations Governing Waste Reduction and Recycling” is formulated to discuss and regulate the annual waste reduction objectives at the end of each year in order to have waste sorted thoroughly, waste reduced and recycled for achieving resource sustainability; also, utilize the network system to control waste flow.</p>								

Promotion items	The State of implementation (Note 1)					Deviation from the “Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons
	Yes	No	Summary description (Note 2)			
companies should report the implementation status, not compliance or explanation.)					6. Use renewable energy for electricity. 7. Promote the recycled materials application technology in the product manufacturing process through the aspects of reduction, reuse, recycling, and reproduction.	
			Society	Occupational safety	1. The verification of the “ISO 45001 Occupational Safety and Health Management System” for the main factory was completed. 2. Arrange fire safety drills and occupational safety and health training every year to train employees’ emergency response ability and self-safety management. 3. Provide employees with information related to physical and mental health and occupational safety irregularly.	
			Corporate governance	Society, economy, and legal compliance	The company has formulated the “Corporate Governance Best-Practice Principles,” “Ethical Corporate Management Best-Practice Principles,” and “Procedures for Ethical Management and Guidelines for Conduct.” It is the intention to ensure that all personnel and operations of the company complying with the relevant laws and regulations strictly through the establishment of governance organizations and the implementation of internal control mechanisms.	
				Enhance the functions of board directors.	1. Plan 6 hours of continuing education for Directors and Supervisors every year, notifying the competent authority of laws and regulations from time to time. 2. Acquire liability insurance policy for directors and supervisor regularly to protect the company and reduce possible operating risks.	
				Stakeholder communication	The company provides multiple communication channels and makes information disclosure to gain the trust and understanding of stakeholders in the company; also, regularly reports the communication progress to the Board of Directors every year.	
III. Environmental issues						
(I) Has the company set up an appropriate environmental management system based on the characteristics of its industry?	V		(I)	The company has an Environmental Safety Section setup to establish an environmental management system suitable for the industrial characteristics; also, the company had obtained the ISO 14001:2015 environmental certification of the SGS on July 19, 2006 (valid period: 7.15.2023 – 7.15.2026).		No material deviation
(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?	V		(II)	The company has a polymer laboratory setup to actively research and develop environmentally friendly materials for the replacement of plastic materials, and promoted DFM lightweight, simplified packaging, and packaging material recycling in the product manufacturing process through the four main operations of reduction, reuse, recycling, and reproduction so as to fulfill the company’s obligation in environmental protection. The company continues to promote various energy-saving and carbon-reduction measures, such as replacement of light tubes, renewal of air compressors, substantiation of waste sorting, and resource recycling. In terms of recycling material application technology, the company has worked with customers to develop post-consumer recycled (PCR) plastic molding technology and started mass production since the year of 2020.		No material deviation
(III) Does the company evaluate the potential risks and opportunities of climate change to the company now and in the future, and take	V		(III)	The company has formulated the “Enterprise Sustainable Operation Taskforce” to evaluate the current and future potential risks and opportunities of climate change for the company with response measures for climate-related issues adopted:		No material deviation
				TCFD core elements	Suggested disclosures	Implementation Summary
			1	Governance	◆The Board of Directors’ supervision over the climate-related risks and opportunities	The greenhouse gas inventory plan and implementation has reported to the Board of Directors on a quarterly basis since June 2022 to evaluate the risks and opportunities of climate change.

Promotion items	The State of implementation (Note 1)				Deviation from the “Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed companies” and the reasons	
	Yes	No	Summary description (Note 2)			
corresponding measures to respond to climate related issues?				◆The role of management in evaluating and managing climate-related risks and opportunities	The “ESG Sustainability Taskforce” coordinates and plans the Group's corporate sustainability affairs and submits proposals and reports to the Board of Directors regularly.	
			2	Strategy		◆The organization’s recognition of climate-related risks and opportunities in short-term, mid-term, and long-term

Promotion items	The State of implementation (Note 1)					Deviation from the “Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons	
	Yes	No	Summary description (Note 2)				
					<div>◆The possible impact of climate-related risks and opportunities on the organization’s operation, strategy, and financial planning</div> <div>◆The organization’s flexible strategies for different climate scenarios encountered</div>	According to the TCCIP platform under the RCP8.5 scenario, the average temperature in Taiwan will go up by 1.5°C by the end of the 21 st century. The ratio of renewable energy is expected to go up and the promotion of circular economy is expected to be enhanced so as to maintain market competitiveness.	
			3	Risk management	<div>◆Organizational process for reviewing and assessing climate-related risks</div> <div>◆Organizational procedures for managing climate-related risks</div> <div>◆How does the organization integrate the mechanism for reviewing, evaluating, and managing climate-related risks into the overall risk management system</div>	The Company conducts risk identification and assessment through cross-departmental communication within the "ESG Sustainability Group" to carry out risk control and carbon reduction plans, summarize the implementation results of risk assessment and control plans, and revise the internal regulations of "Risk Management Policies and Procedures". The Company reports the implementation status to the Board of Directors quarterly and integrates the climate change management mechanism into the overall risk management process. The “ESG Sustainability Taskforce” will also work with the Group Finance Division and the Group Operation Resources Department to formulate relevant plans. The parent company’s greenhouse gas inventory plan has been completed and approved by the Board of Directors. The subsidiary’s greenhouse gas inventory plan was proposed in 2023Q1 with the progress and result followed up on a quarterly basis. In 2024, the inventory of subsidiaries including Megaforce (Shanghai) Electronic & Plastic Co., Ltd., Shanghai AB Megaforce Co., Ltd., Shanghai Shanghua Painting Co., Ltd., Suzhou Intentech Co., Ltd., Dongguan Megaforce Electronic Technology Co., Ltd., MegaforceMY and MegaforceMX has been completed.	
			4	Indicators and objectives	<div>◆Disclose the indicators used by the organization to evaluate climate-related risks and opportunities in the procedures for strategy and risk control</div> <div>◆Disclose Category 1, Category 2, and Category 3 (if applicable) greenhouse gas emissions and related risks</div> <div>◆Regarding the objectives and degree of achievements for the management of climate-related risks and opportunities set by the organization</div>	Set 2022 as the base year for greenhouse gas emissions and set an annual target of reducing carbon emissions by 5% per year, saving electricity, water, and waste reduction as climate change performance indicators. Implement carbon reduction measures and monitoring continuously to reduce Category 1 and Category 2 emissions. It is proposed to plan to expand the scope of greenhouse gas inventory disclosure. The company will continue to implement circular economy measures and power-saving strategies, and set 2022 as the base year for greenhouse gas emissions, setting annual targets for reducing carbon emissions by 5% per year, saving electricity, water, and waste reduction as climate change performance indicators. Carbon emissions in 2024 decreased by 6.15% compared to 2023.	
(IV) Does the company make statistics on greenhouse gas emissions, water consumption, and	V		(IV)	The company has formulated the “Sustainable Development Best-Practice Principle.” The company has clearly formulated the objectives of environmental protection and energy saving. The company will strive to achieve low pollution, low energy, easy recycling, and other environmentally friendly acts in the process of product design, development, production, use, and disposal. ● The company follows the industrial greenhouse gas inventory operation announced by the Environmental Protection Administration of the Executive Yuan; also, refers to ISO/CNS 14064-1 and GHG Protocol to regulate, calculate, and display statistical data as follows:			No material deviation

Promotion items	The State of implementation (Note 1)			Deviation from the “Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons																		
	Yes	No	Summary description (Note 2)																			
the total weight of waste for the past two years and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?			<div>Unit: Ton CO2e/metric ton</div> <table><tr><th>Year</th><th>Greenhouse gas emissions Category I</th><th>Greenhouse gas emissions Category II</th><th>Total greenhouse gas emissions</th><th>Water consumption</th><th>Total weight of waste</th></tr><tr><td>2023</td><td>758.5</td><td>28,592.7</td><td>29,351.2</td><td>964(Note)</td><td>27.90</td></tr><tr><td>2024</td><td>799.221</td><td>26,747.847</td><td>27,547.068</td><td>169,388</td><td>17.57</td></tr></table> <div><div>1. Category I, Category II includes the information on the Taiwan factory of the parent company and the subsidiaries, including Megaforce (Shanghai) Electronic & Plastic Co., Ltd., Shanghai AB Megaforce Co., Ltd., Shanghai Shanghua Painting Co., Ltd., Suzhou Intentech Co., Ltd., Dongguan Megaforce Electronic Technology Co., Ltd., MegaforceMY, and MegaforceMX.</div><div>2. Water consumption refers to water intake, including information from the Taiwan factory of the parent company, and subsidiaries Megaforce (Shanghai) Electronic & Plastic Co., Ltd., Shanghai AB Megaforce Co., Ltd., Shanghai Shanghua Painting Co., Ltd., Suzhou Intentech Co., Ltd., Dongguan Megaforce Electronic Technology Co., Ltd., MegaforceMY, and MegaforceMX.</div><div>(Note) Water consumption in 2023 is only counted at the Minxiong plant in Taiwan.</div><div>3. Starting from 2023, the total weight of waste defined was including Minhsiung Plant resource recycling, domestic waste, and industrial waste.</div><div>4. The carbon emission inventory includes the data collected from all major factories, and the total volume is the statistics of the calculation from each factory.</div><div>5. Carbon emissions in 2024 decreased by 6.15% compared with 2023. The carbon emissions generated from the business operation of the company are indirect emissions resulting from Category II electricity consumption, accounting for 97%.</div><div>● Carbon reduction and energy saving objectives: The company follows the ISO 14001 standard to establish the greenhouse gas emission baseline, and formulate or announce carbon reduction objectives. Currently, a greenhouse gas inventory system for the entire factory is being established and introduced in accordance with relevant specifications, set 2022 as the base year for greenhouse gas emissions and set an annual target of reducing carbon emissions by 5% per year, saving electricity, water, and waste reduction as climate change performance indicators. In order to reduce carbon emissions and energy consumption, the factory conducts equipment maintenance and performance restoration to maintain equipment energy efficiency and reduce increased energy consumption due to old or damaged parts.</div><div>● Water resource management policy: Adopt a rain-wastewater diversion system for wastewater recycling in the factory that meets the effluent standard. Establish leakage points for pipelines and valves, and establish a quick response mechanism for reporting leaks to reduce unnecessary waste of water resources.</div><div>● Waste management policy: The “Regulations Governing Waste Reduction and Recycling” is formulated to discuss and regulate the annual waste reduction objectives at the end of each year in order to have waste sorted thoroughly, waste reduced and recycled for achieving resource sustainability; also, utilize the network system to control waste flow, implement it in the product manufacturing process through the operations of reduction, reuse, recycling, and reproduction. In addition, for VOCs, wastewater and other pollutants, automatic monitoring construction should be set up at the source, process and end to monitor and control the entire process of pollutant collection, treatment and discharge. Real-time early warning, long-term accumulation can also use data analysis to optimize pollutant management models and early warning functions. Regarding the operation of relevant equipment, the "Atmospheric Prevention and Control Management Measures" stipulate the attribution of responsibilities and the standard operating procedures for maintenance, education and training, normal production, abnormal line shutdown, abnormal notification, etc. to ensure that relevant resources are maintained normally and maximized efficiency.</div></div>	Year	Greenhouse gas emissions Category I	Greenhouse gas emissions Category II	Total greenhouse gas emissions	Water consumption	Total weight of waste	2023	758.5	28,592.7	29,351.2	964(Note)	27.90	2024	799.221	26,747.847	27,547.068	169,388	17.57	
Year	Greenhouse gas emissions Category I	Greenhouse gas emissions Category II	Total greenhouse gas emissions	Water consumption	Total weight of waste																	
2023	758.5	28,592.7	29,351.2	964(Note)	27.90																	
2024	799.221	26,747.847	27,547.068	169,388	17.57																	
(V) Does the company develop an energy management plan?	V	(V)	At present, consumption statistics are carried out in conjunction with greenhouse gas inventory operations, and in the future it is expected to formulate a separate plan for energy management.	In planning																		
IV. Social issues (I) Has the company formulated relevant management policies and procedures according to	V	(I)	<div>The company complies with the local “Labor Act” at where the production base located around the world, honors the “Responsible Business Alliance” (RBA), and refers to the “Convention on the Elimination of All Forms of Discrimination Against Women” (CEDAW), “Convention on the Rights of the Child” (CRC), “Declaration on the Rights of Indigenous Peoples,” “The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families,” “Convention on the Rights of Persons with Disabilities (CRPD), and other international convention on the human rights to formulate the “Megaforce Work Rules” as a basis for personnel management and respect for human rights.</div> <div>The company’s relevant human rights policies and specific measures are as follows:</div> <div>1. The policy of providing a safe and healthy working environment</div>	No material deviation																		

Promotion items	The State of implementation (Note 1)			Deviation from the "Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed companies" and the reasons
	Yes	No	Summary description (Note 2)	
relevant laws and regulations and the International Bill of Human Rights?			<p>The company's management has an aim for "zero accident," promoting rigorous hardware facilities and safety and health operating procedures, and regularly organizing on-job occupational safety and health education and training.</p> <p>2. Prevent unlawful discrimination and ensure the equal employment opportunity policy. Provide foreign workers with a good accommodation environment and living space, strictly prohibit workplace violence, and provide employees with minimum wages and benefits that meet or better than the requirements of local laws and regulations.</p> <p>3. The policy of guaranteeing the employee right of the people with disabilities Employ people with disabilities and reserve a certain number of employment opportunities for the people with disabilities in accordance with the provision of Article 38 of the "People with Disabilities Rights Protection Act."</p> <p>4. No child labor policy Employment of employees under the age of 15 is prohibited.</p> <p>5. Prohibition of all forms of forced labor policy</p> <p>6. Assist employees in maintaining physical and mental health and work-life balance policy. The company clearly stipulates a legal and reasonable working hours management plan, and cares about and manages the attendance of employees regularly. The company respects the rights of employees. Employees can set up multiple social clubs and encourage colleagues to join the social clubs.</p> <p>7. Gender equality policy Setup a hot line for preventing sexual harassment. The company implements a system of childcare leave without pay; also, it provides colleagues with family care leave, menstrual leave, maternity leave, paternity leave, pregnancy rest leave, breastfeeding room, breastfeeding time, etc.</p> <p>8. Establish an age-friendly workplace To confront the impact of declining birth rates and aging population proactively, our company has established an age-friendly workplace, including job design and environmental improvements, internal training to enhance awareness of middle-aged and senior-friendly practices, and adjustments to hiring criteria. In 2024, the company has been awarded the "Age-Friendly Workplace Certification" by New Taipei City for middle-aged and senior-friendly practices.</p>	
(II) Has the company formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits), and appropriately reflected operating performance or results in employee remuneration?	V	(II)	<p>Please refer to P.83 for the company's employee welfare measures and implementation in details. In addition, there are Regulations Governing Salaries" and salary bracket formulated. The company will evaluate and adjust salary by referring to external salary survey report every year, and will adjust employee salary and remuneration according to the company's operating performance and employee's personal performance. The "Conference of Share Holding Employees" has been established since 2020. Employees may have the mandatory amount appropriated every month to purchase company stock shares; also, the company appropriates an amount equivalent to the employee's appropriation as the company's appropriation amount, the withdrawal ratio is better than the industry average.</p> <p>In terms of the leave system, in addition to the routine two-day weekend, special leave is granted in accordance with the Labor Standards Act. Leave without pay is also an option available to the employee who is having a baby or encounters a serious injury or accident.</p> <p>Diversity and equality in the workplace: Male and female workers are entitled to equal pay for equal work and equal opportunities for promotions. Female supervisors are accounted for 23.76% of all supervisors, which is increasing year by year.</p>	No material deviation
(III) Has the company provided employees with a safe and healthy working environment, and arranged safety and health education regularly for the employees?	V	(III)	<p>The company's occupational safety and health management plan is for the implementation of various environmental safety and health services in order to provide employees with a safe and healthy working environment, which is implemented as follows:</p> <p>1. The "Occupational Safety and Health Management Regulations" are formulated to protect the rights and interests of employees at work and their life safety, which are to be implemented fully by the colleagues.</p> <p>2. Environmental health and safety inspection: Carry out the environmental health and safety inspection before the 25th day of each month.</p> <p>3. Occupational Safety and Health Committee convened quarterly : Explain the occupational safety and health plan for the year and its implementation status for the quarter.</p> <p>4. Provided on-site health services to a total of 156 people every month (including health consultation, health examination risk level tracking, human-caused hazards, abnormal workload and maternal health protection, etc.)</p> <p>5. Conduct employee health examinations every year, carry out health grade management and follow-up based on health examination reports.</p> <p>6. Conduct an annual workplace survey on non-illegal behavior to determine workplace risk levels.</p> <p>7. Inspect the quality of drinking water quarterly to ensure health and safety of employees' drinking water.</p> <p>8. Entrust qualified contractors to monitor operating environment in May and November every year; also, compile and publish the results with</p>	No material deviation

Promotion items	The State of implementation (Note 1)			Deviation from the "Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed companies" and the reasons
	Yes	No	Summary description (Note 2)	
(IV) Does the company have an effective career development training program planned for employees?	V		<p>corrective actions performed for areas with nonconformities identified.</p> <p>9. Disinfect the factory area and clean the cooling tower regularly.</p> <p>10. Emergency response, fire protection and disaster prevention training and drills are held regularly to strengthen employees' fire protection concepts, and handle annual fire protection equipment maintenance declaration within the time limit.</p> <p>11. Conduct factory electricity safety inspections and building public safety inspections regularly.</p> <p>12. In 2024, there were 1 occupational accidents among employees, and 1 people were injured, frequency of incapacitating injuries (FR)=1.47, severity rate of incapacitating injuries (SR)=26; we will continue to strengthen employee education and training and working environment monitoring to ensure employee personal safety.</p> <p>13. We attaches great importance to employee personal safety, regular fire drills, and inspection and maintenance of fire equipment, there is no fire incidents in 2024.</p> <p>14. The company's Chaiyi Plant got the Healthy Workplace Certification-Healthy Start Label in 2024.</p> <p>15. Follow the "ISO45001 Occupational Safety and Health Management System" to ensure operational safety, regularly perform internal and external audits, internal auditor training, hazard identification and risk assessment, and complete annual third-party verification agency audit verification.</p> <p>(IV) The company encourages employees to participate provides in the internal and external education and training provided by the company; also, establishes training and programs that are beneficial to the development of employees' occupational and functional ability. Include new recruit training, professional training, supervisor training, etc., and help colleagues continue to grow through diversified approaches. A total of 930 people-time completed internal and external education and training program for a total of 3,194.5 hours in 2024.</p>	No material deviation
(V) Does the company comply with relevant laws and international standards, and formulate relevant right and interest protection policies and grievance procedures to deal with customers for products and services, such as customer health and safety, customer privacy, marketing and labelling?	V		(V) The company has the products marketed and labelled in accordance with relevant laws and regulations and international standards. The company evaluates customers' satisfaction with products or services, and actively reviews them as a reference for quality improvement. The unsatisfied customers may report or complain to the company at any time.	No material deviation
(VI) Has the company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection,	V		(VI) The company has a supplier management policy formulated: <p>1.Request the supply chain to appreciate labor rights, environmental protection, and safety and health risk control in order to reduce the operating risks and costs of the company and the suppliers,establish a sustainable growth partnership.</p> <p>2.Suppliers are requested to sign a letter of commitment, indicating that the suppliers will operate in compliance with the normative standards of the Responsible Business Alliance (RBA), safe labor operating environment, reasonable labor conditions, protection of basic human rights of labor, prohibition of child labor; also, must promise not to operate and produce any product with the use of conflict metals.</p> <p>3.Request suppliers to fully comply with all relevant local laws and regulations when operating the company's business, and must follow relevant social responsibilities and all aspects.</p> <p>4.If the supplier violates the law or the letter of commitment, the company may immediately cease, terminate, or cancel the transaction relationship with the supplier.</p>	No material deviation

Promotion items	The State of implementation (Note 1)			Deviation from the “Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons						
	Yes	No	Summary description (Note 2)							
occupational safety and health, or labor rights, and monitored their implementation?			<div>The supplier management mechanism is controlled and managed in the following three aspects:</div> <table><tr><td>Selection of new suppliers</td><td>1. Supplier evaluation criteria: (1) Quality capability: The completeness of the supplier’s quality system process implementation. (2) Control of hazardous substances: The products provided by suppliers must comply with the requirements of the Hazardous Substances Process Management System. (3) Productibility: Suppliers must be able to fulfill customers’ need in production quickly. (4) Manufacturing engineering capability: Evaluate the process and design control capability of the suppliers. 2. New suppliers must sign a letter of commitment between the two parties. (Content includes integrity commitment and corporate social responsibility) 3. Comply with relevant quality system requirements. If the supplier has obtained certificates related to environmental protection, occupational safety and health or hazardous substance management (such as ISO 9001, ISO 14001, ISO 45001, QC 080000, and IATF 16949) will be awarded with additional points given.</td></tr><tr><td>Supplier evaluation and management</td><td>1. Graded according to the supplier evaluation criteria. 2. The supplier who does not receive adequate evaluation scores will not be listed as a qualified supplier. The unqualified supplier needs to make improvement, be re-evaluated, and receive adequate evaluation score in order to be listed as a qualified supplier.</td></tr><tr><td>Supplier continuous evaluation</td><td>1. Select key suppliers for continuous evaluation based on the frequency of transactions, characteristics and risk classifications of the supplier. 2. Suppliers must continuously meet various requirements and specifications in order to qualify for sustainable supply.</td></tr></table>	Selection of new suppliers	1. Supplier evaluation criteria: (1) Quality capability: The completeness of the supplier’s quality system process implementation. (2) Control of hazardous substances: The products provided by suppliers must comply with the requirements of the Hazardous Substances Process Management System. (3) Productibility: Suppliers must be able to fulfill customers’ need in production quickly. (4) Manufacturing engineering capability: Evaluate the process and design control capability of the suppliers. 2. New suppliers must sign a letter of commitment between the two parties. (Content includes integrity commitment and corporate social responsibility) 3. Comply with relevant quality system requirements. If the supplier has obtained certificates related to environmental protection, occupational safety and health or hazardous substance management (such as ISO 9001, ISO 14001, ISO 45001, QC 080000, and IATF 16949) will be awarded with additional points given.	Supplier evaluation and management	1. Graded according to the supplier evaluation criteria. 2. The supplier who does not receive adequate evaluation scores will not be listed as a qualified supplier. The unqualified supplier needs to make improvement, be re-evaluated, and receive adequate evaluation score in order to be listed as a qualified supplier.	Supplier continuous evaluation	1. Select key suppliers for continuous evaluation based on the frequency of transactions, characteristics and risk classifications of the supplier. 2. Suppliers must continuously meet various requirements and specifications in order to qualify for sustainable supply.	
Selection of new suppliers	1. Supplier evaluation criteria: (1) Quality capability: The completeness of the supplier’s quality system process implementation. (2) Control of hazardous substances: The products provided by suppliers must comply with the requirements of the Hazardous Substances Process Management System. (3) Productibility: Suppliers must be able to fulfill customers’ need in production quickly. (4) Manufacturing engineering capability: Evaluate the process and design control capability of the suppliers. 2. New suppliers must sign a letter of commitment between the two parties. (Content includes integrity commitment and corporate social responsibility) 3. Comply with relevant quality system requirements. If the supplier has obtained certificates related to environmental protection, occupational safety and health or hazardous substance management (such as ISO 9001, ISO 14001, ISO 45001, QC 080000, and IATF 16949) will be awarded with additional points given.									
Supplier evaluation and management	1. Graded according to the supplier evaluation criteria. 2. The supplier who does not receive adequate evaluation scores will not be listed as a qualified supplier. The unqualified supplier needs to make improvement, be re-evaluated, and receive adequate evaluation score in order to be listed as a qualified supplier.									
Supplier continuous evaluation	1. Select key suppliers for continuous evaluation based on the frequency of transactions, characteristics and risk classifications of the supplier. 2. Suppliers must continuously meet various requirements and specifications in order to qualify for sustainable supply.									
V. Does the Company refer to the internationally accepted reporting standards or guidelines to prepare the sustainability reports for disclosing the company’s non-financial information? Are the aforementioned sustainability reports with the assurance or guarantee opinions of a third-party verification unit obtained?		V	The company has started to compile the sustainability report in accordance with the Global Reporting Initiative (GRI) since the year of 2022. The 2023 sustainability report was uploaded to the Market Observation Post System and the company’s website on Aug. 19, 2024. However, the sustainability report was without the assurance or guarantee opinion obtained from a third-party verification unit.	In planning						
VI. If the company has the sustainable development best-practice principles formulated in accordance with the “Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed companies,” please describe the differences between its operation and the principles: The company has formulated the “Sustainable Development Best-Practice Principles,” “Corporate Governance Best-Practice Principles,” and “Ethical Corporate Management Best-Practice Principles.” The company also has based on the “Ethical Corporate Management Best-Practice Principles” to formulate the “Procedures for Ethical Management and Guidelines for Conduct,” “Code of Ethical Conduct for Employees,” “Code of Ethical Conduct for Directors and Managerial Officers;” and establish an effective corporate governance structure and related ethical standards and matters, which have been implemented and followed without major difference occurred so far.										

Promotion items	The State of implementation (Note 1)			Deviation from the “Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed companies” and the reasons
	Yes	No	Summary description (Note 2)	
VII. Other important information that helps understand the promotion of sustainable development: 1. The company remains committed to employee care, consistently fostering a welcoming work environment with robust employee benefits. In 2024, the company has been awarded the “Gold Award for Happiest Workplace” by a leading job bank. 2. Collaborate with colleges and universities at all levels on intern and dual-track training programs to assist in talent development. 3. The company will take the initiative to donate money for any material disaster occurred in Taiwan and abroad, encourage employees to make donations with mercy, and establish an employee merciful trading platform. 4. Donate the “EzBite Oral Rehabilitation Device” to the Head and Neck Care Association of the Republic of China so as to ensure that patients do not miss the golden period of rehabilitation during the pandemic outbreak. The company has been regularly working with the Head and Neck Care Association of the Republic of China in recent years and try to understand their needs with assistance provided through corporate volunteers and medical devices donations. 5. Develop smart energy storage systems and electric vehicle equipment to improve energy-saving efficiency. 6. By reducing unnecessary components, selecting friendly materials, and functionally stabilizing energy storage and power supply to improve energy efficiency and reduce battery consumption, environmental impact is reduced from the functional level of product design. 7. The company uses the concept of “sustainable operation” to have the “environmental protection,” “safety,” and “health” integrated into corporate culture, operating principles, and work processes for years.				

Note 1: If the answer “Yes” is ticked for the status of implementation, please specify the important policies, strategies, measures, and implementations adopted. If the answer “No” is ticked for the status of implementation, please specify the differences and reasons in the “Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed companies and the reasons” column; also, explain the plan of adopting relevant policies, strategies and measures in the future. However, regarding promotion item 1 and 2, the TWSE/TPEx-Listed companies should describe the governance and supervision structure of sustainable development, including but not limited to the management policies, formation of strategies and objectives, and measures review. In addition, describe the company’s risk management policies or strategies for environmental, social, and corporate governance issues related to business operations, and the implementation of evaluation.

Note 2: The principle of materiality refers to issues related to environment, society and corporate governance that have a material impact on the company’s investors and other stakeholders.

Note 3: Please refer to the best-practice principles for information disclosure on the website of the Corporate Governance Center of Taiwan Stock Exchange.

The climate-related information for TWSE/TPEX Listed

Climate-related information implementation status

Items	The state of implementation			
I. Describe the board and management oversight and governance of climate-related risks and opportunities.	The company has reported the greenhouse gas inventory plan and implementation to the Board of Directors on a quarterly basis since June 2022 to evaluate the climate-related risks and opportunities. Report the sustainable development operation policy and promotion to the Board of Directors at least once a year for the reference of the Board of Directors in proposing suggestions on management policies, strategies, and objectives. The Board of Directors regularly receives reports and reviews the progress of strategies and objectives. It also regularly submits proposals and reports to the chairman of the board to revise relevant management measures in compliance with legal requirements to strengthen the company's practical operations.			
II. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term).	Item	Climate change Potential risks	Opportunity	Impact on the company's business, strategy and finances
	Short-term and mid-term	Increase in sustainability-related requirements and regulations	Develop green energy and environmental protection materials.	Establish a polymer laboratory and invest resources to develop low-energy light-curing green energy-friendly materials, and introduce water-based paint to reduce volatile organic compounds (VOCs), lead to increased operating costs.
		Greenhouse gas emissions cause atmospheric pollution and cost increase.	Save energy, reduce carbon through the operation of the environmental protection systems.	Regenerative Thermal Oxidizer (RTO) is used for atmospheric pollution prevention and control, which is equipped with rotor concentrator and regenerative thermal oxidizer (RTO), continuous emission monitoring system (CEMS), UV air purifier, and activated carbon reclamation and adsorption equipment for atmospheric pollution prevention and control. Regenerative Thermal Oxidizer (RTO) uses clean fuel (gas) to have the harmful substances in the exhaust gas stabilized and neutralized, lead to increased operating costs.
	Long-term	The impact of rising electricity consumption on the greenhouse effect	Promote low-carbon green production, and electricity saving	Promote the set electricity-saving objective every year. Reduce the electricity consumption and operating cost through the replacement of lighting equipment and the air-conditioning equipment.
III. Describe the financial impact of extreme climate events and transition actions.	Increased sustainability-related demands and regulations, as well as atmospheric pollution caused by greenhouse gas emissions, have increased operating costs. Although the transformation action increases operating costs, long-term implementation of energy conservation and carbon reduction can achieve energy saving effects and reduce energy costs.			
IV. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	The Company conducts risk identification and assessment through cross-departmental communication within the "ESG Sustainability Group" to carry out risk control and carbon reduction plans, summarize the implementation results of risk assessment and control plans, and revise the internal regulations of "Risk Management Policies and Procedures". The Company reports the implementation status to the Board of Directors quarterly and integrates the climate			

Items	The state of implementation
	change management mechanism into the overall risk management process. The "ESG Sustainability Taskforce" will also work with the Group Finance Division and the Group Operation Resources Department to formulate relevant plans. The parent company's greenhouse gas inventory plan has been completed and approved by the Board of Directors. The subsidiary's greenhouse gas inventory plan was proposed in 2023Q1 with the progress and result followed up on a quarterly basis. In 2024, the inventory of subsidiaries including Megaforce (Shanghai) Electronic & Plastic Co., Ltd., Shanghai AB Megaforce Co., Ltd., Shanghai Shanghua Painting Co., Ltd., Suzhou Intentech Co., Ltd., Dongguan Megaforce Electronic Technology Co., Ltd., MegaforceMY and MegaforceMX has been completed.
V. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	Scenario analysis has not been used yet and is expected to be implemented before 2026.
VI. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	Set 2022 as the base year for greenhouse gas emissions and set an annual target of reducing carbon emissions by 5% per year, saving electricity, water, and waste reduction as climate change performance indicators.
VII. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	We will participate in more sessions and seminars to evaluate tools suitable for the company.
VIII. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed.	In line with the requirements of the Financial Supervisory Commission: complete the disclosure of parent company inventory information in 2026, and complete the disclosure of subsidiary inventory information in 2027. At present, the organization, inventory procedures and trial work have been explained internally, and Minxiong Plant introduced coaching resources to improve its inventory operations.
IX. Greenhouse gas inventory and assurance, reduction goals, strategies and specific action plans.	Fill in(I) and(II) below.

(I) Company greenhouse gas inventory and confirmation status in the last two years

● Company greenhouse gas inventory information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/million) and data coverage of greenhouse gases in the last two years.
According to the Financial Supervision Commission's Order No. 11203852314 issued on November 13, 2023, regarding greenhouse gas inventory information, the company should complete the disclosure of individual inventory information of the parent company starting in 2026, and complete the disclosure of inventory information of subsidiaries starting in 2027. At present, an internal investigation has been carried out within the group and filled in P.41, the improvement work continues.

Note 1: Direct emissions (Category 1, that is, directly from emission sources owned or controlled by the company), energy indirect emissions (Category 2, that is, indirect greenhouse gas emissions from the input of electricity, heat or steam) and other indirect emissions quantity (Category 3 refers to emissions generated by company activities, which are not indirect energy emissions, but come from emission sources owned or controlled by other companies).

Note 2: The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the timetable specified in the order specified in Paragraph 2 of Article 10 of these Guidelines. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or International Organization for Standardization (ISO) released of ISO 14064-1.

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NTD million) should be stated.

● Greenhouse gas assurance information

Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.
According to the Financial Supervisory Commission's Order No. 11203852314 issued on November 13, 2023, regarding the disclosure schedule of greenhouse gas assurance information, the company should complete the disclosure of individual assurance information of the parent company from 2028 and the assurance information of the subsidiaries from 2029.

Note 1: It should be handled in accordance with the timetable specified in the order stipulated in Paragraph 2 of Article 10 of this Code. If the company fails to obtain a complete greenhouse gas confidence opinion by the publication date of the annual report, it should indicate that "the complete confidence information will be disclosed in the sustainability report." If the company does not prepare a sustainability report, it should indicate that "complete and confident information will be disclosed in the public information observatory" and disclose complete and confident information in the next annual report.

Note 2: Confirmed institutions should comply with the relevant requirements for certified institutions on sustainability reports stipulated by TWSE and TPEx.

Note 3: The disclosure content can be found in the Best Practice Reference Examples on the TWSE website.

(II) Greenhouse gas reduction goals, strategies and specific action plans

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

I. The greenhouse gas reduction base year, the data and reduction targets: Set 2022 as the base year for greenhouse gas emissions, set an annual target of reducing carbon emissions by 5% per year.

II. Strategies and specific action plans:

1. Starting in 2024, we will work with customers to jointly develop Post-Consumer Recycled (PCR) plastic molding technology and enter mass production. It has been successfully used in precision consumer electronics products to reduce environmental impact from the source of materials.

2. Water-based spraying is used to reduce VOCs emissions and significantly reduce pollution to air quality. Replace traditional oil-based paint with water-based paint with low VOCs content, significantly reducing VOCs by more than 80%.

3. In order to reduce indirect greenhouse gas emissions and environmental impact, each factory continues to reduce energy consumption through various energy-saving equipment, including replacing energy-saving lamps, updating machine motors and other measures; purchasing energy-saving equipment (air compressors, water-cooled air conditioners, exhaust fans), implementing resource recycling, and continuing the installation of solar panels.

III. Achievement of reduction targets: Carbon emissions in 2024 decreased by 6.15% compared to 2023.

Note 1: It shall be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of these Guidelines.

Note 2: The base year should be the year in which the review is completed based on the boundaries of the consolidated financial report. For example, in accordance with the provisions of Paragraph 2 of Article 10 of these Standards, companies with capital of more than NT\$10 billion should complete the review of the 2024 consolidated financial report in 2025. Therefore, the base year is 2024. If the company has completed the review of the consolidated financial report in advance, the earlier year can be used as the base year. In addition, the data in the base year can be calculated as the average of a single year or several years.

Note 3: The disclosure content can be found in the Best Practice Reference Examples on the TWSE Corporate Governance Center website.

(VI) The implementation of the ethical corporate management and its deviation from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX-Listed companies” and the reasons

1. The company has three independent directors, and the Audit Committee was organized on June 8, 2018 with the opinions of independent directors taken into consideration fully.
2. The company profile, basic information, and financial information are disclosed on the company’s website; also, the company’s financial and business information are disclosed on the Market Observation Post System in a timely, open, and transparent manner.
3. The company establishes a special section on the website for stakeholders; also, the company’s contact email address is disclosed at the Market Observation Post System for stakeholders to contact the company at any time, and there are dedicated personnel to deal with related issues.

Evaluation Items	The State of Operations (Note)			Deviation From the “Ethical Corporate Management Best-Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No	Summary Description	
I. Establishment of ethical corporate management policy and proposal				
(I) Has the company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the company’s regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?	V		(I) The company has formulated the “Ethical Corporate Management Best-Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” “Code of Ethical Conduct for Employees,” and “Code of Ethical Conduct for Directors and Managerial Officers”; adhered to high standards of conduct and occupational ethics; and substantiated the commitment to ethical corporate management.	No material deviation
(II) Has the company established a mechanism for evaluating the risk of unethical conduct, regularly analyzed and evaluated the activities in the scope of business with a higher risk of unethical conduct, and has formulated a plan to prevent unethical conduct on this basis, which covers at least the preventive measures for the conduct set out in Article 7, Paragraph 2 of the “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies?”	V		(II) The company has clearly stipulated in the “Ethical Corporate Management Best-Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” “Code of Ethical Conduct for Employees,” and other ethical corporate management regulations to strictly prohibit employees from accepting gifts, preferences, or special offers from suppliers, dealers, or customers, and other related business activities.	No material deviation
(III) Has the company specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviewing and amending it?	V		(III) The company has formulated the “Ethical Corporate Management Best-Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” “Work Rules,” “Code of Ethical Conduct for Employees,” and “Code of Ethical Conduct for Directors and Managerial Officers” for the guidance of employees, which is working well currently.	No material deviation
II. Implementation of Ethical Corporate Management				
(I) Does the company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	V		(I) The company has evaluated and avoided conducting transactions with those who has a record of unethical conduct truthfully, and clearly stipulated the code of conduct in the contract.	No material deviation
(II) Does the company have a dedicated unit under the Board of Directors to promote ethical corporate management and regularly report (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?	V		(II) The human resources unit of the company is the responsible unit for the implementation of the “Procedures for Ethical Management and Guidelines for Conduct,” assisting the Board of Directors and the management to check and evaluate the preventive measures established for the implementation of ethical corporate management, and should regularly evaluate (at least once a year) the compliance with the relevant procedures with a report prepared reporting to the Board of Directors.	No material deviation
(III) Does the company have the policy formulated to prevent conflict of interest, provide appropriate channels for an explanation, and implement it?	V		(III) It is clearly stipulated in the company’s “Code of Ethical Conduct for Employees” that employees should avoid conflicts of interest. The occurrence of a conflict of interest should be reported to the higher management unit voluntarily with a report filed for record within the company.	No material deviation
(IV) Has the company established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit drawn up relevant audit plans based on the risk evaluation results of unethical conduct, and audited the compliance of the plan in preventing unethical conduct or entrusted a CPA to perform the audit?	V		(IV) The company has established an effective accounting system and internal control system, which are checked regularly by the Auditing Office; also, the relevant audit plans are prepared and included in the internal control system in accordance with the “Ethical Corporate Management Best-Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct.” The internal auditors did not find any violations of ethical corporate management.	No material deviation
(V) Does the company regularly organize internal and external education and training programs on ethical corporate management?	V		(V) In 2024, the company held internal and external education and training related to integrity management issues(including courses related to duty of confidentiality, risk management, accounting systems, internal control, etc.) for a total of 208 people, totaling 576 person-times.	No material deviation

Evaluation Items	The State of Operations (Note)			Deviation From the "Ethical Corporate Management Best-Practice Principles for TWSE or TPEX Listed Company" and the Reasons
	Yes	No	Summary Description	
III. The operation of the company's whistleblower reporting system				
(I) Has the Company formulated a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported individuals?	V		(I) It is stipulated in the company's "Procedures for Ethical Management and Guidelines for Conduct" to have an internal independent reporting mailbox established and a dedicated person for handling complaints appointed and announced on the company's website and internal website for internal and external personnel to report unethical conducts.	No material deviation
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?	V		(II) It is stipulated in the company's "Procedures for Ethical Management and Guidelines for Conduct" to have the reported matters handled by the dedicated unit in accordance with the reporting procedures. The relevant personnel handling the whistleblowing matters shall keep the identity of the whistleblower and the reporting content confidential in a written statement. The Auditing Office shall report the whistleblowing matters, handling method, and subsequent review and improvement measures to the Board of Directors.	No material deviation
(III) Does the company take measures to protect whistleblowers from retaliation due to whistleblowing?	V		(III) It is stipulated in the company's "Procedures for Ethical Management and Guidelines for Conduct" to have the whistleblowers protected from any retaliation and mistreatment.	No material deviation
IV. Intensification of Disclosure Does the company disclose the content and effectiveness of its "Ethical Corporate Management Best-Practice Principles" on its website and the Market Observation Post System?	V		The company has formulated the "Ethical Corporate Management Best-Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" with the relevant content and promotion results disclosed on the company's website and the Market Observation Post System.	No material deviation
V. If the company has the "Ethical Corporate Management Best-Practice Principles" formulated in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies," please state the differences between the two and the state of implementation: The company has formulated the "Ethical Corporate Management Best-Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct." All directors are required to sign a statement of non-violating the ethical corporate management best-practice principles in order to remind directors to comply with laws and regulations. Announce the content of the "Principles" to employees and place it in the shared file area of the internal employee system. Organize internal and external education and training programs on ethical corporate management related issues every year. There is no material deviation of the operation from the "Principles."				
VI. Other important information that helps better understand the operation of the company's ethical corporate management (such as the review and amendment to the ethical corporate management best-practice principles) The company announces the ethical corporate management to the associated suppliers, signs the Letter of Undertaking of Integrity with suppliers, and clearly stipulates the commitment to integrity and good faith in the contract.				

Note: Regardless of the answer is "Yes" or "No," It must be explained in the "Remark" column of the summary report.

(VII) Other important information that helps better understand the operation of the company's corporate governance

The company has formulated the corporate governance information in the "Corporate Governance" section of the "CSR" on the company's website.

([https://www.megaforce.com.tw/zh-tw/Html/Board Of Directors](https://www.megaforce.com.tw/zh-tw/Html/Board%20Of%20Directors))

■ The 2024 directors' continuing education

Title	Name	Continuing education date		Organizer	Course title	Course hours	Does the training meet the requirements?
		Starting	Ending				
Chairman	Wen-Lin, Hsu	8/1/2024	8/1/2024	Securities & Futures Institute, SFI	Economic Situation and Market Opportunities of New Southbound Countries	6	Yes
		10/25/2024	10/25/2024	Securities & Futures Institute, SFI	Technology Development and Application Opportunities of Chatbot ChatGPT		
Vice Chairman	Tung-Hui, Chiang	4/30/2024	4/30/2024	Taiwan Corporate Governance Association, TCGA	Senior managers' compensation and ESG performance system design	6	Yes
		9/10/2024	9/10/2024	Taiwan Corporate Governance Association, TCGA	Discuss how corporate governance should be improved from penalties cases. (food safety and environmental safety)		
Director	Wan-Sheng, Hsu	2/22/2024	2/22/2024	Taiwan Corporate Governance Association, TCGA	Tax management of intellectual property rights from the perspective of corporate governance	6	Yes
		9/5/2024	9/5/2024	Securities & Futures Institute, SFI	Operational Outlook for the Second Half of 2024—Latest Taiwan Industrial Managers (PMI/NMI) Current Situation, Strategies and Challenges		
Representative of corporate director	Le-Li, Lu	9/11/2024	9/11/2024	Securities & Futures Institute, SFI	Shareholders' meeting, management right and equity strategy	6	Yes
		11/7/2024	11/7/2024	Securities & Futures Institute, SFI	Practicing sustainable enterprise management: analysis of legal liability cases of the three laws of sex equality		
Representative of corporate director	Chia-Cheng, Chang	4/19/2024	4/19/2024	Taiwan Academy of Banking and Finance, TABF	Corporate Governance Series Forum	6	Yes
		5/2/2024	5/2/2024	Taiwan Corporate Governance Association, TCGA	Net Zero-Sustainability challenges and opportunities for global enterprises		
Director	Ming-Hsiung, Chu	10/22/2024	10/22/2024	Securities & Futures Institute, SFI	Intellectual property management—centered on patent rights and business secrets	6	Yes
		11/7/2024	11/7/2024	Securities & Futures Institute, SFI	Practicing sustainable enterprise management: analysis of legal liability cases of the three laws of sex equality		
Independent Director	Hai-Pang, Chiang	7/11/2024	7/11/2024	Securities & Futures Institute, SFI	ChatGPT flips new industry trends	6	Yes
		8/8/2024	8/8/2024	Securities & Futures Institute, SFI	Nvidia's Three-Gigabit Miracle: New Thinking on the Semiconductor Industry Revolution Behind Artificial Intelligence		
Independent Director	Wan-Hua, Hsieh	4/15/2024	4/15/2024	Taiwan CPA	Money laundering prevention development trends and case studies	12	Yes
		6/19/2024	6/19/2024	Taiwan CPA	Money laundering prevention of International development trends and practices		
		9/19/2024	9/19/2024	Taiwan CPA	Verification of financial assets		
		10/21/2024	10/21/2024	Taiwan CPA	Money laundering practices that accountants should pay attention to, analysis of tax crime cases		

Title	Name	Continuing education date		Organizer	Course title	Course hours	Does the training meet the requirements?
		Starting	Ending				
Independent Director	Wei-Chun, Chin	7/1/2024	7/1/2024	Taipei Foundation Of Finance, TFF	Information Security - Personal Data Security Audit	12	Yes
		7/11/2024	7/11/2024	Securities & Futures Institute, SFI	ChatGPT flips new industry trends		
		7/15/2024	7/15/2024	Taipei Foundation Of Finance, TFF	Sustainable Finance		
		7/26/2024	7/26/2024	Taiwan Corporate Governance Association, TCGA	Based on TIPS - What an Enterprise should do to Prevent and Control Intellectual Property Risks		

■ The 2024 Managerial Officer's Continuing Education

Title	Name	Continuing education date		Organizer	Course title	Course hours	Does the training meet the requirements?
		Starting	Ending				
CEO	Wen-Lin, Hsu	8/1/2024	8/1/2024	Securities & Futures Institute, SFI	Economic Situation and Market Opportunities of New Southbound Countries	6	Yes
		10/25/2024	10/25/2024	Securities & Futures Institute, SFI	Technology Development and Application Opportunities of Chatbot ChatGPT		
General Manager	Tung-Hui, Chiang	4/30/2024	4/30/2024	Taiwan Corporate Governance Association, TCGA	Senior managers' compensation and ESG performance system design	6	Yes
		9/10/2024	9/10/2024	Taiwan Corporate Governance Association, TCGA	Discuss how corporate governance should be improved from penalties cases. (food safety and environmental safety)		
CFO	Chia-Cheng, Chang	10/28/2024	10/29/2024	Accounting Research and Development Foundation	Professional training course for continuing education courses for accounting supervisors of public offering company, securities firms and stock exchanges	12	Yes
Corporate Governance Officer	Yen-Hua, Huang	9/10/2024	9/10/2024	Taiwan Corporate Governance Association, TCGA	Discuss how corporate governance should be improved from penalties cases. (food safety and environmental safety)	18	Yes
		9/12/2024	9/12/2024	Taipei Exchange, TPEX	Publicity and briefing session on insider equity of OTC & OES companies		
		10/14/2024	10/14/2024	Taipei Foundation Of Finance, TFF	Workplace Bullying and Sexual Harassment		
		11/1/2024	11/1/2024	Taipei Foundation Of Finance, TFF	Principles of Integrity Management		
		11/8/2024	11/8/2024	Taipei Foundation Of Finance, TFF	The Role and Accountability of Controlling Shareholders in Corporate Governance		
		12/4/2024	12/4/2024	Securities & Futures Institute, SFI	Chief Sustainability Officer(CSO) convention		
		12/17/2024	12/17/2024	Taipei Bar Association	2024 Corporate Governance Forum—New Challenges for Corporate Governance Executives		

(VIII) Implementation of the internal control system

1. Internal Control Statement: Announced and reported on "Corporate Governance" of "Single Company" on the MOPS Under "Corporate Rules/Internal Control", the reference URL is as follows: <https://mops.twse.com.tw/mops/#/web/t06sg20>
2. The review report of the CPAs should be disclosed if the internal control system is reviewed by the CPAs: Not applicable

(IX) Major resolutions of the shareholders' meeting, board meetings, and functional committee meeting in the most recent year and as of the annual report publication date:

Date	Conference type	Important resolutions	Matters listed in §14-3 of the Securities and Exchange Act	Independent directors' objection or qualified opinions
The 11 th term – 17 th meeting 1.26.2024	Board Meeting	01. Approved the 2024 budget of the company and its subsidiaries.		None
		02. Approved the company's loan applications filed with the E.Sun Commercial Bank, and Bank SinoPac.		None
		03. Approved the company's revising the implementation details of the company's salary management measures.		None
		04. Approved the company's investment in Infutek Corporation of the United States.	√	None
		Opinions of Independent Directors: None		
		The company's handling of independent directors' opinions: None		
The 11 th term – 18 th meeting 2.15.2024	Board Meeting	Resolution result: Approved by all directors present.		
		01. Approved the by-election of independent directors.	√	None
		02. Approved the company's nomination and review of the list of independent director candidates for the by-election by the board of directors.	√	None
		03. Approved lifting the non-competition restrictions of the new independent directors.	√	None
		04. Approved formulating plans related to convening the first extraordinary shareholders' meeting in 2024 .		None
		05. Approved the first extraordinary shareholders' meeting in 2024 be held to elect independent directors handling matters related to shareholder nominations.		None
The 11 th term – 19 th meeting 3.15.2024	Board Meeting	Opinions of Independent Directors: None		
		The company's handling of independent directors' opinions: None		
		Resolution result: Approved by all directors present.		
		01. Approved the company's loan applications filed with Bank of Taiwan, Far East International Bank, Bank of Panhsin, and Mega International Commercial Bank.		None
		02. Approved the company's cash capital increase in Megaforcemx, S.de R.L. de C.V.	√	None
		03. Approved the 2023 statement of the internal control system.		None
		04. Approved the 2023 parent-company-only financial report and consolidated financial report.		None
		05. Approved the attesting CPA's independent and competency assessment.	√	None
		06. Approved the 2023 business report.		None
		07. Approved the 2023 deficit offset proposal.		None
		08. Approved the amendments to some articles of the company's "Articles of Incorporation."		None
		09. Approved the amendments to some articles of the "Rules of Procedure for Shareholders' Meetings."		None
		10. Approved revising some of the articles on the organizational procedures of the audit committee.	√	None
		11. Approved the amendment to the "Rules of Procedure for Board of Directors Meetings."	√	None
		12. Approved the election of directors (including independent directors).	√	None
		13. Approved the nomination and review of the candidate list of directors (including independent directors) by the board of directors .	√	None
		14. Approved lifting the non-competition restrictions of the new directors.	√	None
		15. Approved the stipulation on the date, time, location and the		None

Date	Conference type	Important resolutions	Matters listed in §14-3 of the Securities and Exchange Act	Independent directors' objection or qualified opinions
		related matters to convening the 2024 regular shareholders' meeting.		
		16. Approved the stipulation on accepting and handling shareholders' proposals at the 2024 regular shareholders' meeting.		None
		17. Approved the formulation of matters related to the 2024 regular shareholders' meeting to accept the nomination of director (including independent director) candidates.		None
		18. Approved case on matters related to the repurchase of treasury shares and the transfer of shares to employees.		None
		Opinions of Independent Directors: None		
		The company's handling of independent directors' opinions: None		
		Resolution result: Approved by all directors present.		
4.3.2024	Extra-ordinary General Meeting	01.Election of independent directors by-election.		
		02.Lifting the non-competition restrictions for new independent directors.		
The 11 th term – 20 th meeting 5.3.2024	Board Meeting	01. Approved the change of the corporate governance officer.		None
		02. Approved the case of changing the company registration address.		None
		03. Approved the company's 2024Q1 consolidated financial report.		None
		04. Approved the company's loan application filed with China Bills Finance Corporation and Cathay United Bank.		None
		Opinions of Independent Directors: None		
		The company's handling of independent directors' opinions: None		
		Resolution result: Approved by all directors present.		
6.7.2024	Annual General Meeting	01. Acknowledged the 2023 business report and financial statements.		
		02. Acknowledged the 2023 deficit offsetting proposal.		
		03. Approved the amendments to some articles of the "Articles of Incorporation".		
		04. Approved the amendments to some articles of the "Rules of Procedure for Shareholders' Meeting".		
		05. Election of Directors (including Independent Directors).		
		06. Lifting the non-competition restrictions for new directors.		
The 12 th term – 1 th meeting 6.7.2024	Board Meeting	01. Approved the election of Chairman and Vice Chairman.	√	None
		02. Approved the signing of an Industry-Academia Collaboration and Academic Reward Fund contract with a public school where an independent director teaches.	√	None
		03. Approved an appointment of the 6 th term Compensation Committee.	√	None
		Opinions of Independent Directors: None		
		The company's handling of independent directors' opinions: None		
		Resolution result: Approved by all directors present.		
The 12 th term – 2 th meeting 8.9.2024	Board Meeting	01. Approved the company's loan applications filed with Mega International Commercial Bank, CTBC Bank, Bank SinoPac Hua Nan Bank and Land Bank of Taiwan.		None
		02. Approved the 2024Q2 consolidated financial report.		None
		03. Approved the replacement of the attesting CPAs and the evaluation of the CPA's independence.	√	None
		04. Approved the company's funds loan in Mega 1 Company Ltd.	√	None
		05. Approved the company's funds loan in Megaforce SDN. BHD.	√	None
		06. Approved the 2023 Sustainability Report.		None
		07. Approved the promotion of a managerial officer.		None
		Opinions of Independent Directors: None		
		The company's handling of independent directors' opinions: None		
		Resolution result: Approved by all directors present.		
The 12 th term – 3 th meeting 11.8.2024	Board Meeting	01. Approved the company's loan applications filed with Taipei Fubon Bank and Taishin International Bank.		None
		02. Approved the 2024Q3 consolidated financial report.		None
		03. Approved the company's funds loan in Fortis Biosolutions co., Ltd.	√	None
		04. Approved the 2025 internal audit plan of the company.	√	None
		05. Approved revising some of the articles on "organizational procedures of the audit committee".	√	None
		06. Approved the revision of some provisions of the "Transaction Operating Procedures for Group Enterprises, Specific	√	None

Date	Conference type	Important resolutions	Matters listed in §14-3 of the Securities and Exchange Act	Independent directors' objection or qualified opinions
		Companies and Related Persons".		
		07. Approved the revision of some provisions of the "Ethical Corporate Management Best-Practice Principles".		None
		08. Approved the revision of some provisions of the "Procedures for Ethical Management and Guidelines for Conduct".		None
		09. Approved formulating "Sustainable Information Management Operation" of the internal control system.	V	None
		Opinions of Independent Directors: None		
		The company's handling of independent directors' opinions: None		
		Resolution result: Approved by all directors present.		
The 12 th term – 4 th meeting 1.17.2025	Board Meeting	01. Approved the company's loan applications filed with the EnTie Commercial Bank.		None
		02. Approved the 2025 budget of the company and its subsidiaries.		None
		Opinions of Independent Directors: None		
		The company's handling of independent directors' opinions: None		
		Resolution result: Approved by all directors present.		
The 12 th term – 5 th meeting 3.14.2025	Board Meeting	01. Approved the company's loan applications filed with Bank of Taiwan, E.Sun Commercial Bank, Bank of Panhsin, and Mega Bills.		None
		02. Approved the company's funds loan in Megaforcecx, S.de R.L. de C.V.	V	None
		03. Approved the 2024 statement of the internal control system.		None
		04. Approved the 2024 standalone financial report and consolidated financial report.		None
		05. Approved the changes of CPA and attesting CPA's independent and competency assessment.	V	None
		06. Approved the 2024 business report.		None
		07. Approved the definition of grassroots employees.		None
		08. Approved the employee remuneration and director remuneration distribution in 2024	V	None
		09. Approved the 2024 profit distribution.		None
		10. Approved Matters related to cash dividend payment in 2024.		None
		11. Approved the amendments to some articles of the company's "Articles of Incorporation."		None
		12. Approved the stipulation on the date, time, location and the related matters to convening the 2025 regular shareholders' meeting.		None
		13. Approved the stipulation on accepting and handling shareholders' proposals at the 2025 regular shareholders' meeting.		None
		Opinions of Independent Directors: None		
		The company's handling of independent directors' opinions: None		
		Resolution result: Approved by all directors present.		

◆ Implementation of the resolutions reached at the 2024 extraordinary shareholders' meeting

Resolutions	implementation
01.Election of independent directors by-election	By-elected one independent director for a term from April 3, 2024 to July 26, 2024, and complete the change registration with the Ministry of Economic Affairs.
02.Lifting of non-competition restrictions for new independent directors	Effective after being resolved and approved at the shareholders' meeting.

◆ Implementation of the resolutions reached at the 2024 shareholders' meeting

Resolutions	implementation
01. Acknowledged of 2023 annual business report and financial statements.	Effective after being resolved and approved at the shareholders' meeting.
02. Acknowledged of 2023 deficit offset proposal.	Effective after being resolved and approved at the shareholders' meeting.
03. Amendments to some articles of the "Articles of Incorporation".	It was announced on the company's website and the Market Observation Post System on June 7, 2024, and registration approved by the Ministry of Economic Affairs

	on September 6, 2024, which had been handled in accordance with the amended provisions.
04. Amendments to some articles of the “Rules of Procedure for Shareholders' Meeting”.	It was announced on the company's website and the Market Observation Post System on June 7, 2024, which had been handled in accordance with the amended provisions.
05. Election of Directors (including Independent Directors).	It was announced on the company's website and the Market Observation Post System on June 7, 2024, and registration approved by the Ministry of Economic Affairs on September 6, 2024, which had been handled in accordance with the amended provisions.
06. Lifting the non-competition restrictions for new directors.	Effective after being resolved and approved at the shareholders' meeting.

◆ Implementation of the resolutions and operation of the Audit Committee in the most recent year

The Audit Committee aims to assist the Board of Directors in supervising the company's quality and integrity in performing accounting, auditing, financial reporting processes, and financial controls.

The main matters to be deliberated and reviewed by the Audit Committee:

1. Financial statements
2. Audit and accounting policies and procedures
3. Internal control system
4. Material assets or financial derivatives trading
5. Material loaning of funds and making of endorsements/guarantees
6. Offering or issuance of securities
7. Regulatory compliance
8. Whether there are related party transactions and possible conflicts of interest between managerial officers and directors
9. Employee grievance report
10. Fraud investigation report
11. Corporate risk management
12. Appointment, dismissal, or remuneration of the attesting CPAs
13. Appointment and dismissal of financial, accounting, and internal audit officers

The operation of the Audit Committee in the most recent year:

Audit Committee	Proposal content and follow-up processing	Matters listed in §14-5 of the Securities and Exchange Act	Other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all board directors
The 2 nd term – 13 th meeting 1.26.2024	01. The company's investment in Infutek Corporation of the United States. Resolutions of the Audit Committee: Approved by all the committee members present. The company's handling of the Audit Committee's opinions: Deliberated by the Board of Directors and approved by all the board directors present.	V	None
The 2 nd term – 14 th meeting 3.15.2024	01. The 2023 statement of the internal control system. 02. The 2023 parent-company-only financial report and consolidated financial report. 03. The attesting CPA's independent and competency assessment. 04. The 2023 business report. 05. The 2023 deficit offset proposal. 06. Case on matters related to the repurchase of treasury shares and the transfer of shares to employees. 07. The company's cash capital increase in Megaforcemx, S.de R.L. de C.V. Resolutions of the Audit Committee: Approved by all the committee members present. The company's handling of the Audit Committee's opinions: Deliberated by the Board of Directors and approved by all the board directors present.	V V	None
The 2 nd term – 15 th meeting 5.3.2024	01. The company's 2024Q1 consolidated financial report. Resolutions of the Audit Committee: Approved by all the committee members present. The company's handling of the Audit Committee's opinions: Deliberated by the Board of Directors and approved by all the board directors present.		None

Audit Committee	Proposal content and follow-up processing	Matters listed in §14-5 of the Securities and Exchange Act	Other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all board directors
The 3 rd term – 1 th meeting 8.9.2024	01. The company's 2024Q2 consolidated financial report.		None
	02. The replacement of the attesting CPAs and the evaluation of the CPA's independence.	√	
	03. The company's funds loan in Mega 1 Company Ltd.	√	
	04. The company's funds loan in Megaforce SDN. BHD.	√	
	Resolutions of the Audit Committee: Approved by all the committee members present.		
	The company's handling of the Audit Committee's opinions: Deliberated by the Board of Directors and approved by all the board directors present.		
The 3 rd term – 2 th meeting 11.8.2024	01. The company's 2024Q3 consolidated financial report.		None
	02. The company's funds loan in Fortis Biosolutions Co., Ltd.	√	
	03. The 2025 internal audit plan of the company.		
	04. The revision of some provisions of the "Ethical Corporate Management Best-Practice Principles".		
	05. The revision of some provisions of the "Procedures for Ethical Management and Guidelines for Conduct".		
	06. Formulated "Sustainable Information Management Operation" of the internal control system.	√	
	Resolutions of the Audit Committee: Approved by all the committee members present.		
	The company's handling of the Audit Committee's opinions: Deliberated by the Board of Directors and approved by all the board directors present.		
	Resolutions of the Audit Committee: Approved by all the committee members present.		
The company's handling of the Audit Committee's opinions: Deliberated by the Board of Directors and approved by all the board directors present.			
The 3 rd term – 3 th meeting 3.14.2025	01. The company's funds loan in Megaforcemx, S.de R.L. de C.V.	√	None
	02. The 2024 statement of the internal control system.		
	03. The 2024 standalone financial report and consolidated financial report.		
	04. The change of CPA and evaluation of the independence and competency of the CPAs.	√	
	05. The 2024 business report.		
	06. The 2024 profit distribution.		
	Resolutions of the Audit Committee: Approved by all the committee members present.		
	The company's handling of the Audit Committee's opinions: Deliberated by the Board of Directors and approved by all the board directors present.		

◆ Implementation of the resolutions and operation of the Compensation Committee in the most recent year

The Compensation Committee aims to assist the Board of Directors in implementing and evaluating the company's overall remuneration and welfare policies and the remuneration of the board directors and managerial officers.

The main matters to be deliberated and reviewed by the Compensation Committee:

1. Review the annual performance objectives and remuneration policies, systems, standards, and structures of the directors and managerial officers.
2. Evaluate the achievement of the performance objectives by directors and managerial officers, and determine the content and amount of their personal remuneration.

The operation of the Compensation Committee in the most recent year:

Compensation Committee	Proposal content and follow-up processing
The 5 th term – 7 th meeting 3.15.2024	01. Case on matters related to the repurchase of treasury shares and the transfer of shares to employees.
	Resolution result: Approved by all committee members unanimously.
	The company's handling of the opinions of the Compensation Committee: Proposed to and approved by the Board of Directors unanimously
The 6 th term – 1 st meeting 8.9.2024	01. Amendments to some articles of the "Salary management measures".
	Resolution result: Approved by all committee members unanimously.
	The company's handling of the opinions of the Compensation Committee: Proposed to and approved by the Board of Directors unanimously
The 6 th term – 2 nd meeting 3.14.2025	01. The employee remuneration and director remuneration distribution in 2024
	Resolution result: Approved by all committee members unanimously.
	The company's handling of the opinions of the Compensation Committee: Proposed to and approved by the Board of Directors unanimously

(X) Important board meeting resolutions that have been opposed or reserved by directors or supervisors with records or written statements kept in the most recent year and as of the annual report publication date: None

IV. Information Regarding CPA Fees

The amount of audit fees and non-audit fees paid to the CPAs and CPA Firm and its affiliated enterprises, and the content of non-audit services should be disclosed

Amount unit: NT\$ Thousand

CPA Firm	Name of CPAs	Audit period	Audit fees	Non-audit fees	Total	Remark
KPMG Taiwan	Yen-Ta, Su	113.1.1-113.12.31	5,600	1,830	7,430	Non-audit fees refer to tax attestation and services, etc.
	Tzu-Chieh, Tang					

Note 1: If the CPA Firm or CPAs are changed by the company this year, it is necessary to list the audit period separately, explain the reasons for the change in the remark column, and disclose the audit and non-audit fees paid sequentially. The service content of the non-audit fees paid for should be detailed by a note.

Note 2: Non-audit fee is paid for the services of: business registration, tax attestation, and taxation services.

(I) If the audit fee paid in the year that the CPA firm is changed is for an amount less than what was paid for in the previous year, the amount of audit fees paid before and after the replacement of CPAs and the reasons should be disclosed: None and not applicable.

(II) If the audit fee is decreased by more than 10% from the year before, the amount, percentage, and reason of the audit fee reduction should be disclosed: None and not applicable.

V. Information on Change of CPA

The company's replacement of CPAs in the most recent two years and thereafter:

Due to the internal job rotation of KPMG Taiwan, in compliance with the requirements of Standards on Quality Control Standard No. 1 and the relevant laws and regulations of the competent security authority, CPA Yen-Ta, Su and CPA Mei-Yen Chen of the company had been replaced by CPA Yen-Ta, Su and CPA Tzu-Chieh, Tang since the third quarter of 2024, which was agreed with the Audit Committee and approved by the Board of Directors on Aug. 9, 2024.

(I) About the former CPAs:

Replacement date	8.9.2024		
Reasons for replacement and explanation	Cooperate with the necessity of rotation of accountants, CPA Yen-Ta, Su and CPA Mei-Yen, Chen of KPMG Taiwan who are responsible for the audit of the company's financial statements were replaced by CPA Yen-Ta, Su and CPA Tzu-Chieh, Tang. The Company assesses that CPA Yen-Ta, Su and CPA Tzu-Chieh, Tang have not violated their independence and are competent.		
Indicates whether the termination of appointment is a decision of the clientele or the CPA.	Status	Party	CPA
	Voluntary termination of appointment		V
	Not accepting (continuing) appointment		
The issuance of an opinions other than an unqualified opinion within the last two years and the reasons	No occurrence of the said situation		
Disagreement with the issuer	No occurrence of the said situation		
Other disclosures (the items stated in Article 10, Paragraph 6, Subparagraph 1-4 – 1-7 of the "Regulations" should be disclosed:	None		

(II) About the successor CPAs:

CPA Firm	KPMG Taiwan
Name of CPAs	Yen-Ta, Su and Tzu-Chieh, Tang
Date of commission	8.9.2024
Consultation matters related to the accounting treatment methods or accounting principles for specific transactions and possible issuance of opinions on the financial reports before appointment, and the results	Not applicable
Written opinion of the successor CPA on matters with an opinion different from the predecessor CPA	No occurrence of the said situation

(III) Reply letter from the former CPAs regarding the matters stated in Article 10, Paragraph 6, Subparagraph 1, Item 3 of the "Regulations:" Not applicable.

VI. Management Team Who Had Worked for the Independent Auditor: None.

VII. Status of Net Change in Shareholdings and Shares Pledged

1. Changes in the equity of directors, supervisors, managerial officers, and major shareholders

Unit: Shares

Title (Note 1)	Name	2024		As of April 7, 2025	
		Increase/ decrease in the shareholding	Increase/ decrease in the number of shares pledged	Increase/ decrease in the shareholding	Increase/ decrease in the number of shares pledged
Chairman	Wen-Lin, Hsu	27,000	0	0	0
Vice Chairman, General Manager and CISO	Tung-Hui, Chiang	51,400	0	0	0
Shareholder with more than 10% shareholding	Ying Fan Investment Co., Ltd.	0	0	0	0
Director	Ying Fan Investment Co., Ltd. Representative: Le-Li, Lu				
Director	Ying Fan Investment Co., Ltd. Representative: Chia-Cheng, Chang				
Director	Wan-Sheng, Hsu (June.7,2024 new appointment)	30,000	0	0	0
Director	Ming-Hsiung, Chu (June.7,2024 new appointment)	0	0	0	0
Independent Director	Hai-Pang, Chiang (June.7,2024 new appointment)	0	0	0	0
Independent Director	Wan-Hua, Hsieh (April.3,2024 new appointment)	0	0	0	0
Independent Director	Wei-Chun, Chin (June.7,2024 new appointment)	0	0	0	0
Strategy Officer	Cheng-Chao	75,000 (49,000)	0	(25,000)	0
CFO	Chia-Cheng, Chang	70,000 (70,000)	0	0	0
President of Shanghai BU	Cheng-An, Lee	103,146 (70,000)	0	0	0
Vice President of Taiwan BU	Huo-Tsao, Lin	35,000 (80,000)	0	(20,000)	0
Vice President of Dongguan BU	Ming-Wei, Hsu	36,000	0	0	0
Vice Presiden of Biomedical and system integrationBU	Li-Kai, Chen	57,000 (40,000)	0	0	0
Junior VP of Core Design BU	Cheng-Ching, Hsia	32,000 (32,000)	0	0	0
Junior VP of Suzhou BU	Tsung-Ho, Ou	62,097 (30,000)	0	0	0
Corporate Governance Officer	Yen-Hua, Huang (May.3,2024 new appointment)	0	0	0	0
Director of Optoelectronics R&D	Makoto Masuda (Dismissal date:April.1,2024)	0	0	0	0
Independent Director	Chun-Nan, Pai (Dismissal date:Feb.6,2024)	0	0	0	0
Independent Director	Ching-Kong, Chao (Dismissal date:Feb.3,2023)	0	0	0	0

Note 1: The company shareholders with more than 10% shareholding should be noted as "major shareholders" and listed separately.

Note 2: If the counterparty of equity transfer or equity pledge is a related party, the following table should also be filled out.

Note 3: The company established an Audit Committee on June 8, 2018 to replace the supervisors.

2. Information on equity transfer

As of April 7, 2025; Unit: Shares

Name (Note 1)	Reason for equity transfer (Note 2)	Transaction date	Transaction counterparty	The relationship between the transaction counterparty and the company, directors, supervisors, managerial officers, and shareholders holding more than 10% shareholding	Shares	Trading price
Tung- Hui, Chiang	Gifted shares	5.16.2024	Nai-Yuan, Chiang	Father and son	16,400	35.10

Note 1: Fill in the names of the company's directors, supervisors, managerial officers, and shareholders holding more than 10% shareholding. Note 2: Fill in "Acquisition" or "Disposal."

3. Information on equity pledge: None.

VIII. The Relationship the Top Ten Shareholders

The Relationship the Top Ten Shareholders

April 7, 2025

Name (Note 1)	The party's shareholding		Shares held by spouse and minor children		Holding shares in the name of others		The title or names and relationships of the top-ten shareholders who are related parties, spouse, and relatives within the second degree of kinship (Noe 3)		Remark
	Shares	%	Shares	%	Shares	%	Title (or name)	Relation	
Ying Fan Investment Co., Ltd.(Representative: Wen -Lin, Hsu)	38,983,802	29.53%	0	0	0	0	Wen-Lin, Hsu	The responsible person of the company	
Growing Minerals Industry Inc., British Virgin Islands (Representative: Wen-Lin, Hsu)	6,371,835	4.83%	0	0	0	0	Wen-Lin, Hsu	The responsible person of the company	
Wen-Lin, Hsu	4,991,508	3.78%	189,358	0.14%	0	0	Ying Fan Investment Co., Ltd.	The responsible person of the company	
Jin-Hong, Zheng	3,051,000	2.31%	0	0	0	0	None	None	
Trust property account of "Employee Stock Ownership Trust of Megaforce Company Limited" set up at CTBC Bank	2,760,297	2.09%	0	0	0	0	None	None	
Min-Hsiung, Chu	2,140,217	1.62%	470,000	0.36%	0	0	Ying Fan Investment Co., Ltd.	The director of the said company	
Jin-Han, Lin	1,705,000	1.29%	0	0	0	0	None	None	
Wan-Sheng, Hsu	1,523,640	1.15%	80,000	0.06%	0	0	Wen-Lin, Hsu	Father and daughter	
Tung-Hui, Chiang	1,421,356	1.08%	0	0	0	0	Ying Fan Investment Co., Ltd.	The director of the said company	
Kadhampa Buddhism Foundation	1,200,000	0.91%	0	0	0	0	None	None	

Note 1: All the top ten shareholders should be listed, and the names of corporate shareholders and corporate shareholders' representatives should be listed separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of the party, spouse, minor children, or in the name of others.

Note 3: The relationship among the aforementioned shareholders, including juridical persons and natural persons, should be disclosed in accordance with the provisions of the "Regulations Governing the Preparation of Financial Reports by Issuers."

XI. Long-Term Investment Ownership

Total shareholding ratio

April 30, 2025; Unit: Thousand shares; %

Invested company (Note)	The company's investment		Investment of the directors, supervisors, managerial officers, and business under direct or indirect control		Total investments	
	Shares	%	Shares	%	Shares	%
Megaforce Group Co., Ltd.	8	100%	0	0%	8	100%
Megaforce International Co., Ltd.	0	0%	2,700	100%	2,700	100%
Newforce Global Ltd.	0	0%	20	100%	20	100%
Megachamp Investment Co. Ltd.	500	100%	0	0%	500	100%
Megaone Co. Ltd.	1,499	99.91%	0	0%	1,499	99.91%
Fortis Biosolutions Co., Ltd.	7500	60%	5,000	40%	12,500	100%
Shanghai Yingji Electronic Plastic Co., Ltd.	0	0%	0	100%	0	100%
Shanghai Shanghua Painting Co., Ltd.	0	0%	0	100%	0	100%
Shanghai AB Megaforce Co., Ltd.	0	0%	0	90%	0	90%
Suzhou Intentech Co., Ltd.	0	0%	0	100%	0	100%
Dongguan Megaforce Electronic Technology Co., Ltd.	0	100%	0	0%	0	100%
Megaforcecmx, S.de R.L. de C.V.	0	99.81%	0	0.19%	0	100%
Megaforce International Corporation	0	100%	0	0%	0	100%
Megaforce SDN. BHD.	20,729	100%	0	0%	20,729	100%
Barintec Co., Ltd.	12	70.76%	0	0%	12	70.76%

Note: It is a long-term investment of the company using the equity method

III. Capital and Shares

I. Capital and shares

(I) Source of capital

1. Source of capital

Unit: Shares; NT\$

Month/Year	Issue price	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Source of capital	Using property other than cash as payment of shares	Others
10/1991	10	1,000,000	10,000,000	1,000,000	10,000,000	Registered capital	None	Note 6
8/1997	10	5,500,000	55,000,000	5,500,000	55,000,000	Cash capital increase	None	Note 7
12/2002	10	100,000,000	1,000,000,000	40,000,000	400,000,000	Cash capital increase	None	Note 8
5/2003	10	100,000,000	1,000,000,000	45,500,000	455,000,000	Cash capital increase	None	Note 9
7/2004	10	100,000,000	1,000,000,000	52,245,191	522,451,910	Capital increase from earnings	None	Note 10
8/2005	40	100,000,000	1,000,000,000	57,995,191	579,951,910	Cash capital increase	None	Note 11
8/2005	10	100,000,000	1,000,000,000	72,736,393	727,363,930	Capital increase from earnings	None	Note 12
8/2006	10	100,000,000	1,000,000,000	84,646,852	846,468,520	Capital increase from earnings	None	Note 13
4/2007	50	100,000,000	1,000,000,000	95,228,852	952,288,520	Cash capital increase	None	Note 14
9/2007	10	200,000,000	2,000,000,000	110,418,180	1,104,181,800	Capital increase from earnings	None	Note 15
1/2008	50	200,000,000	2,000,000,000	124,418,180	1,244,181,800	Cash capital increase	None	Note 16
3/2008	50	200,000,000	2,000,000,000	124,568,180	1,245,681,800	Conversion of the convertible bond	None	Note 17
9/2008	10	200,000,000	2,000,000,000	132,289,089	1,322,890,890	Capital increase from earnings	None	Note 18
8/2009	11.6	200,000,000	2,000,000,000	132,403,089	1,324,030,890	Subscription of employee stock option	None	Note 19
9/2009	10	200,000,000	2,000,000,000	135,008,871	1,350,088,710	Capital increase from earnings	None	Note 20
11/2009	11.2	200,000,000	2,000,000,000	135,860,371	1,358,603,710	Subscription of employee stock option	None	Note 19
3/2010	11.2	200,000,000	2,000,000,000	136,186,871	1,361,868,710	Subscription of employee stock option	None	Note 19
5/2010	11.2	200,000,000	2,000,000,000	136,216,871	1,362,168,710	Subscription of employee stock option	None	Note 19
9/2010	11.2	200,000,000	2,000,000,000	136,659,121	1,366,591,210	Subscription of employee stock option	None	Note 19
12/2010	11.2	200,000,000	2,000,000,000	136,677,871	1,366,778,710	Subscription of employee stock option	None	Note 19
4/2011	11.2	200,000,000	2,000,000,000	136,807,621	1,368,076,210	Subscription of employee stock option	None	Note 19
9/2011	11.2	200,000,000	2,000,000,000	137,987,621	1,379,876,210	Subscription of employee stock option	None	Note 19
9/2011	-	200,000,000	2,000,000,000	135,987,621	1,359,876,210	Cancellation of treasury stock	None	Note 21
12/2011	11.2	200,000,000	2,000,000,000	136,177,121	1,361,771,210	Subscription of employee stock option	None	Note 19
5/2012	11.2	200,000,000	2,000,000,000	136,184,621	1,361,846,210	Subscription of employee stock option	None	Note 19

8/2012	11.2	200,000,000	2,000,000,000	136,211,121	1,362,111,210	Subscription of employee stock option	None	Note 19
1/2013	10.2	200,000,000	2,000,000,000	136,214,121	1,362,141,210	Subscription of employee stock option	None	Note 19
4/2013	-	200,000,000	2,000,000,000	129,037,121	1,290,371,210	Cancellation of treasury stock	None	Note 22
12/2013	10.2	200,000,000	2,000,000,000	129,047,121	1,290,471,210	Subscription of employee stock option	None	Note 19
12/2013	17.7	200,000,000	2,000,000,000	129,058,419	1,290,584,190	Conversion of the convertible bond	None	Note 23
2/2014	10.2	200,000,000	2,000,000,000	129,191,419	1,291,914,190	Subscription of employee stock option	None	Note 19
6/2014	10.2	200,000,000	2,000,000,000	130,024,919	1,300,249,190	Subscription of employee stock option	None	Note 19
4/2015	16.5	200,000,000	2,000,000,000	130,111,919	1,301,119,190	Subscription of employee stock option	None	Note 24
9/2015	16.5	200,000,000	2,000,000,000	130,164,919	1,301,649,190	Subscription of employee stock option	None	Note 24
12/2015	16.5	200,000,000	2,000,000,000	130,197,419	1,301,974,190	Subscription of employee stock option	None	Note 24
3/2016	16.5	200,000,000	2,000,000,000	130,234,419	1,302,344,190	Subscription of employee stock option	None	Note 24
6/2017	16.1	200,000,000	2,000,000,000	130,249,419	1,302,494,190	Subscription of employee stock option	None	Note 24
12/2017	15.8	200,000,000	2,000,000,000	131,338,919	1,313,389,190	Subscription of employee stock option	None	Note 24
2/2018	15.8	200,000,000	2,000,000,000	131,512,919	1,315,129,190	Subscription of employee stock option	None	Note 24
5/2018	15.8	200,000,000	2,000,000,000	132,015,919	1,320,159,190	Subscription of employee stock option	None	Note 24

Note 1: Fill in the information for the current year as of the annual report publication date.

Note 2: The effective (approval) date and document number of the capital increase should be indicated.

Note 3: The stock shares issued at a price lower than the par value should be clearly marked.

Note 4: The monetary claims or technologies that are used to pay for stock shares, if any, should be clearly stated with the information on the type and amount of the payment substitute noted.

Note 5: A private placement should be marked conspicuously.

Note 6: October 15, 1991, Approval Document No.: (80) Jian-III-Zi No. 356136

Note 7: August 26, 1997, Approval Document No.: (86) Jian-San-Zi No. 222932

Note 8: December 31, 2002, Approval Document No.: Jin-So-Sun-Zi No. 09101521150

Note 9: May 5, 2003, Approval Document No.: Jin-So-Sun-Zi No. 09201134940

Note 10: July 21, 2004, Approval Document No.: Jin-Guan-Zheng-I-Zi No. 0930132674

Note 11: August 22, 2005, Approval Document No.: Jin-Guan-Zheng-I-Zi No. 0940134911

Note 12: August 22, 2005, Approval Document No.: Approved with the Jin-Guan-Zheng-I-Zi No. 0940134912

Note 13: August 17, 2006, Approval Document No.: Jin-Guan-Zheng-I-Zi No. 0950136660

Note 14: April 4, 2007, Approval Document No.: Approved with the Jin-Guan-Zheng-I-Zi No. 0960014740

Note 15: August 09, 2007, Approval Document No.: Approved with the Jin-Guan-Zheng-I-Zi No. 0960042511

Note 16: October 25, 2007, Approval Document No.: Jin-Guan-Zheng-I-Zi No. 0960057282

Note 17: October 25, 2007, Approval Document No.: Jin-Guan-Zheng-I-Zi No. 09600572821

Note 18: July 04, 2008, Approval Document No.: Jin-Guan-Zheng-I-Zi No. 0970033560

Note 19: July 14, 2006, Approval Document No.: Jin-Guan-Zheng-I-Zi No. 0950130701

Note 20: July 14, 2009, Approval Document No.: Jin-Guan-Zheng-Fa-Zi No. No. 0980035156

Note 21: June 23, 2008, Approval Document No.: Jin-Guan-Zheng-III-Zi No. No. 0970031471

Note 22: January 4, 2013, Approval Document No.: Jin-Guan-Zheng-Jiao-Zi No. 1020000214

Note 23: June 23, 2011, Approval Document No.: Jin-Guan-Zheng-Fa-Zi No. 1000026072

Note 24: May 11, 2011, Approval Document No.: Jin-Guan-Zheng-Fa-Zi No. 1000019590

Note 25: Implementation of private placement of common stock shares in the most recent year and as of the annual report publication date: None

2. Types of shares

April 7, 2025

Unit: Shares

Type of shares	Authorized capital			Remark
	Outstanding shares (Note: OTC stock)	Unissued shares	Total	
Common stock	132,015,919	67,984,081	200,000,000	None

Note: Please indicate whether the stock is a listed or OTC stock (if it is restricted from listing or OTC trading, please add a note).

(II) Major shareholders

Shares	Shareholding	Percentage
Names of major shareholders		
Ying Fan Investment Co., Ltd. (Representative: Wen -Lin, Hsu)	38,983,802	29.53%
Growing Minerals Industry Inc., British Virgin Islands (Representative: Wen-Lin, Hsu)	6,371,835	4.83%
Wen-Lin, Hsu	4,991,508	3.78%
Jin-Hong, Zheng	3,051,000	2.31%
Trust property account of "Employee Stock Ownership Trust of Megaforce Co.Ltd." set up at CTBC Bank	2,760,297	2.09%
Min-Hsiung, Chu	2,140,217	1.62%
Jin-Han, Lin	1,705,000	1.29%
Wan-Sheng, Hsu	1,523,640	1.15%
Tung-Hui, Chiang	1,421,356	1.08%
Kadhampa Buddhism Foundation	1,200,000	0.91%

(III) Company dividend policy and implementation

1. Dividend policy formulated in the Articles of Incorporation

According to the Articles of Incorporation. The annual earnings, if any, are applied to pay income tax and make up for the losses of the previous years; then, appropriate an amount equivalent to 10% net income legal reserve, but the requirement does not apply when the legal reserve amount is equivalent to the total additional paid-in capital. In addition, a special reserve may be appropriated or reversed in accordance with the laws and regulations or the requirements of the competent authority. The balance amount plus the accumulated retained earnings is the distributable earnings. A part of the earnings can be retained depending on the operating conditions. The dividend can be distributed in the form of cash or stock shares. However, the total cash dividends distributed may not be less than 30% of the total dividend distributed.

The company may authorize the Board of Directors in accordance with the provision of Article 240 of the Company Act to have the distributable dividends and bonuses paid in cash with the resolution adopted by a majority vote at the board meeting attended by two-thirds of the Board of Directors, or to have the legal reserve and paid-in capital in whole or in part paid in cash in accordance with the provision of Article 241 of the Company Act, which should be reported in the shareholders' meeting. If it is implemented with new shares issued, it shall be distributed after the resolution of the shareholders' meeting.

2. Dividend distribution proposed at the current shareholders' meeting

On March 14, 2025, the board of directors of our company passed a resolution to distribute cash dividends of NT\$50,166,050 on common stock based on earnings for 2024, at a rate of NT\$0.38 per share. The distribution ratio of cash dividend payment plan is calculated up to NT\$ yuan. Any amount below NT\$ yuan will be rounded down unconditionally and the total amount of any odd amounts will be included in the company's other income. The cash dividend payment date is set for May 7, 2025.

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

(IV) The impact of the stock dividends proposed in the shareholders' meeting on the company's operating performance and earnings per share: Not applicable

(V) Remuneration of employees, directors, and supervisors

1. The percentage or range of remuneration for employees, directors, and supervisors as set forth in the Articles of Incorporation

According to the Articles of Incorporation, the net income before tax and before distributing employee remuneration and director remuneration, but after reserving an amount equivalent to the accumulated losses for making it up, the remaining balance amount, if any, should be applied to pay employee remuneration for an amount not less than 1% of the remaining balance amount and to pay director remuneration for an amount not exceeding 5% of the remaining balance amount.

2. The basis for estimating the amount of remuneration to employees, directors, and supervisors, the basis for calculating the number of shares for employee remuneration distributed in stock, and the accounting treatment if the actual amount distributed differs from the estimated amount:

- (1) The basis for estimating the amount of remuneration to employees, directors, and supervisors: Please refer to the aforementioned (V) 1. "The percentage or range of remuneration for employees, directors, and supervisors as set forth in the Articles of Incorporation."

- (2) The basis for calculating the number of shares for employee remuneration distributed in stock: The company did not issue stock dividends in 2024, so it is not applicable.

- (3) The accounting treatment if the actual amount distributed differs from the estimated amount: The actual amount of employee and director remuneration distributed in 2024 is not different from the estimated amount. When there is a difference, the accounting treatment is to include it in the profit(loss) of the following year.

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

- (1) The amount of employees' remuneration and directors' and supervisors' remuneration distributed in cash or stock. If the amount differs from the amount estimated in the year in which the expense is recognized, the difference, the reasons for the difference, and the circumstances under which the difference was handled should be disclosed.

The Board of Directors resolved on March 14, 2025 that the Company intends to distribute employee compensation and director compensation in 2024 in the form of cash, with employee compensation of NT\$4,000,000 and director compensation of NT\$2,700,000 respectively. The above distribution amounts are not different from the estimated amounts recognized as expenses in the year.

- (2) The ratio of the amount of employee remuneration distributed in stock to the total net income and total employee remuneration in the standalone or parent only financial report
The company did not distribute employee remuneration in the form of stock in 2024, so it is not applicable.

4. If the actual distribution of remuneration (including the number of shares distributed, the amount, and the price of the shares) to employees, directors, and supervisors in the previous year (2023) differs from the remuneration to employees, directors, and supervisors recognized and booked, the amount of the difference, the reasons for the difference, and the circumstances under which the difference was handled should be stated:

The company's 2023 final accounts have no surplus. According to the resolution of the board of directors on March 15, 2024, no employee remuneration and director's remuneration will be distributed; there is no difference from the annual estimated amount of recognized expenses.

(VI) Repurchase of the company's shares:

1. The repurchase of the company's shares (transaction completed): None.
2. The company's shares repurchased by the company (in process): None.

II. Issuance of Corporate Bond: None.

III. Preferred Stocks: None.

IV. Issuance of Depositary Receipts: None.

V. Employee Stock Option: None.

VI. Employee Restricted Stock: None.

VII. Mergers or Acquisitions: None.

VIII. Implementation of the capital allocation plans: None.

IV. Operation Overview

I. Business Activities

(I) Business Scope

1. Major Business Activities

- (1) C805050 Industrial Plastic Products Manufacturing.
- (2) F213080 Retail Sale of Machinery and Tools.
- (3) CQ01010 Mold and Die Manufacturing.
- (4) F206030 Retail Sale of Molds.
- (5) F401010 International Trade.
- (6) CC01050 Manufacturing of data storage and processing equipment.
- (7) CC01030 Electrical Appliances Manufacturing.
- (8) F113020 Wholesale of Electrical Appliances.
- (9) F213010 Retail Sale of Electrical Appliances.
- (10) CC01070 Wireless Communication Mechanical Equipment Manufacturing.
- (11) CC01080 Electronics Components Manufacturing.
- (12) I301010 Information Software Services.
- (13) CF01011 Medical Devices Manufacturing.
- (14) F108031 Wholesale of Medical Devices.
- (15) F208031 Retail Sale of Medical Apparatus.
- (16) CE01030 Optical Instruments Manufacturing
- (17) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Current commodity (service) items and their proportions in the operating revenue of the Company.

Unit: NTD thousand

Major Products	Use of Goods (services)	2024	
		Net Operating Revenue	Proportions in the Operating Revenue (%)
Electronic plastic components	Optical mouse, game consoles, network products, earphones, speakers, etc.	3,851,621	89.31
Mold	Injection Molding	163,833	3.80
Biomedical materials	Medical equipment, etc.	147,994	3.43
Optoelectronic products	AI PIN and smart conference systems, etc.	104,992	2.44
Product development	Medical equipment and optoelectronic products, etc.	33,204	0.77
Others	Other raw materials & miscellaneous items, etc.	10,858	0.25
Total		4,312,502	100.00

3. New products planned to be developed

Facing the ever-changing global economic and trade environment, Yingji has been committed to transformation in recent years, extending from its own business to new businesses.

In terms of innovative mold industry, we launched the upgrade of smart and automated mold production lines, increasing the original 8-hour production capacity to 24 hours, greatly improving production efficiency; using one person to monitor multiple machines to improve management efficiency, and automatic correction to ensure the accuracy of molding production. Then it branched out into niche products, such as: high-value automotive and aerospace molds, precision molds for 3C parts, etc.; and used system integration technology to help customers develop high-end medical equipment. In the future, it will continue to design, develop, and manufacture to provide customers with "Product Lifecycle Management-Lifecycle Management" services.

In terms of AI application development business, we uses the world's smallest optical machine customization design technology and component procurement, development, and manufacturing capabilities to create AI mobile devices combined with micro-optical

machines; in addition, it develops AI conference systems and designs customized AI intelligent meeting display interactive products to participate in and manage meetings, cross-language communication, data analysis and optimization, and improve meeting efficiency. In the future, we will continue to expand the development of AI software applications, flexibly adapt to market changes, and ensure that we maintain a leading position in the ever-changing business environment.

(II) Industry Overview

1. Current conditions and developments of the industry

Major business of the Company is plastic injection molding and mold manufacturing. Plastic injection molding products have a wide range of applications, including consumer electronics, medical equipment, automotive industry, information industry and even optical components. Current revenue of the Company is mainly from plastic shell parts for the electronic industry. Mold industry is a special sector which is technology- and capital-intensive with high added value. Mold products feature various specifications and wide applications. In downstream applications, currently 3C related industries take up the largest portion, followed by the transport industry. Now the most popular 3C industry is based on stamping die and plastic die, and the Company is a manufacturer of plastic die.

A. Current conditions of the industry

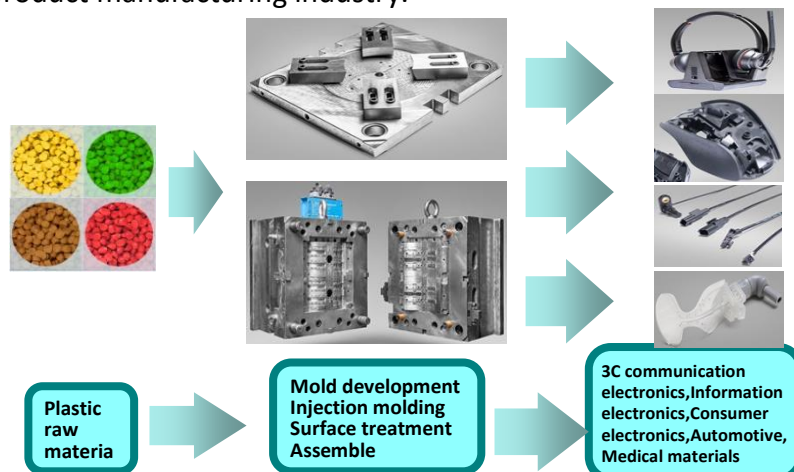
As the information and electronics industries become more widely used, the final products of these electronic components require strong coverings. According to research institutions, 3C products are the largest downstream industry of industrial plastic products. Moreover, with the rise of environmental protection awareness, the development of plastic products is also oriented to degradable and reusable properties.

B. Developments of the industry

With the advancement of science and technology, plastic products manufacturing industry will certainly continue to be highly integrated with information, communication and consumer electronics and other technology industries. In addition, thanks to the development of composite materials, plastic products are widely used in automobile, optics and other industries. The automotive parts, such as bumpers, dashboards and headlights, can all be made of plastic, and the rapid development of the automotive market in Asia is expected to drive the demand for automotive plastics. The booming cloud and Internet industries will also bring about another wave of derivative demand for plastic components. In the aging society where people increasingly pay attention to health and medical quality, medical plastic products are expected to have a certain market demand. Therefore, the plastic products manufacturing industry enjoys high potential in the future.

2. Correlation among upper, middle and downstream industries

From the perspective of supply and demand, the upstream industry of the plastic product manufacturing industry is the plastic raw material manufacturer, and the manufacturers who need plastic shell or plastic injection components, such as communications industry, information electronics industry, household appliances industry, and automobile manufacturing, are the downstream customers of the plastic product manufacturing industry.



3. Development trends and competition of our products

A. Development and change of product and industry for downstream application

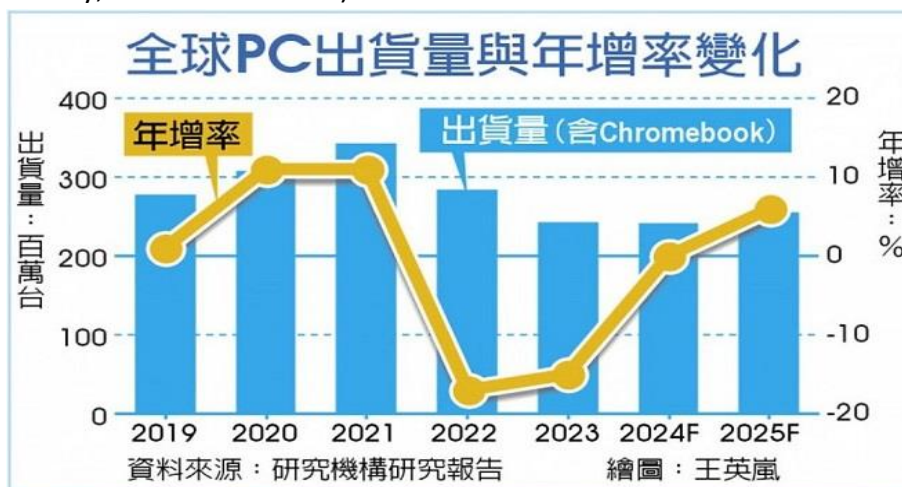
(A) Mouse

The sequelae of COVID-19 have not completely disappeared, and hybrid remote working, meeting, teaching and other modes have taken shape. Mouse-equipped PC products (desktop and notebook computers), the demand for work from home and distant learning has increased rapidly, PC products have received strong market demand and have resumed growth, with notebook computers as the main driving force.

According to a report released by market research agency Canalys in January, including product types such as desktop computers, NBs, and workstations, the global PC market shipments during the fourth quarter of 2024 increased by 4.6% annually to 67.4 million units, marking the fifth consecutive quarter of positive growth. Global PC shipments will grow by 3.8% in 2024, reaching 255 million units. Research firm IDC released its global PC market survey report for the fourth quarter of 2024. Global PC shipments in the fourth quarter of 2024 reached 68.9 million units, an increase of 1.8% compared with the same period in 2023. The cumulative shipments of PC products in 2024 will reach 262.7 million units, an increase of 1% compared with the annual shipments in 2023.

Canalys analysis believes that as the market gradually recovers in 2024 and the Windows 10 operating system will stop supporting in October 2025, the global PC market is expected to further usher in a period of accelerated growth and a new round of business update cycle in 2025.

However, the Trump administration's tariff policies have really added a lot of uncertainty to this expectation and disrupted the pace of global industrial chain deployment. (The above contents and data sources are from Digitimes, Chinatimes money, and udn websites)



Source: Chinatimes.com Money

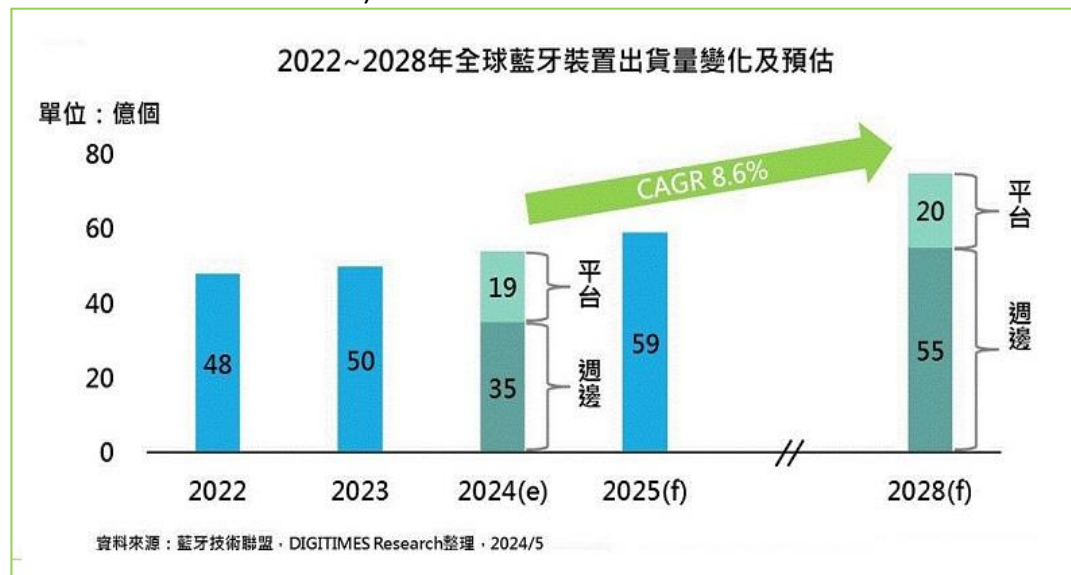
(B) Earphones

Headphone market With the rise of mobile devices, the market for high-end products is rapidly expanding. Eight years ago, Apple's AirPods came out and became popular in the market for their "true wireless" capabilities. Despite their high price, they have still sold tens of millions of units every year in the past few years, becoming Apple's most acclaimed and popular product in recent years. The COVID-19 epidemic is gradually under control in 2021, but the demand for remote work and distance learning is still there, and the demand for PC accessories such as Bluetooth headsets is also booming. In particular, Apple, the leader in true wireless Bluetooth headsets (TWS), no longer sells mobile phones with headphones, and AirPods has set off a new wave of TWS craze.

Now in 2024, the development of the TWS headset market has entered a bottleneck period. ELECTREND.NET predicts that the growth rate of global TWS headset shipments will drop below 5% in 2024.

Currently, smart headphones are mainly used in smartphones. Due to the rich and diverse usage scenarios and the high degree of alignment with market demand, it is

conservatively estimated that the global smart headset shipment growth rate will remain at around 20% between 2021 and 2027, with shipments exceeding 1 billion units in 2025 and expected to reach around 1.5 billion units in 2027. (The above contents and data are from the Digitimes website and Topology Research Institute websites)



Source: Digitimes, May. 2024

(C) Netcom products

The communication network industry uses wired or wireless equipment to transmit or receive symbols, signals, text, video, sound and other information. The upstream of the industry chain is the component suppliers of various communication terminals, while the downstream is the suppliers of various terminal application products.

With the development of cloud data centers, the continued popularity of 4K/8K audio and video, and the rapid penetration of the Internet of Things and mobile devices, the demand for equipment including 4G/5G data machines, mobile routers and wireless modules, as well as VDSL/G.fast Modem, Cable Modem, PON ONUs, and high level home gate and switch, continues to increase. In addition, emerging smart home applications and home streaming film and television services are rising, driving the shipment of various smart home products such as OTT inflight boxes, smart Wi-Fi routers, smart speakers and IoT terminals.

In recent years, due to COVID-19, the number of people working, studying and playing at home has increased dramatically. Meanwhile, more enterprises are thinking about and accelerating the construction of more advanced ICT software and hardware and cloud application environment. In this way, besides driving a wave of demand for ICT products such as Notebook, PC, OTT box and IP Camera, the trend is also pushing cloud service giants, including Amazon, Microsoft and Google, to increase the number of data centers and marginal computing infrastructure built around the world, and to partner with telecom providers to meet the growing demand for web application traffic from broadband providers. As a result, communication equipment used in data centers, including switches, optical communication peripheral components and related wafers, has also benefited. Affected by the inventory pressure in the European and American markets, the operating performance of most Taiwanese network communication plants in 2024 will slow down, and the overall performance will be lower than the previous year. However, as downstream inventories have returned to healthy levels, Wi-Fi 7 products have increased in volume, AI business opportunities have driven it, plus infrastructure demand in the United States and India and other four major bullish factors. Netcom industry players said that the global Netcom market is positive this year, mainly because the global inventory adjustment has basically ended or has come to an end. In the European market, new demand has also emerged this year. Industry players believe that the global Netcom market seems to have returned to a

healthy state, and the general environment is favorable to the operating performance of Taiwanese Netcom operators this year.

If the global mobile data volume is estimated, the global data volume will grow another 3.5 times from 2023 to 2028, and FWA is expected to grow by 5 times. In other words, the data traffic connected to the FWA network will grow even higher than the total data volume, which will promote the continuous upgrading of wireless networks. The industry expects that Wi-Fi 7 penetration will increase from 5% last year to 20% this year, driving the operations of Taiwan's related network communication manufacturers to benefit from the growth.

AI will also play an important role in the growth of the network industry. Taiwan manufacturers pointed out that based on the current global data center demand, it is estimated that the data center computing power needed in the world is about 200GW, and the GPU investment required for each GW is about 40 billion to 60 billion US dollars, and the core of these investments is almost concentrated in several technology giants in the United States. Taiwanese manufacturers expect that AI technology will gradually expand from large-scale clouds to enterprise applications in the future. Driven by AI demand, they have a positive view on market opportunities in 2025 and are cautiously optimistic about operations this year.

(The above contents and data are from the Digitimes website, Topology Research Institute, MIC website, and IC TPEX, Research Nester website)

網通業者看好今年市況原因	
項 目	內 容
產業市況	全球庫存調整結束，且今年以來新的需求也已浮現
主要成長市場	美國、印度今年持續看好，日本及歐洲需求也逐步回升
今年動能產品	Wi-Fi 7、FWA、5G相關及AI相關
AI相關商機	全世界需要的資料中心算力大概是200GW，而每一個GW所需要的GPU投資約是400億到600億美元
資料來源：採訪整理	
製表：張瑞益	

Source : Chinatimes money .Mar.2025

(D) Smart home products

The smart home is an efficient, comfortable, safe, convenient and environmentally friendly living environment which is based on the residence platform and is equipped with construction, network communication, information appliances and equipment automation, and integrates system, structure, service and management. Smart home uses advanced computer technology, network communication technology, and comprehensive wiring technology to organically integrate various subsystems related to home life. Through overall management, it makes home life safer and more comfortable.

The smart home products studied by IDC include: video entertainment with smart TV as the core, smart cameras, smart door locks, smart doorbells and other home monitoring and security devices, as well as smart speakers. Since the COVID-19 in 2020, people's understanding of smart home devices and systems has deepened. The most representative manufacturers or platforms of so-called smart home products include Amazon (launching Echo smart speakers and Alexa-related products) and Google (its Nest series has evolved from thermostats to doorbells), and then Apple (adopting the HomeKit platform's product line has extended to smart sprinkler controllers and flood sensors), as well as companies such as iRobot, which produces Roomba.

According to Digitimes Research, the global smart home market will reach US\$153.8 billion in 2024, of which smart home appliances will reach US\$60 billion, and will reach US\$174 billion in 2025, of which smart home appliances will reach US\$67.9 billion.
(The above contents and data sources are from iKnow of Science and Technology Policy Research and Digitimes.)



Pic: Paxipay



Source: Digitimes website

B. Competition

The competition in plastic products manufacturing and mold industry is described as follows:

Manufacturing plastic products

There are few barriers for new entrants, either in terms of technology or capital requirements. Most plastic casings can be made by simple machines in low-tech production. The main advantages of the Company can be summarized as follows:

- a. One-stop production mode, providing products and services required by customers at one time, and long-term cooperation with downstream

- manufacturers, can effectively expand market share, prevent the entry of new manufacturers, to virtually constitute the entry barrier of competitors.
- b. Post-process processing technology of plastic casing/mechanism parts require technical and experience threshold.
 - c. The Company has reached an economic scale in cost or quality, which enjoys an advantage in the face of price competition and is not easy to be replaced by new entrants.

Mold Industry

The competitiveness of mold should consist of four factors, namely price, delivery, quality and service. For molds with mature technology, the difference in on-time delivery and mold quality has been reduced, leading to fierce price competition; but in terms of precision molds, customers pay attention to quality (such as service life, precision, stability, forming speed and low defective rate of finished products) and delivery time, especially for 3C electronic products. The mold industry is faced with tight delivery time.

(III) Overview of Technology and R&D

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

Unit: NTD thousand; %

Year	2023	2024	Q1 2025
R&D expenses	180,975	137,817	36,673
Percentage of operating revenue (%)	4.37%	3.20%	5.40%

2. Technologies or products successfully developed

- Development of a method to improve the surface energy of PCR materials 、 Research on antibacterial tactile coating 、 Development of a high toughness PC/ABS alloy material and its preparation method
- Assembly and Testing The Parking management solution for parking lot
- Assembly Roadside Automated license plate recognition bollard
- Assembly Underground Automatic number-plate recognition
- Tooling Advanced Manufacturing Transformation Plan - Smart Parking System and Electric Vehicle Charging Module Integration project
- Badge LBS Mass Production
- Portable LBS Device Mass Production
- LD LCOS AR HUD Design and Development Completed
- Complete 3D sensing module
- complete LBS AR-HUD development
- Design, development, and prototyping of a cervical physical therapy device.
- Design, development, and prototyping of products for gynecological inflammation and infection control.
- Completion of assembly and shipment of robotic tactile sensors.
- Design, development, and prototyping of a brainwave resonance stress-relief phototherapy module system.
- Design, development, and prototyping of non-invasive brain stimulation therapeutic devices.

(IV) Long-term and Short-term Business Development Plans

1. Short-term development plan

(1) Sales strategy

The Company specializes in the mold, plastic molding, surface treatment process and assembly of mechanical parts and appearance parts products, and extends to micro-projection module of mechanical optical electronics integration and high-precision medical materials application and AI application products. Currently, medical material application products include dental electromechanical products, minimally invasive surgical instrument products, medical IoT integrated products, pharmaceutical and equipment integrated products, etc. AI application products

include AI PIN and smart conference systems, etc. We will continue to promote medical materials and AI applications to increase its added value.

To adapt to the rapid changes in the global economy and consumption trend, Megaforce also gives full play to resource integration and has a global layout, with production bases in China, Mexico, Malaysia and Taiwan. It operates globally with strategic thinking and provides flexible services to customers with high adaptability.

(2) Production policy

The Company is committed to providing a variety of services and meeting the needs of customers with quality, fast speed and good price, as well as strengthening the overall production and quality assurance management function. Each plant continues to obtain quality and environmental certifications such as ISO 9001, ISO 14000, TS 16946, QC 080000, OHSAS 18000, and UL. In quality, with the introduction of more accurate and faster computer-aided detection instrument (CAV), and the existing three-dimension measurement instrument (CMM), the measurement ability improved to a higher level; regarding the environment, the Shanghai plant has set up Concentrator Wheel, equipped with Regenerative Thermal Oxidizer, and an online monitoring system connected to government environmental protection authorities to continuously handle waste gas treatment and control in spray painting process.

In response to the changes in the business environment and the increase in labor and related costs in China's mainland, it added the planning of automation equipment, process fixtures to save labor costs; it planned small, unmanned workshops to handle small quantities and various types of orders. LSR (liquid silicone) manufacturing process has been added in Shanghai and Taipei plants. For Suzhou plant BMC processing, supporting paint baking, polishing and other appearance process have been completed, with samples successively sent and delivery realized; these new technological processes improved the Company's ability to differentiate its services and conform with new product trends and customer needs.

(3) Technology R&D

The Company is involved in mold design and manufacturing, processing of soft and hard plastic injection molding parts, and appearance processing, throughout the computer, communication, consumer, automobile surrounding industries. Currently its main products include mouse, netcom, audio and video entertainment, wireless charging, automotive interior parts and appearance parts and other mechanical parts. In the short term, the product development is to move towards differentiation, and it will further cooperate with various research institutions and academic institutions to transfer other related precision mold technology and customized appearance technology.

In recent years, processes that have attracted R&D input and successively have mass production capacity include integration of three-shot, plastic and a variety of different materials, liquid silicone LSR used in the isolation of 3C products and medical materials, and then embedding injection of hard glue or metal and liquid silicone LSR, as well as double shooting process of liquid silicone LSR.

In addition to the technology research and development of the core plastics business, our company also focuses on the research and development of various technologies, materials, and software required for the biomedical and AI application businesses.

(4) Intelligent production

Based on the existing ERP (enterprise resource planning) and PLM (product life cycle management) systems, the Company's new molding equipment is equipped with small area automation and the Internet of things, so that the production information can reflect the production situation more promptly, correctly and transparent, and increase the depth and accuracy of management, so as to achieve our vision of advanced, extension and sustainable.

2. Long-term development plan

(1) Sales strategy

Continue to improve the mechanical parts, appearance parts products; local plants meet customer needs, improve delivery speed, and reduce transportation, tariff and other costs, to achieve mutually beneficial cooperation conditions with customers. Based on the concrete achievements of micro-projection module, the small-scale application cooperation of projection products is carried out by combining upstream MEMS component factories and downstream brand factories. Extend to medical

materials, and cooperate with the metal center to obtain the national major project qualification for oral scanner development; other medical materials include minimally invasive devices, and drug dispensers. Continue product development and verification.

(2) Production policy

The updating machine improves the precision of mold processing and molding production, and improves the utilization rate of factory space. Meanwhile, based on automated production ability, to create self-value and help customers improve competitiveness, continue to play the role of strategic partners for customers to reduce costs.

After years of standardization of mold design, the standards are now fully used in 3D mold design and concrete results have been made. We continue to update the database of standard parts, and with the improvement of mold manufacturing expertise and production capacity to show the timeliness and pass rate of mold opening.

(3) Technology R&D

Over the years of continuous efforts in technology development, we won customer recognition and orders of mass production, especially the Shanghai plant continues to be a high-tech enterprise approved by the Shanghai Municipal Science and Technology Commission. The Company continues to develop more sophisticated and advanced mold and plastic molding technology, extending to the production of micro projection products; the Company also carries out related product development in the application of different materials, the use of thermosetting plastic in post-processing of materials, the combination of silicone mechanical parts and optical module in the field of medical materials.

(4) Comprehensive integration

Build the advantage of differentiation in our industry, to provide customers with complete and irreplaceable services and One Stop Shop overall functional solutions. Integrate resources from all places, give full play to the full 3D design mechanism, mold design and component processing in many places, to form a strong comprehensive service network, in order to provide customers with competitive advantages in product development, mass production and aging, cost and quality.

II. Market and Sales Overview

(I) Market analysis

1. Main sales areas

Unit: NTD thousand

Year		2024		2023	
Area		Sales value	Percentage %	Sales value	Percentage %
Domestic sales		116,246	2.70%	133,164	3.22%
Export	Asia	3,782,385	87.71%	3,544,496	85.65%
	America	412,822	9.57%	460,498	11.13%
	Europe	1,049	0.02%	0	0.00%
	Sum	4,196,256	97.30%	4,004,994	96.78%
Total		4,312,502	100.00%	4,138,158	100.00%

2. Market share

The Company mainly engages in mold design and development and plastic injection components production. Its product applications cover a wide range of industries, such as information, communication, consumer electronics, home electronics and medical equipment industry. We diversifies the products to disperse the risk of concentration.

3. Supply and demand in the future and growth potential in the market

Plastic materials gradually replace some traditional materials, and new engineering plastic composite materials replace metal, which enhances added value, and also meets the diversity of the manufacturing industry, and helps the industry development move into the era of technology.

(1) Demand side

With the development of technology, consumer demand for electronic products will continue to change. The popularization and transformation of smart phones, tablets, smart home appliances and other products have driven increased demand for electronic parts. Technological changes in other industries such as automobiles, aviation, and medical equipment also have an impact on the demand for electronic parts. In addition, the popularity of emerging technologies such as AI, IoT, and 5G will also have a significant impact on the demand for electronic parts.

(2) Supply side

Injection molding plastic components have a very wide range of applications. Now the products sold by the Company's main customers cover most electronics products in the industry. Globally, consumer spending as a percentage of total spending has declined year after year due to saturation and commoditization, particularly on PCs, laptops and tablets. As technological changes such as AI and 5G increase and the demand for environmental protection and energy conservation increases, the corresponding supply will rise.

(3) Growth analysis

After years of efforts in Taiwan electronics, information and communication industries, 20 main products such as notebook computer, liquid crystal display, monitor, mainframe board, power supply, case, scanner, drawing card, keyboard, power system, mouse, sound card, video card, hub, data machine, network card and smart phone occupy high market share in the world; the ICT industry in Taiwan is now becoming capital intensive, technology and knowledge intensive, while the design and development of next-generation products and key components is strengthened, as well as the integration of supply chains and the extension of branding and marketing efforts.

The Company has a complete upstream and downstream industrial chain, and can provide a complete cost solution. As for its goals, in addition to continuing the rich manufacturing experience and deep economies of scale of electronic information products parts, the Company will upgrade the existing technology and promote the IMD process, rapid cooling and rapid heating process, micro injection process, different material embedding injection process, LSR liquid silicone process and various post-process processing technology, etc., to ensure the growth momentum of the business and at the same time a stable profit rate.

4. Competitive niche

(1) Skilled and experienced management team

The management team with more than 30 years' experience of plastic injection and mold manufacturing can fully handle production efficiency, improve the technical ability of processes, not only to effectively reduce the production cost, but also to improve the product quality, and then effectively enhance the operating efficiency and market competitiveness.

(2) Strong R&D, design and production technology capability

In plastic injection molding industry, filling in mold model is needed. The Company also has the key technical resources of plastic molding and mold R&D ability, with mold manufacturers and plastic molding plants in many countries around the world, so it can complete the mold development and production operations in the shortest time. To improve the technical ability of manufacturing processes, the Company has introduced precision mold development equipment, so that R & D, design, mold making and production can all be completed in the factory, which can effectively control product quality, improve production efficiency, reduce production costs, save logistics expenses, make the product more competitive, to provide customers with one-stop integrated services with cost and technical value.

For potential products in the future, such as high-temperature water-based paint, antibacterial water-based paint and medical-grade fluororubber hand-touch spraying agent, the Company continues the customized development of AR Glasses and 3D Scanning application, as well as R&D of inhalation drug delivery device in the medical materials and equipment market; all these are expected to bring new driving forces to Megaforce.

(3) Abundant production resources

Manufacturers with relevant product production experience and capacity scale are the first choice for international large factories looking for tollers. With long experience in the production of plastic injection molding products in the past, the Company has established production bases all over the world, such as Dongguan, Shanghai and Suzhou in China's mainland, Tijuana in Mexico, Malaysia and Taiwan, etc. We have production capacity with economies of scale. Economies of scale and professional mass production economy also make it relatively difficult for new competitors to enter. Abundant production capacity has also become an important advantage for the Company to obtain OEM orders from international big brands.

(4) Product quality affirmed by international large brands

On the basis of many years' experience in plastic injection products, product quality has passed the UK SGS ISO 9001 certification and obtained the recognition of international manufacturers, such as Logitech, Powtran, Arcadyan, Asus, SONOS, and Bose etc. That shows the quality has reached the international standard, which is good for the expansion of the export market.

5. Advantages and disadvantages of the development prospect and countermeasures

(1) Advantages

Wide range of downstream applications

Plastic products have a wide range of applications, as plastic injection molding products can be used in information, communication, medical, automotive and other daily supplies. That can reduce operating costs and increase potential business opportunities, without increasing operation risks due to the development of a single product market. Thanks to the rapid development of e-commerce, information related products, communications, consumer electronic products continue to grow, and the evolution of science and technology has made product design slimmer and shorter with high portability, which stimulates the consumer market to continue growing. The aging population has created an emerging market increasing demand for medical supplies. Due to requirements for sterile medical products production environment and equipment, coupled with product yield, this market will be an opportunity to differentiate from competitors and increase the profit margin.

Global operation model

To serve customers locally and reduce production costs, the Company has production base in Dongguan, Shanghai, Suzhou, Mexico, Malaysia and Taiwan. Besides serving customers nearby, it can reduce production costs, flexibly adjust production location or delivery location according to customers' needs, and enhance the Company's international corporate image.

Excellent technical ability

By focusing on the industry for many years for R&D of plastic molding and key technologies of mold, the Company's boasts the leading R&D capacity in the industry. At present, it has nitrogen assisted molding production technology, two-color injection molding technology, vacuum assisted molding technology, development of product technology process of environmental protection and recycling, IMD, rapid cooling and rapid heating, micro injection molding technology, different material embedding injection, electronic component protection low-voltage molding technology, LSR molding technology and other advanced technologies. The Company attaches great importance to the integration of technology and commercialization, and quickly launches mass production according to customer needs to increase the added value of technology.

(2) Disadvantages

No long-term sales contract

Due to industry features, the design and production of plastic injection products are tailored to different products. Whether the terminal application products meet the market demand is also the main factor which affects order intake, so the Company has not signed long-term sales contracts with customers. The company can maintain good supply and demand relationships with customers by virtue of its technology and production strength. However, if competitors improve their technology and production strength in the future, or even adopt price strategies to attack the market, our current stable supply and demand relationship with customers will be adversely affected.

[Countermeasures]

- a. The Company actively maintains close interaction with downstream manufacturers in terms of supply and demand, keeps abreast of customers' demands and production conditions, controls production and marketing processes with order-oriented production, and precisely controls inventory; furthermore, through investment in R&D, the design and development capabilities of products are constantly improved, so as to meet in time the needs of downstream customers in mold development and product making. And the Company actively participates in the product development process of downstream customers, with technological innovation and product design creativity to master the source of new orders.
- b. The Company follows the plant establishment plan for downstream customers and sets up satellite factories near their factories to keep track of customers' product trends and reduce freight costs.
- c. In addition to the existing customer base, the Company is also actively developing new customers, including the development of customer sources in emerging markets.

Over-concentrated terminal products

With the continuous introduction of electronic products for future digital life and the evolution of cloud computing, the growth of computer equipment and its peripheral equipment has slowed down in recent years due to the influence of product replacement. In the past, the business performance of downstream main application products such as mouse, keyboard and other computer peripheral equipment which took up the larger share of the Company's profits has also declined due to the changes of the computer peripheral industry. That will have a significant adverse impact on revenue and earnings in the future.

[Countermeasures]

In addition to existing products, in recent years, we have invested in the expansion of related markets such as medical equipment and optoelectronic products to reduce the impact of changes in the life cycle of a single product on revenue.

Decreased gross margin due to customer demand for price reduction

For plastic injection molding products, after a certain period of time after mass production, customers often set a price reduction time, by asking for a certain reduction, which has an obvious adverse impact on our revenue and profit.

[Countermeasures]

- a. Strengthen the bargaining power of raw materials, purchase in large quantities as much as possible, and reduce the cost of raw materials with better purchasing price.
- b. Improve material management efficiency, reduce loss rate, or improve use efficiency, etc.
- c. Continuously improve mold design ability to reduce the raw material loss rate in the process and improve the yield.

(II) Important Uses and Manufacturing Processes of Main Products

1. Important uses

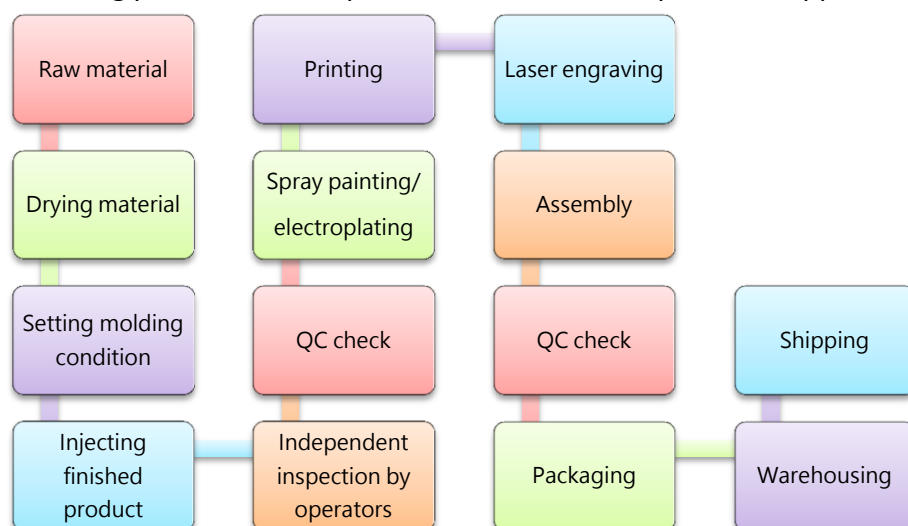
Injection molding products are used in medical equipment, automotive industry, information industry, communication equipment, optical components and LED lighting cups. The Company is positioned to engage in precision engineering plastic molding and manufacturing injection molding products, currently in plastic mold manufacturing, injection molding, assembly parts and mechanical processing which are needed for computer products and peripheral equipment, communication equipment, optical components and medical equipment.

In recent years, on the basis of existing plastic mechanical parts, we produce micro projection and HUD modules or products by combining mechanical, optical electronics. These have been applied to portable electronic products, household appliances and auto parts, etc.

At present, main product uses are as follows:

Major Products	Use of Goods (services)
Electronic plastic components	Optical mouse, game consoles, network products, earphones, speakers, etc.
Mold	Injection Molding
Biomedical materials	Medical equipment, etc.
Optoelectronic products	AI PIN and smart conference systems, etc.
Product development	Medical equipment and optoelectronic products, etc.
Others	Other raw materials & miscellaneous items, etc.

2. Manufacturing process of main products of mechanical parts and appearance parts



(III) Supply of Main Raw Materials

The Company has established good supply relationships with main raw material suppliers such as Chimei Corporation, Grand Pacific, and Nagase Wahlee Plastics, and suppliers of MEMS, laser light source and electronic component for micro-projection products. At the same time, we pay attention to market conditions, price fluctuations of crude oil and plastics, quantity-based price discounts and sources of key electronic materials, and establish long-term strategic cooperation with manufacturers.

(IV) The names of customers who have accounted for more than 10% of the total value of goods purchased(sold) in the year of the recent two years, and the amount and percentage of goods purchased (sold), together with the reasons for the changes.

1. Information of major suppliers

(1) Information on major purchase customers in the past two years

Unit: NTD thousand

Item	2023				2024				Q1, 2025 (Note 2)			
	Name	Amount	Percentage in annual net purchase (%)	Relationship with issuer	Name	Amount	Percentage in annual net purchase (%)	Relationship with issuer	Name	Amount	Percentage in the net purchase by the previous quarter of the current year (%)	Relationship with issuer
1	No supplier accounted for more than 10% in the year				Supplier A	146,565	11.64	N/A	Supplier B	22,541	11.37	N/A
2					Others	1,112,703	88.36		Others	175,653	88.63	
	Net purchase amount	1,289,482	100.00		Net purchase amount	1,259,268	100.00		Net purchase amount	198,194	100.00	

Note 1: List the names of suppliers who have accounted for more than 10% of the total value of goods purchased in the year of the recent two years, and the amount and percentage of goods purchased. But codes are used to replace customer names which cannot be disclosed required by contracts, and individuals who are not related parties.

Note 2: As of the date of publication of the annual report, a company listed or whose shares have been traded on the premises of a securities broker should disclose its most recent financial information which has been certified or reviewed by accountants.

(2) Reasons for increase or decrease

In response to the different material requirements of customers' products, the purchase of related suppliers have to be increased.

2. Information of major sales customers

(1) Information on major sales customers in the past two years

Unit: NTD thousand

Item	2023				2024				Q1, 2025 (Note 2)			
	Name	Amount	Percentage in annual net sales (%)	Relationship with issuer	Name	Amount	Percentage in annual net sales (%)	Relationship with issuer	Name	Amount	Percentage in the net sales by the previous quarter of the current year (%)	Relationship with issuer
1	Customer A	1,985,971	47.99	N/A	Customer A	2,272,961	52.71	N/A	Customer A	278,257	40.98	N/A
2	Others	2,152,187	52.01		Others	2,039,541	47.29		Others	400,700	59.02	
	Net sales	4,138,158	100.00		Net sales	4,312,502	100.00		Net sales	678,957	100.00	

Note 1: List the names of customers who have accounted for more than 10% of the total value of goods sold in the year of the recent two years, and the amount and percentage of goods sold. But codes are used to replace customer names which cannot be disclosed required by contracts, and individuals who are not related parties.

Note 2: As of the date of publication of the annual report, a company listed or whose shares have been traded on the premises of a securities broker should disclose its most recent financial information which has been certified or reviewed by accountants.

(2) Reasons for increase or decrease

Changes in the overall environment and market demand have resulted in a increase in the proportion of net sales to major sales customers.

III. Status of Employees

Number of employees, average length of service, average age and education distribution ratio of employees in the last two years and as of the publication date of the annual report

Year		2023	2024	April 30, 2025 in the current year
Number of Employees	R&D	87	90	92
	Business	39	38	41
	Management	709	694	683
	Production	1,981	2,007	1,959
	Total	2,816	2,829	2,775
Average Age		41.46	40.06	41.17
Average Length of Service		8.86	7.82	8.45
Education Distribution Ratio	Doctor	0.18%	0.21%	0.14%
	Master	1.92%	2.08%	2.16%
	Bachelor	10.12%	8.34%	8.00%
	Junior College	8.45%	9.40%	9.26%
	High School	37.71%	26.05%	28.18%
	Below High school	41.62%	53.92%	52.26%

Note: Information for the year by the publication date of the annual report should be included.

IV. Expenditure on Environmental Protection

In the most recent year and up to the date of publication of the annual report, for losses due to environmental pollution (including compensation and environmental protection inspection results) and violations of environmental protection laws and regulations, what shall be specified is the date of punishment, the file number of punishments, the provisions of the laws and regulations violated, the contents of the laws and regulations violated, and the contents of punishments. And the estimated amounts that may occur at present and in the future, and responses shall be disclosed. If the estimates cannot be reasonably made, the fact that the estimates cannot be reasonably made should be specified: no such circumstances.

V. Labor Relations

(I) The Company's various employee welfare measures, further study, training and retirement systems and their implementation, as well as the agreement between labor and management and various measures to protect employees' rights and interests

1. Employee welfare measures and implementation

- In accordance with the law, the Company contributes labor insurance and national health insurance, and allocates welfare funds to set up the employee welfare committee, and organizes employee travel, gatherings and lottery activities.
- Welfare includes birthday gifts, wedding and funeral allowances, travel allowances, education grants, senior staff gifts, occupational annuity, hospital care allowances, emergency relief, special shops, regular health check-ups.
- Compensation includes competitive salary, extra bonus for three festivals, year-end bonus, performance bonus, etc.
- From 2020, an employee stock holding committee has been established to handle employee stock holding trust, where employees can deposit a certain amount of money every month, and the Company deposits the same amount. The practice is better than the industry average.

2. Employee's further education, training and implementation

- The Company aims to educate and cultivate employees, provides employees with opportunities and funds to take part in training, sets up the "Management Method of Education and Training" and "Operation Guidelines of Employee Training Subsidy," in order to enable employees to grow hand in hand with the Company, improve work quality, and enhance the overall interests of the Company.
- The human resources department of the Company is responsible for the implementation of employee education and training, coordinating all departments to

formulate annual education and training plans, which are divided into internal training and external training according to the functional needs of employees, including pre-service training for new employees, in-service education or training, professional training and corporate culture lectures, so as to improve the knowledge and skills of employees.

- Key talents are selected through an overall assessment of their job skills, work performance, development potential and regional dispatch willingness. In addition to providing salary subsidies, rotation and development at various production sites within the group, and management functional training, mid-level management and technical talents are cultivated, which is beneficial to talent connection and regional dispatch. Talent retention can also be strengthened through cultivation contracts, creating a win-win situation for key talents and the company.

3. Employee retirement system and implementation

- In accordance with the “Labor Standard Law,” the Company has established the “Employee Retirement Management Measures.” According to the provisions, the Company allocates the retirement reserves to the special account of the labor retirement reserves supervision committee every month, and has fully implemented the “Labor Pension Act” since July 1, 2005. The applicable provisions are as follows:

- (1) “The Labor Pension Act” shall apply to all those who have been employed since July 1, 2005 (included).
- (2) For those who started employment before 1 July 2005 (excluding), they may choose the pension system under the “Labor Pension Act” or the “Labor Standard Law” within 5 years from 1 July 2005 according to their actual needs; If the employee has not chosen by the end of the term, the pension provisions of the “Labor Standard Law” shall continue to apply from the date of implementation.
- (3) Employees in one of the following circumstances may ask for retirement.
 - a. Those who have worked for 15 years or more and are 55 years.
 - b. Employees who have worked for 25 years or more.
 - c. Those who have worked for more than 10 years and are 60 years old.

(4) Pension standard:

[Old Pension Scheme]

For employees who started employment before July 1st, 2005 (excluding July 1st), two bases are given for each full year of service, but one base is given for each full year of service for those with over 15 years of service. The maximum is 45 bases. Those less than six months shall be counted as six months; those who have completed half a year are counted as one year.

[New Old Pension Scheme]

For those who started employment after July 1, 2005 (inclusive), the Company’s retirement pension contribution under the new scheme is 6%.

4. Labor–management agreement and various measures to protect employees’ rights and interests

- Quarterly labor–management meetings are held, a labor–management consultation mechanism is established.
- Regularly and promptly revise working rules and personnel rules and regulations, clearly regulate and protect employees’ rights and interests.
- Promote gender equality at work and labor relations, and establish channels for employees to complain.

The Company is committed to enhancing labor harmony and two-way communication to resolve problems. So far, there are no major pending labor disputes.

5. Whether there is a code of conduct or ethics for employees

- The Company has established management rules such as “Work Rules” and “Code of Ethics for Employee Behavior,” for the Company and employees to follow. So that employees know the basic rules for their behavior or ethics. The contents of the rules are as follows:

- The employees of the Company shall be loyal to their duties, abide by all reasonable rules and regulations of the Company, and obey the reasonable command of supervisors at all levels, and shall not agree overtly but oppose covertly, or be perfunctory. Supervisors at all levels should kindly guide and inculcate employees.

- Employees of the Company should work hard, cherish public property, reduce wastage, improve quality and increase production; keep business or job secrets confidential.
 - The employees of the Company shall report to their direct supervisors their job performance or company affairs instead of to supervisors at higher level, except for emergency or special circumstances.
 - Employees of the Company shall not receive relatives or friends without approval during working hours, or leave work without permission. If it is necessary to receive visitors due to important accidents, they shall do so at designated time and place.
 - Employees of the Company shall not bring relatives and friends into the factory without approval.
 - Employees of the company shall not carry all kinds of contraband (such as guns or drugs) to workplace.
 - Employees of the Company shall not leave factory with public property without approval.
 - Employees of the Company shall go to and from work in accordance with the prescribed time, and play (swipe) the card in person, shall not entrust or play (swipe) the card on behalf of others, and shall not be late, leave early or conduct absenteeism, except for business trips or holidays.
 - To improve work efficiency, maintain discipline in the workplace, and establish a rewarding and punishing culture, the Company has set up a "Rewarding and Punishing Management Policy" for all employees to follow.
 - Computers are an important tool for our staff. In order to regulate the use of electronic tools by our staff, there are "Laptop Management Measures," "Network Management Measures" and "Software Management Measures" to follow
6. Working environment and personal safety protection measures for employees
- Attach great importance to the spirit of occupational safety and health, promulgate occupational safety and health policies and annual plans, and formulate occupational safety management regulations as the basis for employee compliance and management.
 - Establish a dedicated organization, and set up occupational safety business managers and occupational safety and health managers in accordance with the law.
 - Follow the "ISO45001 Occupational Safety and Health Management System" to ensure operational safety, regularly perform internal and external audits, internal auditor training, hazard identification and risk assessment, and complete annual third-party verification agency audit verification.
 - Convene the Occupational Safety and Health Committee: held every quarter, with labor representatives exercising their right to review; items include automatic inspections, employee work-related injuries, education and training situations, personal protective equipment inspections, and operating environment monitoring, etc. To protect employees, hazard identification and risk assessments are regularly conducted and training education is conducted.
 - Continue to promote employee health matters:
 - Conduct annual health examinations for in-service personnel (including special occupational health examinations).
 - Special medical staff provide on-site services every month, providing health consultation (continuous tracking of high-risk watch lists), work resumption assessment, work visits, etc.
 - Entrust qualified manufacturers to monitor the working environment (working area lighting, carbon dioxide concentration, noise, etc.) twice a year, announce the test results, and make improvements to abnormal areas.
 - Conduct monthly drinking water quality testing to ensure employees' drinking water is healthy and announce test results.
 - Regularly carry out factory disinfection and cooling water tower cleaning.
 - Four major plans for labor health protection are carried out every year (prevention of human-related musculoskeletal injuries, prevention of diseases caused by abnormal workload, prevention of illegal infringement while performing duties, and maternal health protection)
 - Establish qualified personnel in accordance with the law and implement relevant education and training.
 - Occupational safety education and training for new employees.

- Occupational safety education and training for working personnel.
- Occupational safety education and training for first responders.
- According to the characteristics of the factory operations, colleagues are arranged to receive special operation safety management personnel training, such as: fire prevention managers, forklift operators, fixed crane operators, etc.; those who have certificates and licenses receive on-the-job training on a regular basis in accordance with the law.

■ Fire safety

- Set up fire protection equipment systems in accordance with fire protection regulations.
- Every year, qualified manufacturers are entrusted to inspect and repair fire protection equipment in the factory to ensure the effectiveness of the system, and annual declarations are completed to the competent authorities in accordance with the law.
- Entrust qualified manufacturers to conduct factory electricity safety inspections every year.
- Self-defense firefighting marshaling training is held every six months to build up colleagues' ability to respond to disasters.
- The factory report to the competent authority for public safety inspection of the building every two years.

(II) Losses due to labor disputes in the most recent year and up to the date of publication of the annual report (including violations of the Labor Standard Law as a result of labor inspection, what shall be specified is the date of punishment, the file number of punishments, the provisions of the laws and regulations violated, the contents of the laws and regulations violated, and the contents of punishments). And the estimated amounts that may occur at present and in the future, and responses shall be disclosed. If the estimates cannot be reasonably made, the fact that the estimates cannot be reasonably made should be specified: no such circumstances.

VI. Cyber Security Management

(I) Clarify the information security risk management structure, security policy, specific management plan and resources invested in information security management, etc.:

1. Information security risk management structure

The Information Security Office is an independent department which is not affiliated to the users' department. It organizes a meeting at least once a month and has three staff members responsible for coordinating and implementing information security policies, promoting information security messages, raising staff awareness of information security, employee information security training courses, and collecting and improving the performance and effectiveness of the organization's information security management system. The Audit Office conducts an annual information security check on the computer cycle of the internal control system to evaluate the effectiveness of the Company's internal control of information operations.

2. Information security policies

The company has formulated the group information security maintenance plan and the implementation rules of the information security management method to implement the information security management, the Company has an internal control system – computer cycle and information security management regulations, through the joint efforts of all colleagues to maintain the Company's important systems and information security, and avoid business damage caused by major information security incidents.

3. Specific management plan

(1) Network information security control

- Set up a firewall
- Perform regular virus scans on computers and database
- Carry out network services in accordance with information security policies
- Introducing the Trend Defense Advanced (DDI) function to achieve an advance warning mechanism
- Periodically review each network service and track anomalies

(2) Data access control

- Computers are entrusted to a designated person to keep, and set accounts and passwords.

- Give different access permissions depending on the function.
 - Original access permissions of the transferred or outgoing personnel are cancelled
 - Remove or overwrite confidential and sensitive data and copyrighted software before the equipment is scrapped.
 - Remote access to the management information system should be properly approved
- (3) Contingency recovery mechanism
- Regular review of emergency response plan and annual exercise of system recovery
 - Establish and implement the remote backup mechanism
 - Regularly review network security control measures
- (4) Publicity and inspection
- Publicize at any time information of security information to enhance employee awareness of information security
 - Regularly carry out safety inspection of the information every year
4. Resources invested for information security management
- (1) In response to external security incidents, Megaforce Group security notification was issued to remind employees of following information security guidelines. In 2024, a total of 4 information security bulletins were issued in January, April, October and December.
- (2) Plan to introduce trending EDR endpoint advanced protection intrusion detection and information security event handling procedures in 2025 to implement risk assessment and prevention.
- (3) The Information Security Department established in 2024 to regularly conduct information security education, training and publicity, including information security policies, information security legal requirements, information security operating procedures, and promote employees to understand the importance of information security and comply with information security regulations.
- (II) Losses due to major information security incidents and labor disputes in the most recent year and up to the date of publication of the annual report, and possible impact and countermeasures. If the estimates cannot be reasonably made, the fact that the estimates cannot be reasonably made should be specified: no such circumstances.

VII. Important Contracts (relevant contracts that are still in force and expire in the most recent year as of the publication date of the annual report)

Contract	Party	Start and end dates	Main Content	Restrictions
Medium-term loan contract	Bank SinoPac	October 20, 2022 – October 20, 2026	Loan line: NT\$152 million	Pledge by Zhonghe and Tucheng real estate
Long-term loan contract	Bank of Taiwan	February 3, 2020 – February 3, 2036	Loan line: NT\$227 million	Pledge by Jiayi real estate
Shanghai Relocation Compensation Agreement	People's Government of Qingpu District, Shanghai	September 28, 2023 – New factory completed	Amount: RMB 432 million	-

VIII. Intellectual Property Management Plan

To implement the compliance of corporate governance regulations, standardize patent management, promote technological innovation and form independent intellectual property rights, the “Patent Management Measures,” “Trademark Management Measures,” “Intelligent Property Management Policies” and “Business Secret Management Measures” have been successively formulated to follow, and serve as the basis for the implementation of various intelligent property management measures in accordance with the operation targets each year. The Company regularly submits matters

related to its intellectual property to the Board of Directors annually, and the latest submission date is November 8, 2024.

■ Patent protection

To implement global patent laws and regulations, publicize patent knowledge, and encourage colleagues for invention, the “Patent Management Measures” are formulated to follow, and apply to all innovative technologies proposed for patent protection during internal or external cooperation development.

■ Trademark Management

“Trademark Administration Measures” are formulated for registration, proper use and effective management of trademarks. Design trademark patterns according to the purpose of use, decide on the country of application and the category of goods and services; after obtaining the exclusive right to use the trademark, the internal application should be completed first to ensure the correct marking and use of the drawings and categories; half a year before the expiration of the trademark right, the corresponding management department shall evaluate whether to maintain the validity.

■ Implementation of the management of intellectual property

Patent Development: Table of patents in force

Country	Republic of China	China	Others	Total
2024	33 pieces	114 pieces	20 pieces	167 pieces

Trademarks: Table of valid trademarks

Country	Republic of China	China	Others	Total
2024	16 pieces	7 pieces	5 pieces	28 pieces

■ Trade Secret

The company has implemented a business secret protection project since 2019, including information with business secret value in the master list of business secrets of each enterprise, and regularly reviewing newly added and declassified confidential information; in 2021, the scope of protection will be expanded to include general confidential information. ; In 2024, a confidentiality management information platform will be introduced. All information that has been approved as confidential will need to perform specific confidentiality protection work, such as applying electronic file formats, stamping paper documents with confidential document stamps, and using seals when transmitting and submitting documents, stickers and electronic files require lock codes, etc.; The legal department conducts inspections every year, publishes the inspection status, and requires continuous strengthening and improvement to ensure the effectiveness of confidentiality mechanisms.

Important employees related to the development and use of business secrets are required to sign confidentiality and non-competition agreements when they arrive, and necessary resignation management is carried out, including confidentiality reminder meetings before key personnel leave, and evaluation of non-competition restrictions.

V. Review of Financial Position, Management Performance and Risk Management

I. Financial Status

(I) Main reasons and effects of major changes in assets, liabilities and equity in the last two years

Unit: NTD thousand

Item \ Year	2023	2024	Variance	
			Amount	%
Current Assets	4,117,921	3,787,685	(330,236)	-8%
Real Estate, Plant and Equipment	871,598	779,114	(92,484)	-11%
Intangible Assets	36,727	42,157	5,430	15%
Other Assets	333,842	427,874	94,032	28%
Total Assets	5,360,088	5,036,830	(323,258)	-6%
Current Liabilities	2,004,891	1,555,203	(449,688)	-22%
Non-current Liabilities	1,248,076	1,151,401	(96,675)	-8%
Total Liabilities	3,252,967	2,706,604	(546,363)	-17%
Capital Stock	1,320,159	1,320,159	0	0%
Capital Reserves	830,473	840,798	10,325	1%
Retained Earnings	(31,036)	80,811	111,847	360%
Total Shareholders' Equity	2,107,121	2,330,226	223,105	11%

Explanation of major change items (the change rate in the previous and later periods is more than 20%, and the amount exceeds NT\$10 million):

1. Other assets: main reason: Recognition of deferred income tax assets in 2024.
2. Current liabilities: Due to the decrease in short-term debt and accounts payable in 2024.
3. Retained surplus: Mainly due to the net earnings after tax in 2024.

(II) If the impact is significant, its future response plan: Not applicable.

II. Operating Results

- (I) Main reasons for major changes in operating revenue, net operating profit and net profit before tax in the last two years

Table of Comparative Analysis of Operating Results

		Unit: NTD thousand		
Item \ Year	2023	2024	Increase or decrease in amount	Change percentage (%)
Operating revenue	4,138,158	4,312,502	174,344	4%
Operating costs	3,580,213	3,642,837	62,624	2%
Operating gross margin	557,945	669,665	111,720	20%
Operating expenses	604,397	662,399	58,002	10%
Net operating profit (loss)	(46,452)	7,266	53,718	116%
Non-operating revenue and expenses	39,078	139,581	100,503	257%
Net profit (loss) before tax	(7,374)	146,847	154,221	2091%
Income tax expense	125,662	73,420	(52,242)	-42%
Net profit (loss) for the current period	(133,036)	73,427	206,463	155%
Other comprehensive profit and loss (net after tax)	(9,261)	63,412	72,673	785%
Total comprehensive profit and loss for the current period	(142,297)	136,839	279,136	196%

Description of major change projects (If the change rate of the previous and later periods is more than 20% and the amount exceeds NT\$10 million):

1. Increase in operating gross profit: Mainly due to increase in operating income and changes in product mix.
2. Increase in net operating profit: Mainly due to increase in main operating gross profit.
3. Increase in non-operating revenue and expenses: Mainly due to decrease in impairment losses on non-financial assets and the increase in exchange gains and the increase in government subsidy income.
4. Increase in net profit before tax: Mainly due to the increase in operating gross margin and increase in non-operating revenue and expenses.
5. Reduction in income tax expenses: Please refer to the explanation in Note 6 (15) of the consolidated financial statements.
6. Increase in net profit for the current period: Based on the above.
7. Increase in other comprehensive profit and loss (net after tax): Mainly due to the increase in the exchange variance in the conversion of financial reports of foreign operating entities caused by exchange rate fluctuations.
8. Increase in total comprehensive profit and loss for the current period: Based on the above.

(II) Expected sales volume and its basis

The Company's expected sales volume is based on the overall industry environment and market supply and demand, as well as its own production capacity and business development. However, the company has not disclosed its financial forecast for 2025, and the product categories are diverse and the units are different, making it difficult to present them one by one, so it does not intend to disclose the expected sales volume.

(III) The possible impact on the Company's financials and business in the future, and the response plan.

Continue to control costs and strengthen operation and management. In addition, the company will continue to develop new businesses such as niche products related to AI applications and biomedicine, and strengthen the global layout to improve its overall competitiveness and corporate value.

III. Cash Flow

(I) Analysis and explanation of changes in cash flow in the latest year and improvement plan for insufficient liquidity

Unit: NTD thousand

Cash Balance at the beginning of the period	Net Cash Flow from Operating Activities for the year	Net Cash Flow from Investment and Financing Activities for the year	Amount of Cash Surplus (shortfall)	Remedial Measures for Cash Shortfall	
				Investment Planing	Financial Planning
2,133,533	204,872	(914,997)	1,487,239	N/A	N/A

- The net cash inflow from operating activities in 2024 was NT\$204,872 thousand, of which, In addition to the income and loss of NT\$275,729 thousand, the rest were mainly due to the decrease of NT\$36,482 thousand in accounts receivable, the decrease in inventory by NT\$62,783 thousand, the decrease in accounts payable by NT\$194,484 thousand, and the payment of income tax of NT\$85,055 thousand.
- The net cash outflow from investment activities in 2024 was NT\$410,461 thousand, mainly due to other financial assets increased by NT\$410,212 thousand (taken as a 3-year certificate of deposit).
- The net cash outflow from financing activities in 2024 years was NT\$504,536 thousand, mainly due to the net decrease of long-term and short-term borrowings of NT\$367,764 thousand, the net decrease of short-term ticket of NT\$100,000 thousand, repaid lease principal of NT\$58,480 thousand.

(II) Cash liquidity analysis for the next year

- Operating activities: Operating conditions remained stable in 2024. Accounts receivable and inventory were continuously controlled to maintain a stable net cash inflow from operating activities.
- Investment activities: In response to the development of new businesses, we will continue to implement investment plans in 2024. However, affected by the overall environment, we will prudently and conservatively control capital outflows to save the company's operating costs.
- Financing activities: We will adopt the most favorable financing scheme depending on the actual operating conditions and investment needs and take into account market conditions.
- Measures to make up for projected cash flow shortfall and flow analysis: None.

IV. Major Capital Expenditures

Impact of significant capital expenditure on financials and business In the most recent year : None.

V. Investment Policy

Reinvestment policy for the latest year, main reasons for profit or loss, improvement plan and investment plan for the next year

(I) Reinvestment policy of the Company

The decision-making authority of the Company makes reinvestment based on operational needs or the consideration of the Company's future growth and other factors. The demand department proposes an investment plan and makes a detailed evaluation of the organizational type, investment purpose, and location of new business, market conditions, business development, possible joint venture objects, shareholding ratio, reference price and financial status. The demand department reviews the completeness and rationality of the plan together with the Group's financial accounting department, and prepares an investment proposal evaluation table for the decision-making authority to use as the basis for investment decisions. In addition, for the invested businesses, the Company also keeps track of the operating status, analyzes the investment results, and helps the decision-making authorities to track and evaluate as part of post-investment management.

(II) Main reasons for profits or losses

Up to now, the operations of the major reinvestment businesses are still stable, but due to different customer portfolios and business strategy considerations, there are profits for some businesses and losses for others.

(III) Improvement plan and investment plan for the next year

In response to changes in the external environment, the Company has carried out resource integration and organizational adjustment. In the next year, the market development for biomedical business of material products and AI-related product application will continue to be promoted with increased investment.

VI. Risk Management

(I) The impact of interest rate, exchange rate fluctuations and inflation on the Company's profit and loss, and future countermeasures

1. Interest rate fluctuations

Impact

In the last two years, the interest on the Company's bank loans accounted for approximately 0.50% to 0.60% of the consolidated revenue. With other variables remaining unchanged, if the annual bank interest rate increased or decreased by 0.25%, the annual net pre-tax income would decrease or increase by approximately NT\$2,068 thousand to NT\$2,988 thousand, no significant impact

Unit: NTD thousand

Item	2023	2024	Q1 2025
Interest on bank loans	24,923	22,214	4,257
Net operating revenue	4,138,158	4,312,502	678,957
Interest on bank loans/Operating revenue	0.60%	0.52%	0.63%
Balance of long-term and short-term borrowings	1,195,000	827,236	785,507
The impact of 0.25% change of annual interest rate on profit and loss	2,988	2,068	491

Countermeasures

- A. Refer to the research reports and outlooks of domestic and foreign economic research institutions and banks, and the interest rate fluctuations of domestic and foreign indicator markets to grasp the trend of interest rates.
- B. Keep good contact and communication with correspondent banks, keep abreast of interest rate changes and strive for preferential interest rates.
- C. Make capital plans in advance, reduce financing needs in a timely manner, manage interest expenses effectively, and adjust financing plans promptly to maintain a sound financial structure.

2. Exchange rate changes

Impact

The products of the Company and its subsidiaries mainly sell in the export market and are mostly priced in US dollars and RMB. Therefore, the exchange rate changes of the US dollar and RMB have a great impact on its profit and loss. The Company uses the adjustment of US dollar and RMB assets and liabilities for natural hedging. The Company's needs of working capital will continue to be planned and arranged in advance, and the foreign currency assets and liabilities of each company of the Group will be adjusted promptly to reduce the risk of exchange rate fluctuations.

Unit: NTD thousand

Item	2023	2024	Q1 2025
Net exchange gains and losses	8,323	35,157	11,723
Net operating revenue	4,138,158	4,312,502	678,957
Exchange gains and losses/net revenue	0.20%	0.82%	1.73%
Net operating profit (loss)	(46,452)	7,266	(113,988)
Exchange gains and losses/net operating gains (loss)	17.92%	483.86%	10.28%

Countermeasures

- A. The business department, in quotation, has taken into account the impact of exchange rate fluctuations on the selling price, and adjusted the product price according to the exchange rate fluctuations to appropriately reflect the fluctuations and ensure the profitability of products.
- B. The purchase department and the supplier negotiate a consensus on common sharing of exchange rate risks, and decide whether to renegotiate the transaction price with the supplier according to the range of exchange rate changes.
- C. The financial department pay close attention to international financial conditions, obtain the latest information on exchange rate fluctuations, and ask correspondent banks to provide professional consulting services to fully master the trend of exchange rate, and adopt appropriate hedging strategies at appropriate times to reduce exchange rate risks according to the actual capital demand.
- D. In the future, natural hedging of foreign exchange positions will continue to be the main strategy for exchange rate risk control, and the positions of foreign currency assets and liabilities will be adjusted promptly to reduce the risk of exchange rate fluctuations.

3. Inflation

Impact

The Company's main business is mold development, and manufacturing and sales of plastic injection molding products. The current inflation has no direct material impact on the Company's profit and loss.

Countermeasures

- A. Refer to the statistics of Department of Statistics of the Ministry of Economic Affairs, and the research reports and economic indexes of major economic research institutions and professional investment institutions at home and abroad.
- B. Discuss and collect economic data from time to time to provide reference for management decision-making.

(II) Policies for engaging in high-risk and highly leveraged investments, capital loans to others, endorsement guarantee and derivative commodity trading, main reasons for profits or losses, and future countermeasures

The Company has not engaged in high-risk, highly leveraged investment and other transactions in the recent year, being conservative and prudent; the operating procedures for capital loans to others, endorsement guarantee and derivative commodity trading have been formulated in accordance with relevant provisions, and have been implemented in accordingly, and the announcement and declaration have been made regularly in accordance with relevant provisions.

(III) R&D plans and estimated R&D expenses in the future

The Company's R&D plans in the future mainly include:

- Development of an anti-static, high dimensional stability PPO material 、 Development of a lightweight, wind-resistant damping PA material 、 Research on a high toughness PPS material
- Development Passive bone implant sensing
- Development Tooth plaque detection indicator
- Development Tongue depressor Technology
- AI Solution for Company 、 AI Meeting Assistant 、 Medical AI
- AI Projector + Mobile APP
- AR HUD
- Unmanned Aircraft System AI image recognize system development
- AR autorefractor glasses developemnt 、 autorefractor device ddevelopment
- Retina glasses development
- Design, development, and production of blood purification devices.
- Assembly and testing of dental laser treatment devices.
- Design, development, and production of surgical instruments.
- Design, development, and production of medical imaging OCT (Optical Coherence Tomography) products.
- Assembly and performance testing of urinalysis equipment.

The Company is expected to invest NT\$125 million in R&D in 2025.

- (IV) The impact of important domestic and foreign policy and legal changes on the Company's financials and business, and the countermeasures

The "Medical Devices Act," which was passed on January 15, 2020 and implemented on May 1, 2021, removed the management of medical devices from the past "Pharmaceutical Affairs Act," and added the establishment of product source and flow information, electronic registration of some low-risk medical devices, flexible approval of license validity period and active notification obligation of industry players, etc. This new act not only accelerates the process of product marketing, benefits patients, but also promotes the development of the industry and improves the management system of medical devices, which is of great importance to the operation and development of the Company's biomedical department. In addition, since the new law stipulates penalties for violating specific control matters, compliance inspections and violations prevention studies have been conducted on relevant important standards to eliminate risks.

- (V) The impact of technological changes (including information and communications security risks) and industrial changes on the Company's financials and business, and countermeasures

In the environment of rapid industrial development and change, we can only seek differentiation and strengthen core competitiveness to develop blue ocean technology, products and markets. Therefore, the Company actively participates in various industrial exhibitions at home and abroad, and jointly develops new technologies and products with strategic customers to enhance our adaptability of the environment. In addition, the Company integrates internal technology of mechanical optical electronics software and hardware to establish synergy and core capabilities, and fully communicate with research institutes or universities to jointly develop the latest technology to enhance competitiveness in the future market.

In response to the increasing impact of information and communications security risks on businesses, information security management is implemented through processes such as strengthening concepts, prevention, behavior recording, proactive early warning and regular audit, so that the Company can operate , and protect customer data and the Company's intellectual property. The Company set up a Group information department responsible for information security management, and formulating information security policies according to the actual internal management needs. In addition, with the information security inspection, information personnel regularly participate in external seminars to understand the information security problems and preventive measures, increase the knowledge and practice of information security, and promote the awareness of information protection with all colleagues, and issue information security notice from time to time, so as to improve preventive measures of the relevant departments and colleagues.

- (VI) The impact of corporate image change on corporate crisis management and countermeasures

The Company adheres to the core value of broadness, innovation, promptness, sincerity and teamwork to treat every employee and serve customers, enjoys a good corporate image, and has won a good reputation. There is nothing that harms the corporate image.

- (VII) Expected benefits, possible risks and countermeasures of merger and acquisition: no such circumstances, it is not applicable.

- (VIII) Expected benefits, possible risks and countermeasures of expansion of the plant: no such circumstances, it is not applicable.

- (IX) Risks arising from concentration of purchase or sale of goods, and countermeasures

The largest supplier accounted for 11.64% and 8.79% of the total purchase amount in 2024 and 2023 respectively. There is no over-concentration of purchases.

The sales value the Company's largest customer in 2024 and 2023 accounted for 52.71% and 47.99% of the total annual net sales respectively. To avoid high sales concentration, in addition to continuously evaluating the financial situation and operating situation of customers, the Company actively develop other customers to disperse the risk of high sales concentration.

- (X) The impact, risks and countermeasures of a mass transfer or replacement of shares of directors, supervisors or major shareholders holding more than 10% of the shares in the Company: no such circumstances, it is not applicable.

(XI) The impact of the change of management right on the Company, risks and countermeasures: no such circumstances, it is not applicable.

(XII) Litigation or non-litigation matters

The relevant information shall be disclosed of any major litigation, non-litigation or administrative litigation that has been determined or is still pending in the latest year and as of the date of publication of the annual report, involving the Company and its directors, supervisors, general manager, substantial responsible persons, major shareholders holding more than 10% of the shares and affiliated companies, and the outcome of which may have a material impact on the rights and interests of shareholders or the price of securities of the Company: no such case. No such event has ever occurred.

(XIII) Other important risks and countermeasures: None.

VII. Other Important Matters: None.

VI. Other Special Notes

I. Affiliated Companies

The Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are prepared in accordance with the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises, has been disclosed in the MOPS " Affiliated Companies reports " section under "E-books". The reference URL is as follows:

https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=3294&year=&mtype=K&isnew=true

II. Private Placement Securities

In the most recent year and up to the date of publication of the annual report, handling of private equity: None.

III. Special Notes

In accordance with the provisions of the Letter Zheng-Gui-Jian-Zi No. 1020200236 issued by Taipei Exchange of the Republic of China on March 21, 2013, the Company discloses the outstanding OTC commitments: all the Company's OTC commitments have been completed.

VII. Events that have a significant impact on shareholders' rights and interests or securities prices as specified in subparagraph 2, Item 3, Article 36 of the Securities and Exchange Act occur in the most recent year and up to the date of publication of the annual report: None.

Megaforce Company Limited

Chairman: Wen-Lin, Hsu